

**A N N U A L
R E P O R T
2 0 1 6 - 1 7**



ORISSA SPONGE IRON & STEEL LIMITED

Board of Director

Mr. B.K.Sarkar	Director
Mr. A.K.Mukherjee	Director
Mr. S.K.Khetan	Director (till 01.01.2017)
Mr. S.K.Kar	Director
Ms. Nancy Roy	Director (From 14.01.2017)
Mr. M.B. Bhagat	Director (From 02.02.2017)
Mr. A.Tulsyan	Director (From 18.02.2017)
Mr. M.Mohanty	Wholetime Director
Dr. P.K.Mohanty	Chairman & Managing Director

Director & CFO

Mr. M. Mohanty

Auditors

A.K.Bhardwaj & Co
Chartered Accountants
60 Bentinck Street
Kolkata - 700061

Registrar & Share Transfer Agent

Link Intime India Private Limited
59C, Chowringhee Road
3rd Floor
Kolkata – 700020

Registered Office

OSIL House
Gangadhar Meher Marg
Bhubaneswar - 751024

Corporate Office

CIC Building, 11th Floor
33A, Jawaharlal Nehru Road
Kolkata - 700071

Plant

P.O.Palaspanga
Dist. Keonjhar – 758 031
Odisha

Bankers

State Bank of India
Bank of India

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ORISSA SPONGE IRON & STEEL LIMITED

Registered Office: OSIL House, Gangadhar Meher Marg, Bhubaneswar - 751 024

CIN:L27102OR1979PLC000819

Ph: 033-22883910-16; Fax: 033-22272511

Email: corporate@orissasponge.com; Website: www.orissasponge.com

NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of the Company will be held on Saturday 23rd September, 2017 at Hotel Grand Central, Bhubaneswar at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit & Loss for the year ended 31st March, 2017 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon and to pass with or without modification the following Resolution as Ordinary Resolution

Resolved that the Statement of Profit and Loss for the year ended 31st March, 2017 and the Balance Sheet as on that date together with the Schedules annexed thereto along with the Auditors' Report thereon and the Directors' Report attached thereto be and are hereby received, considered and adopted.

2. To appoint a Director in place of Mr. S.K.Kar (DIN 07220972), who retires by rotation and being eligible offers himself for re-appointment
3. To ratify the appointment of Statutory Auditors of the Company and, if thought fit, to pass with or without modification the following Resolution as Ordinary Resolution:

Resolved that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under and pursuant to the Resolution passed by the Shareholders at the 35th Annual General Meeting of the Company held on 19th February, 2016 in respect of the appointment of M/s. Bhardwaj & Co., Chartered Accountants (FRN 316085E) to hold office from the conclusion of this 35th Annual General Meeting to the conclusion of the 40th Annual General Meeting, the Company hereby ratifies and confirms the appointment of M/s. Bhardwaj & Co., Chartered Accountants (FRN 316085E) to hold office from the conclusion of this 37th Annual General Meeting to the conclusion of the 38th Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors and the Auditors, plus out of pocket expenses incurred in connection with the audit.

AS SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification, the following Resolution as Ordinary Resolution
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 as amended from time to time and Regulation 25 of SEBI (LODR) Regulations, 2015, Ms. Nancy Roy (DIN 07702150) who was appointed as an Additional Director of the Company under Section 161(1) of the Act and the Article of Association of the Company and whose term of office expires at the Annual General Meeting, and who has given a declaration that she meets with the criteria of independence as provided in sub section (6) of Section 149 of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director of the Company, be and is hereby appointed as a Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years with effect from 14.01.17
5. To consider and if thought fit to pass with or without modification, the following Resolution as Ordinary Resolution
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 as amended from time to time and Regulation 25 of SEBI (LODR) Regulations, 2015, Mr. Mukesh Bhushan Bhagat (DIN 00055064) who was appointed as an Additional Director of the Company under Section 161(1) of the Act and the Article of Association of the Company and whose term of office expires at the Annual General Meeting, and who has given a declaration that he meets with the criteria of independence as provided in sub section (6) of Section 149 of the Act and who qualifies for being appointed as an Independent Director

and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company, be and is hereby appointed as a Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years with effect from 02.02.17

6. To consider and if thought fit to pass with or without modification, the following Resolution as Ordinary Resolution
- "RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 as amended from time to time and Regulation 25 of SEBI (LODR) Regulations, 2015, Mr. Anurag Tulsyan (DIN 01035316) who was appointed as an Additional Director of the Company under Section 161(1) of the Act and the Article of Association of the Company and whose term of office expires at the Annual General Meeting, and who has given a declaration that he meets with the criteria of independence as provided in sub section (6) of Section 149 of the Act and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company, be and is hereby appointed as a Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years with effect from 18.02.17

7. To ratify the remuneration of Cost Auditors and to pass with or without modification the following Resolution as Ordinary Resolution

Resolved that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the applicable Rules framed there under, the remuneration of Rs. 25,000 exclusive of taxes plus out of pocket expenses incurred in connection with the audit paid/payable to the Cost Auditors M/s. B.Ray & Associates, Cost Accountants (FRN 000155) for carrying out the Cost Audit with respect to manufacturing of sponge iron and generation of power at Palaspanga, Dist Keonjhar, Odisha for the Financial Year 2016-17 and 2017-18 be and is hereby approved, ratified and confirmed.

8. To consider and if thought fit, to give assent or dissent to the following resolution as Special Resolution:

Borrowing Powers of the Board

"Resolved as Special Resolution that in supersession of the Resolution passed by the Shareholders of the Company at the Annual General Meeting of the Company held on 26.09.2008 under the provisions of Section 293 (1) (d) of the Companies Act, 1956, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company by way of a Special Resolution be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

"Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required in its absolute discretion to give effect to this Resolution."

9. To consider and if thought fit, to give assent or dissent to the following resolution as a Special Resolution:

Creation of Charges on the Movable and Immovable Properties of the Company, both Present and Future, in respect of Borrowings.

"Resolved as a Special Resolution that in supersession of the Resolution passed by the shareholders of the Company at the Annual General Meeting of the Company held on 17.09.2004 under the provisions of Section 293 (1) (a) of the Companies Act, 1956, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company by way of a Special Resolution be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain

events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ 'A' Ordinary Shares and/or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher."

"Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required in its absolute discretion to give effect to this Resolution."

Registered Office

OSIL House,
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CIN:L27102OR1979PLC000819
Phone: 033-22883910-16
Fax: 033-22272511
Email: corporate@orissasponge.com
Website: www.orissasponge.com
Kolkata, 12th August, 2017

By order of the Board
Orissa Sponge Iron & Steel Limited

Ankur Gupta
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under the provisions of the Companies Act, 2013, the following explanatory statement set out all material facts relating to the business mentioned therein:

Item No 4, 5 & 6

Ms. Nancy Roy (DIN 07702150), Mr. Mukesh Bhusan Bhagat (DIN 00055064) and Mr. Anurag Tulsyan (DIN 01035316) were appointed on 14.01.2017, 02.02.2017 and 18.02.2017 respectively as Additional Directors. Having been categorized as Independent Directors, the Company has received declaration from the respective Directors that they meet the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013. Pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 which came into effect from 1st April, 2014, the Independent Directors shall hold office for a term of five consecutive years on the Board of the Company and are not liable to retire by rotation. Further approval of the shareholders is required for their appointment.

Accordingly the matter regarding appointment of the above Directors as Independent Directors was placed before the Nomination and Remuneration Committee at the meeting held on 2nd February, 2017 and the Board at the meeting held on 2nd February, 2017 for the appointment of Ms. Nancy Roy and Mr. Mukesh Bhusan Bhagat and 18th February, 2017 for the appointment of Mr. Anurag Tulsyan. Considering their qualification and experience they are qualified to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the Company stand to gain by their association. Therefore the above mentioned Directors fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under as well as Regulation 25 of SEBI (LODR) Regulations, 2015 and are eligible and justified to be appointed as Independent Directors.

Particulars of the Directors, seeking appointment / re-appointment at the 37th Annual General Meeting in pursuance of Regulation 36 (3) of SEBI (LODR) Regulations, 2015 is given in Annexure A.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above mentioned Directors as Independent Directors is now being placed before the members for their approval. The Board recommends the Resolutions for approval of the members

Except the above mentioned Directors in their respective individual capacity, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolutions.

Item No. 7

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s B.Ray & Associates, Cost Accountants, was appointed as Cost Auditors to audit the Cost Records of the Company with respect to manufacturing of sponge iron and generation of power at Palaspanga, Dist Keonjhar, Odisha for the Financial Years 2016-17 and 2017-18 at a remuneration of Rs 25000 per annum exclusive of taxes plus out of pocket expenses incurred in connection with the audit. In accordance with Rule 14 of the said Rules, approval of the shareholders is hereby sought for ratification of the remuneration paid for the Financial Year 2016-17 and payable for the Financial Year 2017-18 to the Cost Auditor as mentioned in the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution.

The Board recommends the Resolution for the approval of the members

Item No. 8

The shareholders of the Company at the Annual General Meeting of the Company held on 26.09.2008 under the provisions of Section 293 (1) (d) of the Companies Act, 1956 accorded their consent to the Board of Directors for borrowing up to Rs.2500 Crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

Now it is proposed to take a fresh approval for the borrowing limits under the provisions of Section 180 (1) (c) of the Companies Act, 2013 to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 2500 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher. It is necessary to obtain fresh approval of the shareholders by means of a Special Resolution.

The Board recommends the Resolution at Item No.8 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

Item No. 9

The Company is proposing to take a fresh approval for the borrowing power of the Board for Rs. 2500 Crores under the provisions of Section 180 (1) (c) of the Companies Act, 2013 in suppression of the earlier approval taken under the provisions of Section 293 (1) (d) of the Companies Act, 1956 and as such, it is necessary to obtain fresh approval of the shareholders under the provisions of Section 180 (1) (a) of the Companies Act, 2013 by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 2500 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The Board recommends the Resolution at Item No.9 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

Registered Office

OSIL House,
Gangadhar Meher Marg
Bhubaneswar – 751 024

CIN:L27102OR1979PLC000819
Phone: 033-22883910-16
Fax: 033-22272511
Email: corporate@orissasponge.com
Website: www.orissasponge.com
Kolkata, 12th August, 2017

By order of the Board
Orissa Sponge Iron & Steel Limited

Ankur Gupta
Company Secretary

Notes

1. **A member entitled to attend and to vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/HERSELF and such proxy need not be a member. The instrument appointing proxy in order to be effective should be duly stamped, completed and signed and should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.**
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.
3. Members / Proxy should bring the attendance slip duly filled in for attending the meeting. The role of Proxy at the meeting shall be governed by the prevailing rules and regulations.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, the 15th September, 2017 to Saturday, the 23rd September, 2017 (both days inclusive)**.
5. All documents referred to in the accompanying Notice and the Explanatory Statement is open for inspection at the Registered Office of the Company during the office hours on all working days except Saturday between 11.00 a.m. and 4.00 p.m.
6. Members are requested to intimate the change of their address if any, immediately to the Registrar & Transfer Agent of the Company (RTA).
7. Members who are holding the shares in physical form are requested to open a Depository Account with any of the Depository participants attached to any of the two depositories (NSDL or CDSL) registered under the Depositories Act, so that a member may hold share on paperless de-materialized form, and enjoy better liquidity and other advantages.
8. For all matters relating to shares, members are requested to contact the RTA/Company at the following address:

Link Intime India Pvt. Limited, 59C, Chowringhee Road, 3rd Floor Kolkata – 700020. Phone No: 033-2289-0540 Fax No: 033-2289-0539 E-mail: kolkata@linkintime.co.in.

OR

Orissa Sponge Iron & Steel Limited (Share Department) Chatterjee International Center, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071. Phone –2288 3910-16, Fax – 033-22272511, E-mail – corporate@orissasponge.com

9. Members, who have multiple accounts in identical names or joint names in same order, are requested to intimate M/s. Link Intime India Pvt. Limited, the ledger folio of such accounts to enable the Company to consolidate all such holdings into one account.
10. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificate in physical form and willing to avail this facility may make nomination in Form SH 13, which may be sent on request. However, in case of demat holdings the shareholders should approach their respective depository participants for recording nominations.
11. The Company has transferred unpaid/ unclaimed dividend for the financial year 2004-05 and earlier years to the Investor Education and Protection Fund (IEPF). Once unclaimed dividend is transferred to IEPF no claim shall lie in respect thereof.
12. Particulars of Directors seeking appointment / re-appointment at the 37th Annual General Meeting in pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015 is given in Annexure A.
13. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in regard to the Special Business to be transacted at the meeting is enclosed and forms part of the notice.

14. The instructions for Voting

14.1 The instructions for shareholders voting electronically are as under:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company hereby provides members the facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd. (CDSL). The following are the instructions for e-voting purpose.

- (i) The voting period begins on Wednesday, 20th September, 2017 at 9.00 am and ends on Friday 22nd September, 2017 at 5.00 pm. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 16th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the **Electronic Voting Event Number (EVEN)** along with Orissa Sponge Iron & Steel Limited from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL : 16 DIGITS BENEFICIARY ID,
 - b. For NSDL: 8 character DP ID followed by 8 digit client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) For shareholders holding shares in physical form and first time users holding shares in demat form, the steps given below are to be followed:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department Members who have not updated their PAN with the Company/DP are requested to use the sequence no. which is printed on Attendance Slip indicated in the PAN field.
Date of Birth or Date of Incorporation Or Bank Account No	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in dd/mm/yyyy format. Or Enter the dividend bank account no as recorded in your demat account or in the company's records for the said demat account or the folio no. Or Please enter any one of the details to login. In case both the details are not recorded with the DP or the Company, please enter the no of shares held in the bank account no field.

- (ix) After entering these details appropriately, click on "SUBMIT" TAB.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, 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.
- (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 Orissa Sponge Iron & Steel Limited on which you choose to vote.
- (xiii) On the voting page, you will see 'RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be

displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders & Custodians:
 - Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate or Custodians.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using admin login and password. The compliance user would be able to link the account(s) for 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 will be able to cast their votes.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xx) 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.
- (xxi) The voting rights of shareholders shall be in proportion to their shares of the fully paid up equity shares capital of the company on the cut off date of 16th September, 2017
- (xxii) Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. FCS 4848) of M/s. A.K.Labh & Company, Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata 700013 has been appointed as Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- (xxiv) The results shall be declared after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.orissasponge.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company’s shares are listed.

14.2 Instructions for Voting through Ballot Form

The Shareholders who are not able to vote electronically may vote through the Ballot Form at the venue of the Annual General Meeting

14.3 Mode of voting

A member can opt for only one mode of voting i.e either through e-voting or by ballot. If a member casts vote by both these modes, then voting done through e-voting shall prevail and the vote cast through ballot shall be treated as invalid.

Annexure "A" to the Notice
INFORMATION PURSUANT TO REGULATION 36(3) OF SEBI (LODR) REGULATIONS 2015
AND CLAUSE 1.2.5 OF THE SS 2 ARE AS UNDER:

Particulars	Ms. Nancy Roy	Mr. Mukesh Bhusan Bhagat	Mr. Anurag Tulsian
Date of Birth	21.11.1986	11.09.1963	04.06.1972
Expertise in Specific Areas	She is Law Graduate with around 10 years of experience specifically in IPR and Code of Civil Procedure matters.	He is a Chartered Accountant with more than 30 years of experience in accounting and finance etc.	He is a Chartered Accountant with more than 21 years of experience in taxation, accounting, auditing and internal control.
Qualifications	LLB, PG Diploma in Intellectual Property Law	B. Com, FCA	B.Com, FCA
Directorship in other Companies	NIL	NIL	ASIAN FERTILIZERS LIMITED
Shareholding in the Company as on 31.03.2017	NIL	NIL	NIL

Orissa Sponge Iron & Steel Limited

DIRECTORS' REPORT

Your Directors submit the following report on Financial Results for the year ended 31st March 2017:

Financial Results

	For the year ended 31 st March 2017 (₹ in lacs)	For the year ended 31 st March 2016 (₹ in lacs)
Turnover	346.49	673.84
Profit / (Loss) before depreciation	(7759.06)	(7191.30)
Depreciation (net of revaluation adjustment)	900.16	927.84
Profit / (Loss) before tax	(8659.22)	(8119.14)
Provision for Deferred Tax-Assets	(1278.77)	1376.25
Profit / (Loss) after tax	(9937.99)	(6742.89)
Surplus(Deficit) brought forward from previous year	(42815.60)	(36072.71)
Surplus(Deficit) carried forward to Profit & Loss A/c	(52753.59)	(42815.60)

State of Affairs

The Company suspended production in June 2012 due to unviable cost economics and continuing losses. The loss for the financial year 2016-17 amount to ₹ 8659.22 lakhs, In the present scenario resumption of plant operations and viability of the Company is largely dependent on availability of raw material from captive sources.

The net worth of the Company has been fully eroded as on 31st March, 2015 under the applicable provisions of the Sick Industrial Companies (Special Provisions) Act 1985 (SICA). The Company has made reference to the Board for Industrial and Financial Reconstruction (BIFR) in terms of Section 15(1) of SICA. While the matter was under consideration SICA stands repealed w.e.f 01.12.2016 and Section 5 of the SICA Repeal Act, 2003 provides for "saving" provisions which states that any rights/privileges accrued under the repealed enactment shall not be affected

State Bank of India on behalf of itself, Bank of India and Punjab National Bank have issued Possession Notice dated 24.04.2015 under Section 13(4) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) in respect of the properties described in the notice. Indian Renewable Development Agency (IREDA) has also issued notice under Section 13(2) of SARFAESI. In addition, State Bank of India, Punjab National Bank and Edelweiss Asset Reconstruction Company Limited has also filed application under Section 19 (1) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Debt Recovery Tribunal (DRT). IREDA is also pursuing the cases initiated by them against the Company for dishonour of cheques.

The Company has made representation before all the lenders explaining the reasons for the current state of affairs and the action plan for revival of the company in the near future. The Company is hopeful of receiving favourable response from the lenders for a comprehensive debt restructuring and working capital facility in view of the iron ore mines allotted to the company which on commencement of mining operations has the potential to turnaround the company into a profitable unit in the near future.

Dividend

Your Directors regret their inability to recommend any dividend for the year in view of losses

Reserves

The Reserves and Surplus as on 31.03.2017 is negative at ₹12396.98 lakhs

Future Outlook

The Company was allotted Iron Ore Mines by the Central Government and the State Government of Odisha. Commencement of mining operations from the mines requires several approvals, clearances and fulfillment of conditions as specified in the respective documents. The Company has received all approvals and clearances including Stage I Clearance from the Ministry of Environment and Forest vide Letter dated 21st September, 2016 and Compliance Certificate under the Scheduled Tribes and Other Traditional Dwellers (Recognition of Forest Rights Act) 2006 vide Letter dated 23rd June, 2016. The Company is presently awaiting execution of mining lease having received Letter from the Central Government under Section 2 (iii) of the Forest Conservation Act, 1980 for proceeding to execute the Mining Lease.

Availability of iron ore from captive mines will permit production at higher capacity and significantly improve profitability of the Company.

Changes in Capital Structure

Equity Shares

15,00,000 Equity Shares were issued and allotted on conversion of equivalent share warrants at the Board Meeting held on 02.02.2017

12,90,000 Equity Shares were issued and allotted on conversion of equivalent share warrants at the Board Meeting held on 18.02.2017

Preference Shares

Allotment of 200,00,000 10% Non Convertible Cumulative Redeemable Preference Shares of ₹ 10/- aggregating ₹ 20 crores allotted at the Board Meeting held on 14.08.2014 was found to be irregular and non compliant of extant laws as opined by Legal Experts. The said shares were therefore cancelled at the Board Meeting held on 18.02.2017 and restored to its original position prior to allotment.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The Company does not have any unclaimed dividend for transfer to Investor Education and Protection Fund.

Subsidiary Company

The Company has no subsidiary on the reporting date.

Directors and Key Managerial Personnel

(1) Independent Directors

Ms. Nancy Roy (DIN 07702150), Mr. Mukesh Bhusan Bhagat (DIN 00055064) and Mr. Anurag Tulsyan (DIN 01035316) were appointed as Additional Directors on 14.01.2017, 02.02.2017 and 18.02.2017 respectively all in the category of Independent Directors.

The Company has received declarations from the aforesaid Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (LODR) Regulations, 2015. Accordingly their respective appointments for a term of 5 years as Independent Directors are being placed at the forthcoming Annual General Meeting for approval of shareholders.

Mr. S.K.Khetan, Independent Director ceased to be a Director in terms of Section 167 of the Companies Act, 2013.

Orissa Sponge Iron & Steel Limited

(2) Nominee Directors

The nomination of Ms. Sonia Jabbar (DIN 01222834) on the Board by Torsteel Research Foundation in India (TRFI) was withdrawn by TRFI by letter dated 06.06.16 which was taken on record by the Board at the Meeting held on 11.06.16. Accordingly she ceased to be a Director on the record date.

(3) Executive Directors

The term of office of Dr. P.K.Mohanty, Vice Chairman and Managing Director expired on 22nd June, 2016 as per the terms of appointment approved by the Central Government. On the recommendation of the Nomination and Remuneration Committee, he was re-appointed as Vice Chairman and Managing Director for a period of 3 years retrospectively from 23rd June, 2016 at the Board Meeting held on 13.10.2016. Shareholders approval by Special Resolution was obtained at Annual General Meeting held on 16.12.2016. The approval of Central Government is awaited.

Dr.P.K.Mohanty was appointed as Chairman of the Company at the Board meeting held on 18.02.2017.

Mr. Munir Mohanty, Whole-time Director continues to hold office having been appointed for a period of 5 years with effect from 31st May, 2013 in terms of the approval granted by the Central Government.

(3) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. S.K.Kar, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

(4) Key Managerial Personnel

Mr. Ankur Gupta was appointed as Company Secretary and Compliance Officer at the Board Meeting held on 18.02.2017 with effect from 01.03.2017.

Meetings

(1) Meeting of the Board of Directors

During the financial year 2016-17, four meetings were held the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 except for a delay of 3 days in the second quarter due to unavoidable reasons.

(2) Meeting of the Independent Directors

In terms of Schedule IV of the Companies Act, 2013 and revised Regulation 25 (3) of SEBI (LODR) Regulation, 2015, a meeting of the Independent Directors was held on 18.02.2017, wherein the performance of the non independent Directors including the Chairman and the Board as a whole was reviewed. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors of the Company.

Corporate Governance

(1) Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures from the standards.
- b) Accounting policies were selected and applied consistently. Judgments and estimates that are reasonable and prudent are made, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the Loss of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Accounts for the financial year ended 31st March 2017 have been prepared on a 'going concern' basis.
- e) The laid down internal financial controls to be followed by the company are adequate and are operating effectively
- f) Proper system devised by the company to ensure compliance with the provisions of all applicable laws were adequate and are operating effectively

(2) Management Discussion and Analysis

A detailed report on the Management Discussion and Analysis for the year under review as stipulated under Regulation 34 ((2) (e) read with Section B of Schedule V of SEBI (LODR) Regulation, 2015 is provided as a separate Section in the Annual Report which forms part of this Directors Report

(3) Corporate Governance Report

A detailed report on Corporate Governance as stipulated under Regulation 34(3) read with Section C of Schedule V to SEBI (LODR) Regulation, 2015 is provided in a separate section and forms part of this Directors Report

A Certificate from M/s A.K.Labh & Co., Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation is attached to the Report on Corporate Governance.

(4) CEO & CFO Certification

As required under Regulation 17(8) read with Part B of Schedule II to SEBI (LODR) Regulation, 2015, the Managing Director & CFO has provided Compliance Certificate to the Board of Directors.

Related Parties

Related Party transactions are disclosed in Note No. 35 of the Notes on Accounts and forms part of this report.

There are no materially significant related party transaction made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large

Committees of the Board

(1) Audit Committee

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming part of this Report. There has been no instance where the Board has not accepted the recommendation of the Audit Committee

(2) Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee have been furnished in the Corporate Governance Report forming part of this Report.

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(3) Stakeholders Relationship Committee

The composition and terms of reference of the Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming part of this Report.

(4) Ethics Committee

The composition and terms of reference of the Ethics Committee have been furnished in the Corporate Governance Report forming part of this Report.

(5) Risk Management Committee

The composition and terms of reference of the Risk Management Committee have been furnished in the Corporate Governance Report forming part of this Report.

Policies and Codes

(1) Remuneration Policy

The Policy of the Company on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel including criteria for determining qualification, positive attributes, independence of a Director and other matters provided in Section 178 (3) of the Companies Act, 2013, is dealt in detail in the Report on Corporate Governance

(2) Whistle Blowers Policy

The Company has formed a Whistle Blower Policy/Vigil Mechanism as required under Section 177 (9) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulation, 2015. A Vigil (Whistle Blower) Mechanism provides a channel to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct / business ethics that provides for adequate safeguards against victimization of the director(s) and employee (s) who avail of the mechanism. No director / employee have been denied access to the Chairman of the Audit Committee. The said Policy may be referred to at the Company's Website.

(3) Risk Management Policy

The process of identification and evaluation of various risks inherent in the business environment and the operations of the company and initiation of appropriate measures for prevention and /or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Managing Director of the Company. The Risk Management Committee periodically reviews the adequacy and efficacy of the overall risk management system.

(4) Policy on prevention of Sexual Harassment

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee has been set up for the purpose. No complaint was received during the year. The Audit Committee periodically reviews the adequacy of the system on prevention of sexual harassment overall risk management system.

(5) Policy on Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company. However the internal CSR Policy encompasses the Company's philosophy for giving back to the society as a corporate citizen. CSR activities in the Company are carried through OSIL TRFI Community Services Trust.

(6) Policy on determining Material Subsidiaries

As the Company has no subsidiary, the requirement of Regulation 34(3) read with Schedule V Part C (10) (e) of SEBI (LODR) Regulations 2015, is not applicable to the Company

(7) Policy on Materiality of and Dealing with Related Party Transactions

As required under Regulation 23 of SEBI (LODR) Regulation, 2015 the company has formulated a Policy on Materiality of and Dealing with Related Party Transaction and the same has been put up on the Company's Website.

(8) Code of Conduct

Code of conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices for prevention of Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading), Regulations, 1992, as amended from time to time, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers, Which lays down guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company so as to preserve the confidentiality and prevent misuse of unpublished price sensitive information by Directors and specified employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre clearance of transactions by such persons so that they may not use their position or knowledge of the company to gain personal benefit or to provide benefit to any third party.

Corporate Social Responsibility

Your Company provided financial assistance of ₹ 19.75 lakhs to Green Field School, located in Palaspanga, Dist. Keonjhar, Odisha for Children education. Your Company regrets its inability to provide the desired support for CSR activities due to financial losses suffered by the Company.

Quality

Your Company continues to follow the Quality Management System for Production and supply of Sponge Iron and Steel Billets and possesses Certificate of Registration of ISO 9001:2008 from British Certification Inc. Your Company is proud of maintaining the clean environment in the vicinity of the Plant and your Company's Environmental Management System applicable to production and supply of Sponge Iron and Steel Billets has been certified under ISO 14001:2004 by British Certification Inc. The occupational Health and Safety Management System of your Company has also been certified by the same Agency and your Company complies with the requirements of OHSAS 18001:2007.

Listing Fees

The annual listing fees have been paid to the Stock Exchanges where the Company's shares are listed for the years 2015-16, 2016-17 and 2017-18. Your Company's application to National Stock Exchange (NSE) for listing and Calcutta Stock Exchanges for de-listing is pending before the respective Exchanges.

Reconciliation of Share Capital

In compliance of the directions of Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital is being carried out quarterly by a Practising Company Secretary. The findings of the Reconciliation of Share Capital were satisfactory.

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Conservation of energy, technology absorption, foreign exchange earning and outgo

Since the plant operations are closed from June 2012, no figures are available for conservation of energy; technology absorption etc as required under the provisions of the Act read with Rule 8 (3) of the Companies (Accounts) Rules 2014. The relevant information applicable to the company under these circumstances are given below:

- (1) During the year the Company has purchased electricity 573360 units (last year 590160 Units from NESCO amounting to ₹ 46.08 lakhs (₹46.32 lakhs)
- (2) During the year the Company has neither earned nor spent in foreign currency.

Particulars of Employees

There were no employees drawing the requisite remuneration whose names are required to be disclosed as required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

Employee Benefit Schemes

The Company has been providing the following benefits to its employees:

Contribution to Employees Provident Fund to the approved scheme maintained by Orissa Sponge Iron Provident Fund, which is a Trust body formed in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("the Act"). Contribution is made at the statutory rate of 12% on the total of basic salary and Dearness Allowance. Contribution to Employees Pension Fund is made to the Government at the rate specified under the Act and the Employees Provident Fund and Miscellaneous Provisions Scheme, 1952 ("the Scheme"). The Company has not restricted the contribution to the salary limits specified under the Act at ₹ 15000 per month to give additional benefit to the employees. Under this scheme the employee gets pension after retirement from the Government throughout his life and additionally 50% of the pension on his death to the spouse for life.

Premium on Group Insurance Scheme taken with LIC to provide enhanced insurance benefit on death of the employee while in service in lieu of Deposit Linked Insurance Scheme of the Government.

Contribution to Gratuity Fund by payment of premium to LIC Group Gratuity Scheme to provide gratuity benefits to the employees on retirement, death or otherwise. Under the scheme, the life of the employee is also secured by payment of additional premium so that in the event of death, the employee gets gratuity not only for the period of service rendered but also the period of service he would have rendered up to the date of his normal retirement.

Industrial Relations

Industrial relations have by and large remained cordial during the year

Audit/Auditors

(1) Statutory Auditors

M/s A.K.Bhardwaj & Co., Chartered Accountants, was appointed as Statutory Auditors under Section 139 of the Companies Act, 2013 at the Annual General Meeting of the Company held on 19.02.2016 to hold office for a period of five years up to the conclusion of the 40th Annual General Meeting. The Board recommends ratification of their appointment as Statutory Auditors at the ensuing Annual General Meeting for a period up to the conclusion of the 38th Annual General Meeting. Certificate from the Auditors have been received to the effect that their appointment, if made, would be within the prescribed limit under Section 141 of the Companies Act, 2013.

(2) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remunerations of Managerial Personnel) Rule 2014, the Company has appointed Ms. Disha Dugar, Practising Company Secretary to conduct Secretarial Audit for the financial year ended 31st March, 2017. The Report on Secretarial Audit is provided in the Annexure and forms part of this Report.

(3) Cost Auditors

Pursuant to the provision of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. B. Ray & Associates, Cost Accountants, Kolkata was re-appointed as Cost Auditor of the Company for the year 2016-17 and 2017-18 to conduct audit of cost records maintained by the Company.

Auditors' Report

Explanation to the Statutory Auditors Report and Secretarial Auditors Report pursuant to Section 134(3)(f) of the companies Act, 2013 is given in Annexure I forming part of the Directors Report

Extract of Annual Return

The extract of the Annual Return in Form MGT 9 is provided in the annexure and forms part of this Report

Significant and Material Orders Passed by the Regulators/Courts/Tribunals

There are no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations

Acknowledgement and Appreciation

The Directors acknowledge with gratitude the co-operation extended by Indian Renewable Energy Development Agency Limited, Edelweiss Asset Construction Company Limited, State Bank of India, Bank of India, Punjab National Bank, Central Government, State Government, Local and District Administration, Suppliers, Customers and Shareholders and solicit their continued support. The Directors also wish to place on records their sincere appreciation of the dedicated services put in by the Company's workers, staff and executives under difficult conditions.

For and on behalf of the Board

Place: Kolkata
Dated: 12th August, 2017

Munir Mohanty, Director
Dr. P. K. Mohanty
Chairman & Managing Director

Annexure I to the Director's Report

Explanation to the Auditors' Report and Secretarial Auditors' Report pursuant to Section 134 (3) (f) of the Companies Act, 2013

(1) Explanation to Statutory Auditor's Report

- a) Reference to Annexure B to the Audit Report vide Para 7 (a), your Directors submit that due to shut down of plant operations since 2012 and in the absence of regular flow of funds, fund situation continues to be critical. Consequently the undisputed liability on account of Central Sales Tax, Orissa Sales Tax, Entry Tax and Provident Fund dues could not be paid.
- b) Reference to Independent Audit Report vide Para 9 (a) and (b), your Directors submit that the Notes to Balance Sheet and Statement of Profit and Loss under the head Corporate Information gives full details of the State of Affairs of the Company and the justification for preparing the Accounts on the basis of going concern. For the same reasons deferred tax have been recognised in the Accounts as the Directors are of the opinion that on commencement of mining operations, the profit generated would be good enough to absorb the Deferred Tax.
- c) There are no other qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation in the Directors Report. The Notes on Accounts forming part of the financial statements are self-explanatory and needs no further explanation.

(2) Explanation to Secretarial Auditor's Report

- a) Reference to the Audit Report vide Para (1) A (i) your Director submit that due to shut down of plant operations since 2012, take over of the possession of the plant by the Lenders on 24.04.2015 and termination of almost all the officers including those attached to the accounts department, the preparation of annual accounts was considerably delayed. Consequently the Annual General Meeting for the Financial Year 2015-16 and periodical meeting for approval of the un-audited financial results could not be held on time. However, the Company has ensured compliance of the same subsequently.
- b) Reference to the Audit Report vide Para (1) (B) (i) & (ii) and (xiii) A your Director submit that the claim made by the parties is disputed and being contested by the Company in the appropriate forum
- c) Reference to Para 1 (B) (ix) A & B, Item A to C in the last page and the concluding Para vide serial no I and II of the Audit Report, your Directors submit that due to shut down of plant operations since 2012 and in the absence of regular flow of funds, fund situation continues to be critical. Consequently the undisputed liability on account of Central Sales Tax, Orissa Sales Tax, Entry Tax, Provident Fund dues, Employee Pension Fund dues, Listing Fee to the Stock Exchange, penalty imposed by the Stock Exchange etc could not be paid. However listing fee to the Stock Exchange for the financial years 2015-16, 2016-17 and 2017-18 have been paid subsequently.
- d) Reference to the Audit Report vide Para 1 (B) (xvi) serial I, ii & iii in the last page, your Directors submit that due to non payment of the outstanding dues to the Lenders, they have taken action under SARFAESI and also filed an application before the DRT. The Company has made representation and having regard to substantial progress made towards executing mining lease agreement in respect of the Iron Ore mines allotted to the Company and the resultant profitability on commencement of mining operations, the Company is hopeful of reaching an amicable solution to address the issue of Lenders.
- e) Other than the above observations of the Auditors in their Report which have been specifically addressed, no explanation is given on other observations as all of them comprise of statement of facts.

Orissa Sponge Iron & Steel Limited

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2017

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

1. REGISTRATION AND OTHER DETAILS

i	CIN	L27102OR1979PLC000819
ii	Registration Date	9 th April, 1979
iii	Name of the Company	ORISSA SPONGE IRON AND STEEL LTD
iv	Category /Sub-Category of the Company	Company having Share Capital
v	Address of the Registered office and contact details	OSIL House, Gangadhar Meher Marg, Bhubaneswar-751024, Phone: 0674-3016500 to 503, Fax: 0674-3016505/535 E-mail: corporate@orissasponge.com Website: www.orissasponge.com
vi	Whether listed company Yes/ No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Ltd, 59C, Chowringhee Road, 3 rd Floor, Kolkata-700020, Phone No:033-22890540, Fax No:033-2289-0539 E-mail: kolkata@linkintime.co.in Website: www.linkintime.co.in

2. 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	Sponge Iron	24102	NA
2	Power generated from waste heat	35102	NA

3. 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
N.A					

4. SHARE HOLDING PATTERN (Equity share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.Promoter									
1. Indian									
a)Individual/HUF	154155	-	154155	0.571	154155	-	154155	0.517	(0.054)
b)Central Govt.	-	-	-	-	-	-	-	-	-
c)State Govt.	1455999	-	1455999	5.393	1455999	-	1455999	4.888	(0.505)
d)Bodies Corporate	682190	3000000	3682190	13.637	682190	3000000	3682190	12.361	(1.276)
e)Banks/FI									-
f)Any Other	2550589	-	2550589	9.447	2550589	-	2550589	8.561	(0.886)
Sub- Total (A)(1)	4842933	3000000	7842933	29.048	4842933	3000000	7842933	26.327	(2.721)
2. Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	-
d)Banks/FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	4842933	3000000	7842933	29.048	4842933	3000000	7842933	26.327	(2.721)

Orissa Sponge Iron & Steel Limited

B.Public Shareholding									
(1)Institutions									
a)Mutual Funds/UTI	3775	11837	15612	0.058	3775	11837	15612	0.052	(0.006)
b) Banks/FI	-	1240	1240	0.005	-	1240	1240	0.004	(0.001)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	200		200	0.001	200	-	200	0.001	-
h) Foreign Venture Capital Funds									
i)Others(specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors (Corp.)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	3975	13077	17052	0.064	3975	13077	17052	0.057	(0.007)
(2)Non-Institutions									
a) Bodies Corporate									
i) Indian	17779087	15924	17795011	65.907	17775018	2805924	20580942	69.088	3.181
ii)Overseas	-	-	-	-	-	-	-	-	-
b) individuals									
i) individual Shareholders holding nominal share capital up to ₹1 lakh	414938	334180	749118	2.775	432629	316963	749592	2.516	(0.259)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	512596	49850	562446	2.083	512596	49850	562446	1.888	(0.195)
c) Others (specify)	33440	-	33440	0.124	37035	-	37035	0.124	-
Sub -Total(B)(2)	18740061	399954	19140015	70.889	18748278	3181737	21930015	73.616	2.727
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	23586969	3413031	27000000	100	23595186	6194814	29790000	100	-
D) Non Promoter-Non Public	-	-	-	-	-	-	-	-	-
Custodian /DR Holder	-	-	-	-	-	-	-	-	-
Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations,2014	-	-	-	-	-	-	-	-	-
Total (A) +(B)+(C)+(D)	23586969	3413031	27000000	100	23595186	6194814	29790000	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change in share holding during the year
		No.of shares	% of total Shares of the company	% of Shares Pleged/ Encumbered to total shares	No.of shares	% of total Shares of the company	% of Shares Pleged/ Encumbered to total shares	
1.	Torsteel Research Foundation In India	2550589	9.446	0.389	2550589	8.562	1.863	(0.229)
2.	TRFI Investment Pvt. Ltd	3682190	13.637	-	3682190	12.360		
3.	Industrial Promotion & Investment Corp. of Odisha Ltd.	1455999	5.393	-	1455999	4.888		
4.	Dr. Prasanta Kumar Mohanty	115555	0.428	0.426	115555	0.388	0.386	(0.042)
5.	Mrs. M.Mohanty	38600	0.143	-	38600	0.129	-	(0.014)
	Total	7842933	29.048	0.815	7842933	26.327	2.249	(0.285)

Orissa Sponge Iron & Steel Limited

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

Sl.No		Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year(31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7842933	29.048	7842933 (No Change)	26.327 (Change in %)
	Date wise Increase / Decrease in Promoters share holding during the year specifying the reasons for increase .decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	NA.	NA	NA.	NA
	At the End of the year	7842933	29.048	7842933	26.327

There is no change in Promoters' Shareholding between 01.04.2016 and 31.03.2017

iv) Shareholding Pattern of Top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADR s

SL. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Monnet Ispat & Energy Limited	9494633	35.165	9494633	31.872
2.	TRFI Investment (P) Ltd.	3682190	13.638	3682190	12.360
3.	Bhushan Energy Limited	3554692	13.166	2790000	9.366
4.	Torsteel Research Foundation In India	2550589	9.447	2550589	8.562
5.	Industrial Promotion and Investment Corporation of Odisha	1455999	5.392	1455999	4.888
6.	Bhushan General Traders Pvt.Ltd.	-	-	1226369	4.117
7.	Bhushan Placement Services Pvt. Ltd.	-	-	1190822	3.997
8.	Bhushan Natural Resources Pvt. Ltd.	-	-	1137501	3.818
9.	Ultra Modern Exports Private Ltd.	999900	3.703	999900	3.356
10.	Multistar Construction Pvt.Ltd.	999900	3.703	999900	3.356

(v) Shareholding of Directors and Key Managerial Personnel

SL No		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Dr.Prasanta Kumar Mohanty, Chairman & Managing Director				
	At the Beginning of the year	115555	0.428	115555	0.387
	Date -wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/sweat equity etc)	None		None	
	At the end of the year	115555	0.428	115555	0.387

vi) Indebtness

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

	Secured Loans, Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Lacs)
Indebtness at the beginning of the financial year				
I) Principal Amount	21019.25	232.53	-	21251.78
ii) Interest due but not paid	24219.44	39.27	-	24258.51
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	45238.69	271.60	-	45510.29
Change in indebtedness during the financial year				
Addition	6924.34	2049.35	-	8973.69
Reduction	-	-	-	-
Net Change	6924.34	2049.35	-	8973.69
Indebtness at the end of the financial year				
i) Principal Amount	21350.68	2106.77	-	23457.45
ii) Interest due but not paid	30812.35	214.18	-	31026.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	52163.03	2320.95	-	54483.98

Orissa Sponge Iron & Steel Limited

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SL.No.	Particulars of Remuneration	Dr.P.K.Mohanty	Mr.Munir Mohanty	Total
1.	Gross Salary (a) Salary as per provision contained in Section17(1) of the Income -taxAct,1961 (b) Value of perquisites u/s 17(2) of the Income tax, Act,1961 (c) Profits in lieu of salary under Section 17(3) of the Income -tax Act,1961	3 24560 NIL	185952 89243 NIL	185955 113803 NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	- as % of profit - others, specify	NA	NA	NA
5.	Others, please specify (Contribution to Provident Fund, Pension , Gratuity and Superannuation Funds	NA	11216	11216
6.	Total (A)	24563	286411	310974
	Ceiling as approved by the Central Government (exclusive of exempted items)	215012	1292604	1507616

B. Remuneration to other Directors:

SI No	Particulars of Remuneration	Mr.B.K.Sarkar Independent Director	Mr. A.K.Mukherjee Independent Director	Ms.Nancy Roy Independent Director	Mr.S.K.Kar Non Executive Director	Mr.M.B.Bhagat Independent Director	Mr. A.Tulsyan Independent Director	Total Amount
1	Independent Directors							
	-Fee for attending Committee meetings	98000	86000	43000	-	10000	10000	247000
	-Commission	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-
	Total (1)	98000	86000	43000	-	10000	10000	247000
2	Other Non-Executive Directors							
	-Fee for attending board Committee meetings	-	-	-	40000	-	-	40000
	Commission	-	-	-	-	-	-	-
	-Others please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	40000	-	-	40000
	Total (B)=(1+2)	98000	86000	43000	40000	10000	10000	287000
	Total Managerial Remuneration	98000	86000	43000	40000	10000	10000	287000
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

SL. No	Particulars of Remuneration	Key Managerial Personnel	
		Mr.Ankur Gupta	Total
1.	Gross Salary (a) Salary as per provisions contained in Section17(1) (b) Value of perquisites u/s 17(2) of the Income-tax Act,1961 (c) Profit in lieu of salary under Section 17(3) of the Income Tax Act,1961	45000 - -	45000 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit - other , specify	-	-
5.	Others, please specify (Contribution to provident Fund, Pension, Gratuity & Superannuation Fund	-	-
6.	Total	45000	45000

II. 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)
There were no penalties/punishment/ compounding offences or breach of any section of the companies Act, 2013 against the company or any of its directors or other officers in default, if any, during the year 2016-17					

MANAGEMENT DISCUSSIONS AND ANALYSIS

i) **Industry structure and developments:**

The Company operates coal based Sponge Iron Plant (250,000 TPY), Waste Energy Recovery based Power Plants (36 MW) and a Billet making Plant (100,000 TPY). Growth in this sector of the Industry has slowed down for the last couple of years due to weak demand but gradually undergoing a transformation for the better. Sponge Iron is one of the sources of metallic used for steel making. For better capacity utilization and for desired quality of Sponge Iron it is important to use the right qualities of raw materials i.e. iron ore and coal. Performance of Waste Energy Recovery based Power Plant depends on capacity utilization of the Sponge Iron Plants. Surplus power is sold generating revenue. Many Sponge Iron Plants are closed or facing the threat of closure due to shortfall in the supply of iron ore and coal as well as high cost of such inputs.

ii) **Opportunities and threats:**

Opportunities:

The Company was allotted Iron Ore Mines by the Central Government and the State Government of Odisha. Commencement of mining operations from the mines requires several approvals, clearances and fulfillment of conditions as specified in the respective documents. The Company has received all approvals and clearances including Stage I Clearance from the Ministry of Environment and Forest vide Letter dated 21st September, 2016 and Compliance Certificate under the Scheduled Tribes and Other Traditional Dwellers (Recognition of Forest Rights Act) 2006 vide Letter dated 23rd June, 2016. The Company has also received Letter from the Central Government under Section 2 (iii) of the Forest Conservation Act, 1980 for proceeding to execute the Mining Lease, which is under process. Availability of iron ore from captive mines will permit production at higher capacity and significantly improve profitability of the Company.

Threats:

Cost of iron ore and coal i.e. the basic raw material has a direct impact on the profitability. Iron Ore price of the required grade has become un-remunerative and availability has suffered to a great extent due to various restrictions imposed by the authorities. Coal India's New Coal Distribution Policy has disrupted coal linkages forcing producers to procure more e-auction coal and use imported coal. Coal India has also increased the price of coal substantially. The situation is expected to change for the better in the near future.

iii) **Segment-wise or product-wise performance:**

The Company's business activities falls within a single primary business segment viz. "Iron & Steel" in accordance with the Accounting Standard 17. Since June 2012, the plant has been shut down due to various difficulties. Efforts are being made to restart the plant operations on commencement of mining operations when iron ore from own mines will be available for captive use.

During the year production of sponge iron, steel billets and power was Nil (Last year Nil) as the Plant as a whole was shut down. During the year the Company has purchased electricity 573360 units (last year 590160) units from NESCO amounting to ₹ 46.08 lakhs (last year ₹ 46.32 lakhs). The Company has neither earned any income nor incurred any expenses in foreign exchange during the year.

iv) **Outlook:**

Company's goal is to first do all that is necessary to obtain mining clearances so that mining operations from captive mines could commence as soon as possible. On achieving this goal efforts would be made to set up the project for production of one million tonne of steel.

v) **Risks and concerns:**

Sponge Iron industry is compelled to operate where basic raw material prices i.e. iron ore and coal are dictated. This totally shatters the cost effectiveness and the industry operates under a razor thin margin or with no or negative margin. Price of sponge iron is sensitive to demand supply position of steel scrap and selling prices of long products.

Contingent liabilities have been disclosed under Note No.29 of Notes on Financial Statements.

vi) **Internal control system and its adequacy:**

The Company has an adequate system of Internal Control commensurate with its size and nature of operations. It provides reasonable controls that all assets are safeguarded; transactions are authorized, recorded and reported properly. Internal Auditors, a firm of Chartered Accountants, conduct audit on various activities of the Company and reports to the Audit Committee constituted by the Board which Committee meets regularly and reviews audit issues and follows up implementation of corrective actions. A Cost Auditor has been appointed for reviewing Cost Accounting records.

vii) **Discussions on financial performance with respect to operational performance:**

Due to continuing shut down of plant operations since June 2012, the Company suffered loss of ₹ 86.59 crores for the year under review (last year ₹ 81.19 crores). Total income decreased to ₹ 3.47 crores (last year ₹ 6.74 crores) due to Sale of Freehold land amounting to ₹3.36 crores Earnings in foreign exchange on sale of technology amounted to ₹ Nil (last year ₹ Nil). Loss after considering deferred tax this year amounted to ₹ 99.34 crores as compared to ₹ 67.43 last year. There was neither any production nor sale of power during the year as well as the previous year. Deferred Tax charge of ₹ 12.79 crores (last year provision of ₹ 13.76 crores) has been considered in the Annual Accounts as sufficient taxable profit is envisaged in future years

viii) **Material developments in Human Resources / Industrial Relations front including number of people employed:**

The man power strength of the Company reduced to 325 employees as on 31.03.2017 as compared to 394 as on 31.03.2016 due to resignation, retirement, termination and death of some employees. Lockout of the plant declared on 14.10.2012 due to illegal strike by the Workers' union was lifted on 30.12.2013 following settlement with them on 27.12.2013.

ix) **Cautionary Statement:**

The Management Discussions and Analysis describing Industry Structure, Developments, Opportunities, Threats etc. aims at a forward looking approach based on present applicable Laws & Regulations. Actual Results may differ from such expectations, projections etc. whether expressed or implied. Important factors that can influence and can make a difference in Company's operations include effect of demand and supply leading to price differentials in both domestic and international markets, changes in the regulations, tax laws and other statutes and other factors like infrastructure facilities, natural calamities etc. over which the Company do not have a direc

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulations 34(3) of the SEBI (LODR) Regulations, 2015 read with the disclosure requirements relating to the Corporate Governance Report contained in Schedule V of SEBI (LODR) Regulations, 2015 the details of compliance by the company with the norms on Corporate Governance are as under:

1. Company's Philosophy on Code of Corporate Governance:

The Company's philosophy on Corporate Governance is to conduct its business with responsibility, honesty, integrity and fairness and in a transparent manner to meet its obligations to shareholders' and all other stakeholders' value with best practices of Corporate Governance. This code is also a tool in carrying the corporate social responsibility in an ethical and effective manner.

2. Board of Directors:

The Company has a Whole Time Executive Chairman & Managing Director and a Whole Time Executive Director both representing the promoters' viz Torsteel Research Foundation in India (TRFI). Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) has nominated a Non Executive Director on the Board. The promoters i.e. TRFI and IPICOL have nominated two and one Directors respectively on the Board. The number of Independent Directors is more than half of the total number of Directors on the Board.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees in accordance with Regulation 26 of SEBI (LODR) Regulations, 2015, across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other Companies are given below:

(A) Composition & Category of Directors is as follows:

Name of Directors	Category	Attendance in Board Meeting	Whether attended the last AGM held on 19 TH February 2016	Directorship in Other Public Limited Companies #	No. of membership / chairmanship of the Committees held in other Public Ltd. Companies #
1. Dr. P.K. Mohanty DIN 00238329	Chairman and Managing Director (Promoter Director)	4	Yes	4	–
2. Mr. B. K. Sarkar DIN 00670952	Non Executive (Independent)	4	No	1	–
3. Mr. S. K. Khetan * DIN 01297082	Non Executive (Independent)	0	No	2	–
4. Mr. M. Mohanty DIN 00264239	Executive Director (Promoter Director)	3	No	5	–
5. Mr.A.K.Mukherjee DIN 00047844	Non Executive (Independent)	4	Yes	1	–
6. Mr. S.K. Kar DIN 07220972	Non Executive (IPICOL Nominee)	4	No	–	–
7. Ms.Sonia Jabbar** DIN 01222834	Non Executive (TRFI Nominee)	–	No	–	–
8. Ms. Nancy Roy *** DIN 07702150	Non Executive (Independent)	2	No	–	–
9. Mr. M.B. Bhagat *** DIN 00055064	Non Executive (Independent)	1	No	–	–
10. Mr. A.Tulsyan *** DIN 01035316	Non Executive (Independent)	1	No	1	3

* Mr. S.K.Khetan ceased to be a Director due to operations of Section 167 of the companies Act, 2013 w.e.f. 02.01.2017

** Ms. Sonia Jabbar ceased to be a Director due to withdrawal of her nomination by TRFI by letter dated 06.06.2016 which was taken on record by the Board at the Meeting held on 11.06.2016

*** Ms. Nancy Roy, Mr. Mukesh Bhusan Bhagat and Mr. Anurag Tusyan were appointed as Additional Directors on 14.01.2017, 02.02.2017 and 18.02.2017 respectively in the category of Independent Directors

Number of Directorships/ Memberships held in other companies excludes Directorship/ Membership in private limited companies, foreign companies, membership of various committees of various chambers / bodies and Companies under Section 8 of the Companies Act, 2013 and Alternate Directorship whereas the Membership or Chairmanship of any committee includes Audit Committee and Stakeholders' Relationship Committees only.

Notes:

- Dr. P. K. Mohanty and Mr. M. Mohanty are related to each other.
- The re-appointment of Dr. P.K.Mohanty was approved by the Board at the Meeting held on 13.10.2016 and by the Shareholders at the AGM held on 16.12.2016. Confirmation of his appointment is awaited from the Central Government. Meanwhile Dr. P.K.Mohanty was appointed as Chairman of the Board of the Company at the Board Meeting held on 18.02.2017.
- All the Directors are above 21 years of age.
- The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- Details of Directors seeking appointment / re-appointment in 37th Annual General Meeting are given with the Notice to the Annual General Meeting.

(B) Details of Board Meeting held during the financial year 2016-17:

Sl.No.	Date	Board Strength	No. of Directors present
1.	11.06.2016	6	4
2.	13.10.2016	6	5
3.	02.02.2017	6	6
4.	18.02.2017	8	8

Orissa Sponge Iron & Steel Limited

(C) Change in Directorship during the financial year 2016-17

- a) Ms. Nancy Roy, Mr. Mukesh Bhusan Bhagat and Mr. Anurag Tusyan were appointed as Additional Directors on 14.01.2017, 02.02.2017 and 18.02.2017 respectively in the category of Independent Directors
- b) Ms. Sonia Jabbar ceased to be a Director due to withdrawal of her nomination by TRFI by letter dated 06.06.2016 which was taken on record by the Board at the Meeting held on 11.06.2016
- c) Mr. S.K.Khetan ceased to be a Director due to operations of Section 167 of the Companies Act, 2013 w.e.f. 02.01.2017

3. Audit Committee:

The Board of Directors has reconstituted the Audit Committee of Directors to exercise powers and discharge functions as stipulated in Section 177 of the Companies Act, 2013, provisions of Regulation 18 of SEBI (LODR) Regulations 2015 and other relevant statutory / regulatory provisions besides other terms as referred by the Board of Directors which includes review of Financial Results, Audit Reports, reviewing with Internal Auditors and Statutory Auditors about the nature and scope of Audits and of the adequacy of internal control system.

During the Financial Year 2016-17, four meetings of the Audit Committee were held on 11.06.2016, 13.10.2016, 02.02.2017 and 18.02.2017

Mr. Mukesh Bhusan Bhagat, an Independent Director is the Chairman of the Audit Committee.

The composition of the Audit Committee as on 31.03.2017 and the attendance of each committee member during the year is as given here under:

Name of the Director	Category	No. of Audit Committee Meeting held	No. of Audit Committee Meeting Attended
Mr. Mukesh Bhusan Bhagat*	Non Executive & Independent	1	1
Mr. Anurag Tulsyan*	Non Executive & Independent	1	1
Ms. Nancy Roy**	Non Executive & Independent	1	1
Mr. B.K. Sarkar	Non Executive & Independent	4	4
Mr. S. K. Khetan ***	Non Executive & Independent	4	—
Mr. A.K.Mukherjee ****	Non Executive & Independent	4	4

* Mr. Mukesh Bhusan Bhagat and Mr. Anurag Tulsyan were appointed as members of the Audit Committee by the Board at the Meeting held on 18.02.2017.

** Ms. Nancy Roy was appointed as a member of the Audit Committee by the Board at the Meeting held on 02.02.2017

*** Consequent to cessation of the office of Director, Mr. S.K.Khetan ceased to be a member of the Audit Committee with effect from 02.01.2017

****Mr. A.K.Mukherjee ceased to be a member of the Audit Committee w.e.f 18.02.2017

4. Nomination and Remuneration Committee:

The Board at its meeting held on 18th February 2017, reconstituted the "Nomination and Remuneration Committee" (NRC) with the scope as prescribed under the provisions of Section 178 (1) of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations 2015 besides other terms as referred by the Board of Directors. The broad terms of reference of the Nomination and Remuneration Committee are to recommend to the Board appointment / reappointment of Managing / Whole-time Directors, other Directors and Key Managerial Personnel and decide on the salary, perquisites and commission to be paid to them etc. along with evaluation of the remuneration policy of the Company.

Ms. Nancy Roy is the Chairperson of the Nomination and Remuneration Committee.

Two meetings of the Committee were held on 13.10.2016 and 02.02.2017 respectively

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are given below:

Name of the Director	Category	No. of NR Committee Meeting held	No. of NR Committee Meeting Attended
Ms. Nancy Roy*	Non Executive & Independent	1	1
Mr. Mukesh Bhusan Bhagat**	Non Executive & Independent	-	-
Mr. Anurag Tulsyan**	Non Executive & Independent	-	-
Mr. S. K. Khetan ***	Non Executive & Independent	2	—
Mr. B.K. Sarkar ****	Non Executive & Independent	2	2
Mr. A.K.Mukherjee	Non Executive & Independent	2	2

* Ms. Nancy Roy was appointed as a member of the NR Committee by the Board at the Meeting held on 02.02.2017

** Mr. Mukesh Bhusan Bhagat and Mr. Anurag Tusyan were appointed as members of the NR Committee by the Board at the Meeting held on 18.02.2017.

*** Consequent to cessation of the office of Director, Mr. S.K.Khetan ceased to be a member of the NR Committee with effect from 02.01.2017

****Mr. B.K.Sarkar ceased to be a member of the NR Committee w.e.f 18.02.2017

Orissa Sponge Iron & Steel Limited

5. Ethics Committee:

In accordance with the Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015, as amended (the Regulations), the Board of Directors of the company adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors and Employees of the company owe a fiduciary duty to, among others, the shareholders of the company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the company to enable them to take informed investment decisions with regard to the company's securities. The Company Secretary is the Compliance Officer under the above mentioned Code.

No meeting of the Committee was held during the year 2016-17.

The composition of the Ethics Committee as on 31.03.2017 is as given here under:

Name of the Director	Category
Mr. B.K.Sarkar	Non Executive & Independent
Mr. A.K.Mukherjee	Non Executive & Independent

Mr. B.K.Sarkar is the Chairman of the Ethics Committee

6. Stakeholders Relationship Committee:

The Board at its meeting held on 18th February, 2017 reconstituted the Stakeholders Relationship Committee to exercise powers and discharge functions as stipulated in Section 178(5) of the Companies Act, 2013, read with the provisions of Regulations 20 of SEBI (LODR) Regulations, 2015 and other relevant statutory / regulatory provisions besides other terms as referred by the Board of Directors. This committee primarily looks after the redressal of investors' grievances like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

Mr. Anurag Tulsyan is the Chairman of Stakeholders Relationship Committee

Stakeholders' Relationship Committee held four meetings during the financial year 2016-17, on 11.06.16, 13.10.16, 02.02.2017 and 18.02.2017. The composition of the Stakeholders Relationship Committee and the attendance of each committee member are as under

Name of the Director	Category	No. of Committee Meeting held	No. of Committee Meeting Attended
Mr. Anurag Tulsyan*	Non Executive & Independent	-	-
Mr. Mukesh Bhusan Bhagat*	Non Executive & Independent	-	-
Mr. B. K. Sarkar **	Non Executive & Independent	4	4
Mr. M. Mohanty	Executive Director & CFO	4	2
Dr. P.K Mohanty	Chairman & Managing Director	4	4

* Mr. Mukesh Bhusan Bhagat and Mr. Anurag Tulsyan were appointed as members of the Stakeholders Relationship Committee by the Board at the Meeting held on 18.02.2017.

** Mr. B.K.Sarkar ceased to be a member of the Stakeholders Relationship Committee w.e.f 18.02.2017

7. Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015.

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The composition of the Risk Management Committee as on 31.03.2017 is as given hereunder:

Name of the Director	Category
Dr. P.K.Mohanty	Chairman & Managing Director
Mr. Munir Mohanty	Executive Director & CFO

Dr. P. K. Mohanty, Chairman & Managing Director is the Chairman of the Risk Management Committee. No meeting of the Committee was held during the year 2016-17.

8. Board Evaluation

(1) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in compliance with the requirements of SEBI (LODR) Regulations, 2015 and in accordance with the guidance note issued by SEBI on 5th January, 2017, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committee, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

Orissa Sponge Iron & Steel Limited

(2) Appointment and remuneration policy for Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Committee (NRC) has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director/Executive Directors, other Key Managerial Personnel and their remuneration.

1. (i) Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the Independent nature of the Directors Vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.
- c. The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The NRC shall consider qualification, expertise and experience of the Directors in their respective fields; personal, professional or business standing; diversity of the Board etc, whilst recommending to the Board the candidature for appointment as Director.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration of the performance evaluation of the Director and his engagement level.
- f. At the first meeting attended by the newly appointed Director, a brief training session in the form of familiarization with the business activities of the Company is imparted. The Company Secretary also briefs the Directors about the prevailing provisions of the Companies Act, 2013; the Rules made there under provisions of the SEBI (LODR) Regulations, 2015 in respect of corporate governance, SEBI Guidelines etc. concerning the Directors. The Company has laid down a detailed programme for familiarization of Independent Directors after their appointment which is displayed on the website of the company, viz, www.orissasponge.com.

(ii) Remuneration to Non Executive Directors

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the board/Committee Meetings

2. Criteria for selection and appointment of the Managing Director (MD)/ the Executive Director (ED)

For the purpose of selection of the MD/ED, the NRC Committee shall identify persons of integrity, who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration Policy for the Managing Director/Executive Director

- i. At the time of appointment or re-appointment, the MD/ED shall be paid such remuneration as may be permitted under the Companies Act, 2013 and mutually agreed between the Company (which includes the NRC Committee and the Board of Directors) and the MD/ED within the overall limits prescribed under the Companies Act, 2013.

Corporate Governance

- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the MD/ED is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises commission.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the NRC shall ensure/consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by the MD/ED, the industry benchmarks and the current trends;
 - d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/KPIs.

3. Remuneration Policy for the Key Managerial Personnel/Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees (i.e KMPs and Executive Committee Members) the NRC shall ensure/consider the following:
 - i. the relationship of remuneration and performance benchmark is clear.
 - ii. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals
 - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/KPIs, industry benchmark and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

Orissa Sponge Iron & Steel Limited

9. Payment to Directors:

The Directors of the Company excluding Whole-time Directors have been paid sitting fees for attending meetings of the Board of Directors and Committee of Directors. The details of the payment made to the Directors during the financial year 2016-17 are as follows:

Name of the Director	Executive/ Non- Executive	Sitting Fees	Remuneration
Mr. B. K. Sarkar	Non Executive	98,000	—
Mr. A.K.Mukherjee	Non Executive	86,000	—
Mr. S.K.Kar*	Non Executive	40,000	
Mr. Mukesh Bhusan Bhagat	Non Executive	10,000	
Ms. Nancy Roy	Non Executive	43,000	
Mr. Anurag Tulsyan	Non Executive	10,000	
Dr. P.K. Mohanty**	Executive		24,563
Mr. M. Mohanty**	Executive		2,86,411

* Being IPICOL Nominees, sitting Fees are paid to IPICOL.

** Remuneration shown against Dr. P.K.Mohanty and Mr. Munir Mohanty represents amount due and paid/payable to them only upto 22.06.16 and 31.05.16 respectively as approval of their respective remuneration is yet to be received from the Central Government.

10. Compliance Officer

Name	Mr. Ankur Gupta, Company Secretary
Address	CIC Building, 11 th Floor, 33A Jawaharlal Nehru Road, Kolkata – 700 071
Phone No.	033-22883910-16
Fax No.	033-22267470
E-mail	corporate@orissasponge.com
Company Website	www.orissasponge.com

11. Shareholder's Complaints:

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	Number of Complaints	Resolved	Pending
Non receipt of Share Certificates	1	1	0
Non receipt of Annual Report	1	1	0

12. General Body Meetings:

Location and the time where last three AGM/ EGM of the Company were held:

Year	Type	Location	Date	Time	No. of Special Resolutions
2013-14	34 th AGM	Bhubaneswar,	26.09.2014	11.00 a.m.	None
2014-15	35 th AGM	Bhubaneswar,	19.02.2016	11.00 a.m.	None
2015-16	36 th AGM	Bhubaneswar,	16.12.2016	11.00 a.m.	Two

Special Resolution passed in previous three AGM/ EGM: Two

No postal ballot was conducted during the year. None of the resolutions propose for the ensuing Annual General Meeting need to be passed by Postal Ballot.

12. Disclosures:

(a) Related party disclosure:

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in Note No.35 of the Notes to the Financial Statement. However these transactions are not likely to have any conflict with the Company's business interest. The related party policy is displayed on the website of the Company, viz, www.orissasponge.com.

(b) Matters relating to Stock Exchange , SEBI, Capital Market:

- 15,00,000 Equity Shares was issued and allotted to M/s. Bhusan Energy Limited by conversion of Share Warrants at the Board Meeting held on 02.02.2017
- 12,90,000 Equity Shares was issued and allotted to M/s. Bhusan Energy Limited by conversion of Share Warrants at the Board Meeting held on 18.02.2017
- Application of listing of the aforesaid shares along with earlier pending issue of 30,00,000 shares was submitted to BSE on 30.03.2017. Approval from BSE for listing is awaited
- Out of 105,00,000 Share Warrant issued by the Company in earlier years so far 97,90,000 warrants have been converted in to equity shares leaving a balance of 7,10,000 warrants remaining to be converted.
- The allotment of 2,00,00,000 10% Non Convertible Redeemable Preference Shares of ₹ 10/- each aggregating to ₹ 20 crores by the Board at the meeting held on 14.08.2014 was cancelled by the Board at the Board Meeting held on 18.02.2017.
- BSE has imposed penalties as follows:

Orissa Sponge Iron & Steel Limited

During the year no penalty has been imposed by BSE. However penalty was imposed for delay in certain compliances in earlier years. The Company requested for waiver of penalty vide letter dated 05.09.2016. The updated details of fines and penalties for delayed compliance as informed by BSE vide mail dated 23.01.2017 subject to reconciliation is given below:

Scrip code	Compliance Status	Clauses / Regulation	Quarter	Submission date	Last Date for Compliance	Basic fine
504864	Late Submission	35	31/03/2015	28/04/2015	21/04/2015	7000
504864	Late Submission	41	31/03/2014	02/06/2014	30/05/2014	5000
504864	Late Submission	41	30/06/2015	07/06/2016	14/08/2015	920000
504864	Late Submission	41	30/09/2015	07/01/2016	16/11/2015	520000
504864	Late Submission	33	31/12/2015	19/03/2016	15/02/2016	405000
504864	Late Submission	49	31/03/2015	28/04/2015	15/04/2015	13000
504864	Late Submission	27(2)	31/12/2015	25/01/2016	15/01/2016	10000
Total Basic Fine						18,80,000
Service Tax @15%						2,82,000
Total fine						21,62,000

(c) Listing Fee

The annual listing fees have been paid to the Stock Exchanges where the Company's shares are listed for the years 2015-16, 2016-17 and 2017-18

(d) Disclosure of Accounting Treatment:

The applicable Accounting Standards as issued by the Institute of Chartered Accountant of India have been followed in preparation of the financial statements of the Company as far as practicable.

(e) The Company has formed a Vigil Mechanism as required under Regulation 22 of SEBI (LODR) Regulations, 2015. No personnel have been denied access to the Audit Committee. The said Policy is displayed on the Website of the Company, viz, www.orissasponge.com.

(f) Proceeds from public issues, right issues, preferential issues etc.:

The Company has received total sum of ₹ 39,75,75,000 including premium on allotment of 27,90,000 equity shares on conversion of equivalent share warrants including the application money of 10% received earlier.

13. Means of Communication:

The quarterly financial results are generally published in Business Standard in English and in Odiya Bhaskar in Odiya. The Financial Results are also uploaded in the Company's website www.orissasponge.com for the information of shareholders and public at large. The website is updated from time to time to incorporate therein the details as required by Regulation 46 of SEBI (LODR) Regulations, 2015. .

14. General Shareholder Information:

- | | | |
|-----|--|---|
| (a) | 37th Annual General Meeting | Day: Saturday
Date: 23.09.2017
Time: 11.00 a.m.
Venue: Hotel Grand Central, Bhubaneswar |
| (b) | Financial Calendar for 2017-18 (Tentative): | <p>Board Meeting for unaudited financial results for the 2nd Week of August 2017
quarter ending 30th June, 2017</p> <p>Board Meeting for unaudited financial results for the 2nd Week of November 2017
quarter ending 30th September, 2017</p> <p>Board Meeting for unaudited financial results for the 2nd Week of February 2017
quarter ending 31st December, 2017</p> <p>Board Meeting for audited financial results for the Last week of May, 2018
quarter ending 31st March, 2018</p> |
| (c) | Annual Accounts 2017-18 | May, 2018 |
| (d) | Date of Book Closure | 15.09.2017 to 23.09.2017 (both days inclusive) |
| (e) | Listing on Stock Exchange | Bombay Stock Exchange
Calcutta Stock Exchange (Applied for de-listing)
National Stock Exchange (Applied for listing) |
| (f) | Stock Code | Bombay Stock Exchange-504864
Calcutta Stock Exchange-10025083 |
| (g) | Demat ISIN Number in NSDL & CDSL for Equity Shares | INE 228D01013 |
| (h) | Website | The Company has a website www.orissasponge.com which is updated from time to time to incorporate therein the details as required by SEBI Regulation 46 (Listing Obligations and Disclosure Requirements) Regulations, 2015. |

Orissa Sponge Iron & Steel Limited

(i) Suspension of Trading/Stock Market Data:

The Company's equity shares are suspended from trading due to penal provisions since 25.02.2016 and hence no stock market data are available

(j) Registrar and Transfer Agents:

The share management work, both physical and demat, is being handled by the Registrar and Share Transfer Agent of the Company whose name and address is given below:

Link Intime India Pvt. Limited, 59C, Chowringhee Road, 3rd Floor Kolkata – 700020, Phone No: 033-2289-0540, Fax No: 033-2289-0539, E-mail: kolkata@linkintime.com.in.

All communication regarding share transactions, change of address, bank mandate, nominations etc. should be addressed to the Registrar and Share Transfer agents at the above address

(k) Share Transfer System:

Share Transfer requests valid and complete in all respects are normally, processed within fifteen days. All efforts are made by the Company and the Registrar and Share Transfer agents for expediting share transfers. Valid requests for demat of shares are completed within 15 days.

The Company received 11 cases of Share Transfer comprising of 1080 shares. Number of Transmission cases received during the year was NIL. Two cases of sub-division/duplicate/consolidation/replacement of shares comprising of 3000880 shares was received during the year.

(l) Distribution of share holdings as on 31.03.2017

No. of Shareholding	Share Holders		Total Share	
	Number	% to total	Number	% to total
1- 100	3201	61.05	122708	0.41
101-500	1716	32.73	328851	1.10
501-1000	165	3.15	121578	0.41
1001-2000	80	1.53	107304	0.36
2001-3000	21	0.40	51962	0.17
3001-4000	6	0.11	20950	0.07
4001-5000	12	0.23	55934	0.19
5001-10000	10	0.19	71815	0.24
10001-50000	10	0.19	250183	0.84
50001-100000	2	0.03	162786	0.55
100001 and above	20	0.38	28495929	95.66
Total	5243	100.00	29790000	100.00

Shareholding pattern as on 31-03-2017

	No. of Shares	Holding %
Promoter & Promoter Group	78,42,933*	26.33
Public		
-Financial Institutions (Indian & Foreign) & Mutual Funds	17,052	0.06
-Non-Institutions	2,19,30,015	73.61
Total	2,97,90,000	100.00

(m) Shares held by Non-Executive Directors:

Non-Executive Directors do not hold any shares in the Company.

(n) Subsidiary Company:

The company has no subsidiary on the Reporting date.

(o) Dematerialization of Shares

As per SEBI's direction, the Company has signed tripartite agreements with both NSDL & CDSL and Registrar & Transfer Agent. Accordingly, dematerialization facility for the shares of the Company is available and it is in the interest of all the shareholders to convert their physical holdings into the electronic holdings by dematerialization.

During the year the company received 29 cases for dematerialization comprising of 8217 shares. As on 31st March, 2017, 2,35,95,186 shares were held in dematerialized form which constitute 79.21% of total number of subscribed shares.

(p) Outstanding GDRs / ADRs/ warrants or any convertible instruments, conversion date and likely impact on equity: NIL

Orissa Sponge Iron & Steel Limited

15. Key locations of the Company with the activities carried on:

Registered Office

OSIL House, Gangadhar Meher Marg, Bhubaneswar 751 024.

Phone: 0674-3016500 to 503 Fax: 0674- 3016505/535

E-mail: orisponge@gmail.com.

Company Website: www.orissasponge.com

Plant:

P.O.: Palaspanga, District – Keonjhar, Pin: 758031, Odisha

Phone No. 06766 – 235223 / 225 / 227 / 229, Fax No. 06766 – 235205

E-mail: osilsite.2009@rediffmail.com

The manufacturing facility is situated here. .

Delhi Office:

H-1A, 2nd Floor, Hauz Khas, New Delhi – 110016, Fax: 011-26968924 / 26864548,

E-mail: osildelhi@gmail.com

This office carries out liaison work.

Corporate Office:

CIC Building, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071

Phone: 033– 2288-3910 to 3916 Fax : 033– 22272511

E-mail: corporate@orissasponge.com

This office is center of Corporate activities having the offices of Chairman and Managing Director; a Whole time Director & CFO and Company Secretary.

16. Additional Information:

i) Code of Conduct:

Company has always encouraged and supported compliance to ethical business practices in personal and corporate behavior by its employees. Company in order to further strengthen corporate practices has framed a specific code of conduct for the members of the Board of Directors and Senior Management personal of the Company, who have affirmed compliance thereof. A declaration to this effect signed by Chairman & Managing Director of the Company is annexed to this report. The Code of Conduct is displayed on the website of the Company ,viz, www.orissasponge.com.

ii) Risk Management:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures, which are periodically reviewed.

iii) Reconciliation of Share Capital Audit:

Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital is carried out by a practicing Company Secretary and his report is placed to the Board periodically. The audit confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in electronic mode with NSDL and CDSL.

iv) Management Discussion and Analysis:

Management Discussions and Analysis forms part of the Annual Report which is posted to the shareholders of the Company.

v) Certificate on Corporate Governance:

Compliance of Corporate Governance by the Company as stipulated under SEBI (LODR) Regulation 2015 is examined and reviewed by M/s. A. K. Labh & Co., Company Secretaries, 40, Weston Street, 3rd Floor, Kolkata-700013 and his report is annexed.

vi) CEO/CFO Certificate:

A Certificate duly signed by the Managing Director and CFO relating to financial statements and Internal Control Systems for financial reporting, accounting policy etc .for the year ended 31.03.2017 as stipulated under Regulation 17 (8) read with Part B of Schedule II to SEBI (LODR) Regulation 2015 was placed before the Board and the same was taken on record.

vii) Compliance by Company Secretary:

The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the Meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules and Regulations issued there under and to the extent feasible and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

viii) Cautionary Statement:

Details given relating to various activities and future plans may be “forward looking Statement” within the meaning of applicable laws and regulations. The actual performance may differ from those expressed or implied.

ix) Certificate:

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

x) Contact Person for any query on Annual Report/ Investor Communication:

Mr. Ankur Gupta, Company Secretary and Compliance Officer, Secretarial Department, Orissa Sponge Iron & Steel Limited, CIC Building, 11th floor, 33A Jawahar Lal Nehru Road, Kolkata-700071, Phone :03322883910-16, Fax:033-22267470, E-mail: corporate@orissasponge.com

Orissa Sponge Iron & Steel Limited

Certificate on Compliance with the terms and conditions of Corporate Governance as stipulated under Regulation 15(2) of SEBI (LODR) Regulations, 2015

To
the Members of Orissa Sponge Iron & Steel Limited

We have examined the compliance of conditions of Corporate Governance by **Orissa Sponge Iron & Steel Limited** ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the year ended 31.03.2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for 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 Regulations, except, as mentioned herein below:

1. **There was delay in appointment of requisite number of Independent Directors and Woman Director in the Board of Directors of the Company.**
2. **The Company has appointed Company Secretary with effect from 1st March, 2017.**
3. **There was a gap of more than 120 days between the first two meetings (11.06.2016 and 13.10.2016) of the Board of Directors and also that of the Audit Committee of the Company during the financial year 2016-17.**
4. **Three was delay in approval and submission of quarterly (for the first 3 quarters) and annual financial results during the financial year 2016-17.**
5. **There was delay in holding the Annual General Meeting for the financial year ended 31st March, 2016 and the Company has not taken any approval for extension from the statutory authorities.**
6. **Certain information as stipulated vide Regulation 46 of the Listing Regulations are not posted at the website of the Company.**
7. **The Company was not regular in making the compliances in the previous financial years and in the first three quarters of the financial year 2016-17, hence, penalty was imposed by BSE and also the trading on the shares of the Company was suspended. The Company had provided clarifications to BSE in this regard and requested for revocation of suspension from trading.**

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

For **A. K. LABH & Co.**
Company Secretaries

(**CS A. K. LABH**)
Practicing Company Secretary
FCS - 4848 / CP No - 3238

Place : Kolkata
Dated : 12th August, 2017

Certificate of Compliance of the Code of Conduct of the Company

The Members of
Orissa Sponge Iron & Steel Limited

In compliance with the requirements as stipulated under Schedule V (Part D) of SEBI (LODR) Regulation 2015, relating to Corporate Governance, I confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct framed by the Company.

Place : Kolkata
Dated : 12th August, 2017

Dr. P.K.Mohanty
Chairman & Managing Director

Orissa Sponge Iron & Steel Limited

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,
The Members,
ORISSA SPONGE IRON AND STEEL LIMITED
OSIL HOUSE GANGADHAR
MEHER MARG KIITI
BHUBANESWAR- 751024

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ORISSA SPONGE IRON AND STEEL LIMITED**, hereinafter called the (Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **ORISSA SPONGE IRON AND STEEL LIMITED** 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ORISSA SPONGE IRON AND STEEL LIMITED**, ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - A) Non- Compliance :
 - (i) Annual General Meeting for the Financial Year 2015-16 was held on 15th December, 2016 and no extension was granted for same.
 - B) Ongoing Litigations:
 - (i) Petition filed by S.C.Padhee against Company u/s 439 of the Companies Act, 1956 for Winding up of the Company. The COPET Court has not met since then.
 - (ii) COPET filed by Paradeep Oxygen Pvt. Ltd. u/s 433, 434 & 439 of the Companies Act 1956 but no progress of Case.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (iv) 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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (v) Corporate Governance Voluntary Guidelines- 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (vi) Minimum Wages Act, 1948;
- (vii) Payment of Bonus Act, 1965;
- (viii) Payment of Gratuity Act, 1972;
- (ix) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - A) Non- Compliance- : Provident Fund dues as on 31.03.2017 amount to ₹ 11,88,000/- & Employees Pension dues amount to ₹25,53,000/- are unpaid.
 - B) Ongoing Litigation- Regional Provident Fund Commissioner, Keonjhar has initiated case against Company demanding ₹2,12,96,000/- u/s 7Q & 14 B of the Act.
- (x) Employees State Insurance Act, 1948;
- (xi) Competition Act, 2002;
- (xii) Factories Act, 1948;

Orissa Sponge Iron & Steel Limited

(xiii) Industrial Dispute Act, 1947;

A) Ongoing Litigations:

- (i) Petition filed by Company at the Orissa High Court against Order of Industrial Tribunal in the matter of claim amount u/s 17 (B) of the Act filed by an Employee.
- (ii) Writ Petition filed by 11 Officers of the Company in the Orissa High Court u/s 25N and 25F of the Act. Case being Contested.

(xiv) Workmen's Compensation Act, 1923;

(xv) Contract Labour (Regulation and Abolition) Act, 1970;

(xvi) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002:

- i. Possession Notice: State Bank of India SAMB Bhubaneswar, Bank of India Kolkata Mid Corporate Branch and Punjab National Bank Bhubaneswar have issued Possession notice u/s 13(4) of the Act on the Property of the Company against Default in Repayment of INR 1,32,19,89,000 /- ;
- ii. The Indian Renewable Development Agency Limited (IREDA) has issued Notice under Section 13(2) of SARFAESI on 22.09.15 against default of ₹ 1,12,56,90,000/-;
- iii. Application has been filed with DRT by SBI on 23.05.15, PNB on 28.12.15 and Edelweiss Asset Reconstruction Company on 18.05.15

I 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 Agreements entered into by the Company with Bombay Stock Exchange and the non-compliances:

All the Clauses of Listing Agreements have been complied with except those mentioned below:

- A) The Company has to pay penalty of Rs 27360/- for the non-compliance of the Clause 31 for the year ended 31st March, 2016: **but the same has not been paid.**
- B) The Company has not submitted the Audited Financial Result for the March Quarter, 2015, Unaudited Quarterly Result for June, September 2015. SEBI has issued letters depicting an amount of fine of ₹ 85,500/-, ₹ 1053400/-, ₹ 595400/- respectively to the Company : **Company has applied for revocation and waiver of fee.**
- C) The Company did not have a Woman Director till 29.08.2015, thus SEBI imposed a fine of ₹ 1,42,000/-: **Company has appointed Ms. Nancy Roy as woman director but the fee has not been paid.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company is duly constituted with adequate No. of Independent Directors and Company Secretary & Compliance Officer. 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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 except with the following Statutory Dues Outstanding as on 31st March 2017:

- I. Dues of Central Sales Tax, Orissa Sales Tax, ad Entry Tax amounting to INR 30.91 Lakhs and Provident Fund Dues to the extent of INR 212.96 Lakhs.
- II. The Central Excise Dept. has claimed ₹ 4.40 Lakhs against which Co. has preferred appeal before CESTAT (Customs, Excise and Service Tax Appellate Tribunal).

Place : Kolkata
Date : 4th August, 2017

Name of Company Secretary
in practice: **Disha Dugar**
FCS No. 8128
C P No.: 10895

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORISSA SPONGE IRON & STEEL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of Orissa Sponge Iron & Steel Limited ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. 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 and presentation of these financial statements on a going concern basis that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also include maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies and making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that operate effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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 and the Order under Section 143 (11) of the Act.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion on the financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

9. Without qualifying our opinion we draw attention on the following:
 - a. The company has suspended production in July 2012; incurred a net loss of ₹ 9937.98 lacs during the year ended 31st March, 2017 and the accumulated losses as on that date amount to ₹ 52753.57 lacs; the Company's net worth has become negative; the current liabilities exceeded its current assets by ₹ 59807.43 lacs; the company defaulted in repayment of term loan and cash credit facilities to all the Lenders and SBI, BOI and PNB have taken possession of all the assets at the plant under Section 13(4) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). These conditions indicate the existence of material uncertainty that may cause significant doubt about the company to continue as a going concern.
 - b. Referring to Note No 12 (1) of Notes on Accounts to the financial Statements wherein the company has considered deferred tax assets of ₹ 12828.30 lakhs after adjustment of write back of ₹1278.77 lakhs for the current year on the assumption that the Company will be able to earn sufficient profit in future years to recoup the carry forward of losses, when. Iron ore will be available from captive mines. We cannot comment on the certainty of the future profits.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. 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, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

Orissa Sponge Iron & Steel Limited

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- I. The Company has disclosed the impact, if any, of pending litigations as on 31st March, 2017 on its financial position in its financial statements as referred to in Note 30 (A) of the Notes on Accounts to the Financial Statements
 - II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - III. There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company.
 - IV. The Company has disclosed in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 08.11.2016 to 30.12.2016 and such disclosure is in accordance with the books of account maintained by the Company (Refer Note 36 of the Notes on Accounts to the Financial Statements)
11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order" /"CARO 2016") issued by the Central Government in terms of Section 143 (11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A.K.Bhardwaj & Co
Chartered Accountants
FRN 316085E

Place: Kolkata
Date : 27th May, 2017

(A.K.Bhardwaj)
Partner
Membership No. 052723

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **ORISSA SPONGE IRON & STEEL LIMITED** ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Orissa Sponge Iron & Steel Limited

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K.Bhardwaj & Co
Chartered Accountants
FRN 316085E

Place: Kolkata
Date : 27th May 2017

(A.K.Bhardwaj)
Partner
Membership No. 052723

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 11 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The company has regular programme of physical verification of its Fixed Assets by which all Fixed Assets are verified in a phased manner over a period 3 years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. Accordingly certain Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that the title deed comprising all the immovable properties of land and building which are freehold, are held on the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement
2. (a) The inventory of the Company has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) On the basis of our examination of the records of inventory we are of the opinion that the company is maintaining proper records of inventories. The discrepancies noted on physical verification between the physical stocks and the book records were not material.
3. The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore the provisions of Clause (3) (iii) (a), (b) and (c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of making investments. guarantee and security. The Company has not given any loan but has provided guarantee for loans taken by an associate company from banks or financial institutions, terms and conditions whereof are not prejudicial to the interest of the company.
5. According to the information and explanation given to us, the Company has not accepted any deposit from the public and hence reporting under Clause (v) of the CARO 2016 is not applicable
6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However we have not made a detailed examination of such records.

Orissa Sponge Iron & Steel Limited

7. (a) According to the information and explanation given to us except Central Sales Tax, Orissa Sales Tax and Entry Tax Liability totaling ₹30.91 lakhs and Provident Fund dues to the extent of ₹ 444.13 lakhs no undisputed dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs duty, Excise duty, value added tax, cess and other material statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) There are no disputed dues which have remained unpaid as on 31st March, 2017 on account of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, value added tax, cess except as follows:

Nature of Dues	Amount (Rs in Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax	65.99	2007-08 to 2013-14	Show cause u/s 276B issued by TDS assessing authority
Central Excise	96.08	2005-06 to 2010-11	Commissioner of Appeals, Central Excise
Central Excise	59.25	2004-05 to 2007-08	Additional Commissioner, Central Excise
Orissa Sales Tax & VAT	817.44	1985-86 to 2006-07	Various Authorities
Central Sales Tax	2495.87	1985-86 to 2006-07	Various Authorities
Provident Fund & Pension Fund	212.96	2007-08 to 2016-17	Regional Provident Fund Commissioner, Keonjhar, Orissa High court & Tribunal

8. The company has defaulted in repayment of dues to the Bankers and Financial Institutions as on 31st March, 2017 as detailed below

Term Loan from Banks	Details	in Lakhs		₹ in Lakhs	
Name of Banks		Amount of Default as on 31.03.2017	Default has started since	Amount of Default as on 31.03.2016	Default has started since
State Bank of India (SBI)	Principal Interest	3635.00 6199.62	January-11 April-11	3635.00 4673.67	January-11 April-11
Punjab National Bank (PNB)	Principal Interest	1672.77 1516.66	October-11 August-11	1672.77 1270.22	October-11 August-11
Bank of India (BOI)- WCTL	Principal Interest	94.45 101.39	April-13 November-12	94.45 72.10	April-13 November-12
Indian Renewable Energy Development Agency Limited (IREDA)	Principal Interest	6011.05 5245.85	June-11 June-11	6011.05 4531.43	June-11 June-11
Edelweiss Asset Reconstruction Company Limited (EARC)	Principal Interest	1323.00 2534.83	March-11 April-11	1323.00 1966.90	March-11 April-11
Cash credit from Banks :					
State Bank of India		7146.10	April 2011	6814.67	April 2011
Bank of India		612.40	March 2013	552.85	March 2013
Cash Credit from Other Parties					
Edelweiss Asset Reconstruction Company Limited		855.91	July 2011	855.91	July 2011

Note: All the Lenders have issued notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recall of their outstanding dues.

9. In our opinion and according to the information and explanation given to us money raised by the Company by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which it was raised.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officer or employees has been noticed or reported during the year
11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013
12. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the CARO 2016 is not applicable
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of the related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of the shares or fully or partly convertible debentures and hence reporting under Clause (xiv) of CARO 2016 is not applicable to the Company. However the company has issued and allotted 27,90,000 equity shares during the year by conversion of share warrants issued in the year 2007. The amount so raised has been used for the purpose it was intended.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its Directors or associate companies as applicable or persons connected with them and hence the provisions of Section 192 of the Companies Act, 2013 are not applicable. The Company has no Subsidiary on the reporting date.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
17. During the year the company has cancelled 2,00,00,000 10% Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each amounting to ₹ 20 crores at the Board Meeting held on 18.02.2017 and restored it to its original position prior to allotment on 14.08.2014.

For A.K.Bhardwaj & Co
Chartered Accountants
FRN 316085E

(A.K.Bhardwaj)
Partner

Membership No. 052723

Place: Kolkata
Date : 27th May, 2017

Orissa Sponge Iron & Steel Limited

BALANCE SHEET AS AT 31ST MARCH, 2017

	Notes No.	31st Mar, 2017 ₹ / lacs	31st Mar, 2016 ₹ / lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,979.00	4,700.00
Reserves & Surplus	4	(12,396.98)	(6,568.00)
Money received against Share Warrant	5	159.75	601.50
		-	-
		(9,258.23)	(1,266.50)
Non-current liabilities			
Long-term Borrowings	6	-	-
Long-term Provisions	7	91.97	71.17
		91.97	71.17
Current liabilities			
Short-term borrowings	8	8,832.31	8,355.66
Trade payables	9	2,374.88	2,357.46
Other current liabilities	9	52,597.20	43,582.06
Short term provisions	7	906.32	917.56
		64,710.71	55,212.74
TOTAL		55,544.45	54,017.41
ASSETS			
Non-current assets			
Fixed assets			
Tangible Assets	10	29,713.71	30,801.94
Intangible Assets	10 A	3,177.64	259.48
Capital Work -in-Progress	10	3,567.79	3,554.50
Non current investment	11	402.23	402.23
Deferred tax assets(Net)	12	12,828.30	14,107.07
Long term loans and advances	13	951.52	934.29
		50,641.19	50,059.52
Current assets			
Current investments	14	2.20	2.02
Inventories	15	2,710.16	2,710.16
Trade receivables	16	148.08	148.08
Cash and cash equivalents	17	1,025.06	95.66
Short term loans and advances	13	1,017.76	1,001.97
		4,903.26	3,957.89
TOTAL		55,544.45	54,017.41

Significant Accounting Policies
Notes on Financial Statements

1 to 38

See accompanying notes forming an integral part of the financial statements.

In terms of our annexed report of even date.

For and of behalf of the Board

For A. K. BHARDWAJ & CO

Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO

Partner
Membership No.052723

Place : Kolkata

Dated : 27th May, 2017

Ankur Gupta
Company Secretary

M Mohanty
Director & C F O

B.K.Sarkar, Director
A.K.Mukherjee, Director
S.K.Kar, Director
Nancy Roy, Director
M.B. Bhagat, Director
A.Tulsyan, Director
Dr.P.K.Mohanty, Chairman
& Managing Director

Orissa Sponge Iron & Steel Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH , 2017

	Notes No.	2016 - 17 ₹ / lacs	2015 - 16 ₹ / lacs
INCOME			
Revenue from operations	18	-	-
Profit on sale of Freehold Land	19	318.23	637.08
Other income	20	28.26	36.76
Total Revenue		346.49	673.84
EXPENDITURE			
Cost of materials consumed	21	-	-
Change in inventories of finished goods	22	-	-
Employee benefit expenses	23	552.10	701.08
Finance cost	24	7,087.11	6,725.23
Depreciation & amortization expense	25	900.16	927.84
Other expenses	26	466.34	438.83
Total expenses		9,005.71	8,792.98
(Loss) before exceptional and extraordinary items and tax		(8,659.22)	(8,119.14)
Exceptional item		-	-
(Loss) for the year before tax		(8,659.22)	(8,119.14)
Tax expense :			
Current Tax		Nil	Nil
Tax for earlier years		-	-
Deferred Tax - Assets		(1,278.77)	1,376.25
(Loss) for the year after tax		(9,937.99)	(6,742.89)
Basic & Diluted Earnings per share (₹) (Face value of ₹ 10/- each)	33	(33.36)	(24.97)
Significant Accounting Policies Notes on Financial Statements	1 to 38		

See accompanying notes forming an integral part of the financial statements.

In terms of our annexed report of even date.

For and of behalf of the Board

For A. K. BHARDWAJ & CO

Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO

Partner
Membership No.052723
Place : Kolkata
Dated : 27th May, 2017

Ankur Gupta
Company Secretary

M Mohanty
Director & C F O

B.K.Sarkar, Director
A.K.Mukherjee, Director
S.K.Kar, Director
Nancy Roy, Director
M.B. Bhagat, Director
A.Tulsyan, Director
Dr.P.K.Mohanty, Chairman
& Managing Director

Orissa Sponge Iron & Steel Limited

	2016-17		2015-16	
	₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs
A. Cash Flow From Operating Activities				
Profit/(Loss) before tax	(8,659.22)		(8,119.14)	
Adjustments for :				
Depreciation	900.16		927.84	
Loss on sale of Fixed Assets	84.17		(1.87)	
Provision for doubtful advances	-		59.50	
Interest & Financial charges	7,087.11		6,725.23	
Provision for diminution in value of Long Term Investments	0.18		0.39	
Profit on sale of freehold Land	(318.23)		(637.08)	
Liability written back since not payable	-		(0.20)	
Interest received	(7.01)		(7.54)	
Operating Profit / (Loss) before Working Capital changes	(912.84)		(1,052.87)	
Adjustment for				
Trade and other receivables	28.42		28.91	
Trade payable & other Liabilities	476.02		549.51	
Cash Generated from Operation	(408.40)		(474.45)	
Tax Paid	(4.60)		(7.37)	
Tax Refund	-		-	
Net Cash Flow from Operating Activities		(413.00)		(481.82)
B. Cash Flow from Investing Activities				
Purchase of Fixed assets	(34.81)		(23.65)	
Sale of Fixed assets	393.00		695.24	
Bank balances not considered as cash and cash equivalents	60.57		5.02	
Paid to CAMPA for mines	(2,897.00)		-	
Cancellation of Preference Share	(2,000.00)		-	
(Purchase)/sale of Investment	-		9.79	
Net Cash Flow from Investing Activities		(4,478.24)		686.40
C. Cash Flow from Financing activities				
Payment of Bank Guarantee Invoked	(400.00)		(59.50)	
Proceeds from short term borrowings	476.65		(52.75)	
Inter Corporate Deposit	1,874.25		12.87	
Balance payment for conversion of share warrants	3,975.75		-	
Money received against warrant	441.75		-	
Finance cost paid	(494.19)		(102.86)	
Interest received	7.01		7.54	
Net Cash used in Financial Activities		5,881.22		(194.70)
Net (Decrease)/Increase in cash or cash equivalents		989.98		9.88
Cash and cash equivalent at the beginning of the year		32.09		22.21
Cash and cash equivalent at the end of the year		1,022.07		32.09

See accompanying notes forming an integral part of the financial statements.

In terms of our annexed report of even date.

For and of behalf of the Board

For A. K. BHARDWAJ & CO

Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO

Partner
Membership No.052723
Place : Kolkata
Dated : 27th May, 2017

Ankur Gupta
Company Secretary

M Mohanty
Director & C F O

B.K.Sarkar, Director
A.K.Mukherjee, Director
S.K.Kar, Director
Nancy Roy, Director
M.B. Bhagat, Director
A.Tulsyan, Director
Dr.P.K.Mohanty, Chairman
& Managing Director

Orissa Sponge Iron & Steel Limited

	2017 ₹ / lacs	2016 ₹ / lacs
3 SHARE CAPITAL		
Authorised		
6,00,00,000 (6,00,00,000) Equity Shares of ₹ 10/- each	6,000.00	6,000.00
2,00,00,000 (2,00,00,000) Preference Shares of ₹ 10/- each	2,000.00	2,000.00
	8,000.00	8,000.00
Issued, Subscribed and Paid up		
2,97,90,000 (2,70,00,000) Equity Shares of ₹ 10/- each	2,979.00	2,700.00
NIL (2,00,00,000) 10% Redeemable Preference Shares of ₹ 10/- each	-	2,000.00
	2,979.00	4,700.00

- 3.1 10,80,122 (10,80,122) Equity Shares were allotted as fully paid up bonus shares by capitalisation of share premium.
55,00,000 (55,00,000) Equity Shares were allotted on preferential basis .
97,90,000 (70,00,000) Equity Shares were issued and allotted on conversion of Share Warrants .

In accordance with the Resolution passed by the Board of Directors at the Meeting held on 18.02.2017, the allotment of 2,00,00,000 10% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each amounting to ₹ 20,00,00,000 (NCCRP) was cancelled and restored to its original position prior to allotment at the Board Meeting held on 14.08.2014. Accordingly NCCRP of ₹19.51 crores allotted to Monet Ispat & energy limited was cancelled and restored to Inter Corporate Loan ₹18.01 crores and Interest Payable Account ₹ 1.50 crores and NCCRP of ₹ 49 lacs allotted to Torsteel Services Private Limited was cancelled and restored to Inter Corporate Loan of ₹ 49 lacs as on 18.02.2017.

3.2 The reconciliation of Number of shares :	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	₹ / lacs	No. of shares	₹ / lacs
Issued, Subscribed and fully Paid up				
Equity Share				
At the beginning of the year	27,000,000	2,700.00	27,000,000	2,700.00
Issued during the year	2,790,000	279.00	-	-
At the end of the year	29,790,000	2,979.00	27,000,000	2,700.00
Preference Share				
At the beginning of the year	20,000,000	2,000.00	-	-
Issued during the year	-	-	20,000,000	2,000.00
Cancelled during the year	20,000,000	2,000.00	-	-
At the end of the year	-	-	20,000,000	2,000.00

- 3.3 Rights, Preferences and Restrictions attached to Shares;

a) Equity Shares

The Company has issued Equity Shares having a par value of ₹ 10/- . Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders in Annual General Meeting. In the event of liquidation of the company the holder of the equity shares will be entitled to receive remaining assets of the Company after settlement of all preferential amounts . The distribution in proportion to the number of equity shares held by the equity shareholders. The rights attached to 30 lakh equity shares out of warrant conversion earlier restrained by the Delhi High Court has been restored .

b) Preference Shares

2,00,00,000 10% Non Convertible Cumulative Redeemable Preference Shares of ₹10 each amounting to ₹ 20,00,00,000 (NCCRP) allotted to Monet Ispat & Energy Limited amounting to ₹ 19.51 crores and Torsteel Services Private Limited (Related Parties) amounting to ₹ 49 lacs at the Board Meeting held on 14.08.2014 were cancelled in terms of the Resolution passed by the Board of Directors at the Meeting held on 18.02.2017. These shares were not listed.

- 3.4 The details of Shareholders holding more than 5% shares

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% held	No. of Shares	% held
Equity Shares				
Monet Ispat & Energy Ltd.	9,494,633	31.87	9,494,633	35.17
TRFI Investment Private Limited	3,682,190	12.36	3,682,190	13.64
Bhusan Energy Limited	2,790,000	9.36	3,554,692	13.17
Dr. Prasanta Kumar Mohanty				
- Torsteel Research Foundation In India	2,550,589	8.56	2,550,589	9.45
Industrial Promotion & Investments Corporation of Orissa Limited	-	-	1,455,999	5.39
Redeemable Preference Share				
Monet Ispat & Energy Ltd.	-	-	19,510,000	97.55

Orissa Sponge Iron & Steel Limited

4	RESERVES AND SURPLUS	31st March, 2016		31st March, 2016
		₹ / lac	₹ / lac	₹ / lac
	Capital Reserve			
	As per last Account		0.46	0.46
	Securities Premium Reserve			
	As per last Account	22,629.34		
	Addition during the year	4,138.50	26,767.84	22,629.34
	Revaluation Reserve			
	(Arising out of Revaluation of Fixed Assets)			
	As per last Account	11,945.57		11,975.06
	Less: Withdrawn	29.49		29.49
		11,916.08		11,945.57
			11,916.08	11,945.57
	General Reserve			
	As per last Account		1,672.23	1,672.23
	Surplus			
	Profit & Loss Account :			
	As per last Account		(42,815.60)	(36,072.71)
	Add: Loss transferred from Profit and Loss Statement		(9,937.99)	(6,742.89)
			(52,753.59)	(42,815.60)
			(12,396.98)	(6,568.00)

5 Money received for issue of Share Warrants

Equity share warrants amounting to ₹ 159.75 lacs (₹ 601.50 lacs) represents 10% consideration amount on issue of share warrants on preferential basis during the year 2007 - 08 at the issue price of ₹ 225 per share including premium of ₹ 215 per share and remaining to be converted into equity shares.

6	LONG TERM BORROWINGS	As at 31st March, 2017		As at 31st March, 2016	
		Non current ₹ / lac	Current ₹ / lac	Non current ₹ / lac	Current ₹ / lac
	Term Loan : Secured				
	a) From Banks:				
	State Bank of India (SBI)	-	3,635.00	-	3,635.00
	Punjab National Bank (PNB)	-	1,672.77	-	1,672.77
	Bank of India (BOI) - WCTL	-	94.45	-	94.45
		-	5,402.22	-	5,402.22
	b) From Other parties				
	Indian Renewable Energy Development Agency Limited (IREDA)	-	4,931.69	-	4,931.69
	Funded Interest on Term Loan	-	1,079.36	-	1,079.36
	Edelweiss Asset Reconstruction Co. Ltd. (EARC)	-	1,323.00	-	1,323.00
		-	7,334.05	-	7,334.05
	c) Other loans and advances				
	Finance lease obligation	-	-	-	-
	Inter Corporate Deposit	-	2,106.78	-	232.53
		-	2,106.78	-	232.53
	Total (a + b + c)	-	14,843.05	-	12,968.80

6.1 State Bank of Bikaner and Jaipur (SBBJ) have assigned the financial exposure taken in the Company by transfer of debts , rights and obligations to Edelweiss Asset Reconstruction Company Limited (EARC) vide their letter dated 24.07.2014 .

6.2 All the lenders of Term Loan have issued loan recall notice to the company under Section 13 (2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 . Consequently term loan repayments due and payable to all the Term Lenders have been shown under current maturity.

Orissa Sponge Iron & Steel Limited

6.3 Term loans from banks and other parties are secured / to be secured by joint equitable mortgage by deposit of title deed of immovable properties and hypothecation of all moveable assets of the company both present and future (save and expect book debts) ranking pari-passu subject to prior charge created in favour of the company's bankers for securing working capital finance on stock of raw material, finished goods etc. and also by second charge on current assets. Further, the above term loans have been guaranteed by the personal guarantee of the Chairman & Managing Director of the Company.

6.4 Interest and maturity profile on Term Loans are set out below :

Interest on term loan from banks and other parties carry interest @ 15.25% to 17.20% and 10% to 12.89% respectively.

(₹ in lacs)					
Maturity profile	Current	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Term Loans from Banks					
State Bank of India	3635.00	-	-	-	-
Punjab National Bank	1672.77	-	-	-	-
Bank of India - WCTL	94.45	-	-	-	-
	<u>5402.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Indian Renewable Energy Development Agency Limited (IREDA)					
Edelweiss Asset Reconstruction Co Ltd.	6011.05	-	-	-	-
	<u>1323.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12736.27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6.5 Details of default in repayment of Term Loans and Interest (₹ In lacs)
Term Loan from Banks :

Name of Banks		Amount of Default as on 31.03.2017	Default has started since	Amount of Default as on 31.03.2016	Default has started since
State Bank of India	Principal	3635.00	January-11	3635.00	January-11
	Interest	6199.62	April-11	4673.67	April-11
Punjab National Bank	Principal	1672.77	October-11	1672.77	October-11
	Interest	1516.66	August-11	1270.22	August-11
Bank of India - WCTL	Principal	94.45	April-13	94.45	April-13
	Interest	101.39	November-12	72.10	November-12
Term Loan from other parties :					
Indian Renewable Energy Development Agency Limited (IREDA)	Principal	6011.05	June-11	6011.05	June-11
	Interest	5245.85	June-11	4531.43	June-11
Edelweiss Asset Reconstruction Co. Ltd.	Principal	1323.00	March-11	1323.00	March-11
	Interest	2534.83	April-11	1966.90	April-11

6.6 The default due to lenders towards interest have increased during the year due to interest charged since the date of NPA by the respective lenders .

	As at 31st March, 2017		As at 31st March, 2016	
	Long-term	Short-term	Long-term	Short-term
	₹ / lac	₹ / lac	₹ / lac	₹ / lac
7 PROVISIONS				
a) Provisions for employee benefits				
Provision for gratuity	28.23	889.95	-	890.95
Leave encashment	63.74	0.90	71.17	6.80
Superannuation Fund		-	-	4.34
b) Other Provisions				
Sales Tax & Entry Tax	-	15.47	-	15.47
	<u>91.97</u>	<u>906.32</u>	<u>71.17</u>	<u>917.56</u>

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7.1 Disclosure as required under AS 29

Provision for Entry tax, Sales tax and Interest on bank borrowings have been recognized in the financial statements considering the following :

- i) The company has a present obligation as a result of past event
- ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) A reliable estimate can be made of the amount of the obligation

Particulars	Entry tax	Sales tax
Carrying amount as at 01.04.2016	7.41 lacs	8.06 lacs
Provision made during the year	Nil	Nil
Amount used during the year	Nil	Nil
Unused amount reversed during the year	Nil	Nil
Carrying amount as at 31.03.2017	7.41 lacs	8.06 lacs
Nature of obligation	Demand of Entry tax	Demand for Sales tax
Expected timing of resultant outflow	On decision by the competent adjudicating authorities	On decision by the competent adjudicating authorities
Indication of uncertainty about those outflow	The above matters are under dispute with the authorities	The above matters are under dispute with the authorities
Major assumptions concerning future events	The matter is with higher authorities for adjudication. On the grounds of prudence provision is made.	The matter is with higher authorities for adjudication. On the grounds of prudence provision is made.

	31.03.2017 ₹ / lac	31.03.2016 ₹ / lac
8 SHORT TERM BORROWINGS		
a) Cash Credit from Banks & Others :(Secured)		
(including interest charged by banks upto the date of NPA)		
Bank of India	612.40	612.40
State Bank of India	7,146.10	6,814.67
Edelweiss Asset Reconstruction	855.91	855.91
b) Interest free loans and advances from related parties	217.90	72.68
payable on demand (unsecured) (refer note 35)		
	8,832.31	8,355.66

- 8.1 State Bank of Bikaner and Jaipur (SBBJ) have assigned the financial exposure taken in the Company by transfer of debts , rights and obligations to Edelweiss Asset Reconstruction Company Limited (EARC) vide their letter dated 24.07.2014 .
- 8.2 All the lenders of working capital to the company viz. SBI, BOI, & EARC have issued loan recall notice to the company under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 during the year.
- 8.3 Cash Credit from Banks are sanctioned on a consortium basis by hypothecation of raw materials, finished goods, stores & spares, book debts etc. paripasu secured charge on immovable properties and other fixed assets and also guaranteed by personal guarantee of Chairman and Managing Director of the company. The above cash credit is repayable on demand and carries interest @15.25% to 17.00%.

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8.4 Details of default in repayment of Cash Credit

Cash credit from Banks & Others :

Name of Banks	As at 31.03.2017		As at 31.03.2016	
	Amount of Default ₹ / lac	Default has started since	Amount of Default ₹ / lac	Default has started since
State Bank of India	7146.10	April 2011	6814.82	April 2011
Bank of India	612.40	March 2013	552.85	March 2013
Edelweiss Asset Reconstruction	855.91	July 2011	855.91	July 2011

Interest due since the date of default is included under interest accrued and due on short term borrowings under the heading Other Liabilities.

9 OTHER CURRENT LIABILITIES

Trade payables *	2,374.88	2,357.46
Other liabilities		
Current maturities of long-term debts (Refer Note No. 6 a & b)	12,736.27	12,736.27
Inter Corporate Deposit (Refer note No. 6 c)	2,106.78	232.53
Interest accrued and due on Term Loan	15,598.35	12,514.32
Interest accrued and due on cash credit	15,214.00	11,705.09
Advance against order	2,931.26	2,931.26
Creditors for Capital Expenditure	348.16	348.16
Liability for other expenses	1,305.17	955.40
Liability for wages and salaries	1,586.86	1,412.86
Security Deposit & Tender Deposit	164.49	164.60
Other payables	605.86	581.57
	<u>52,597.20</u>	<u>43,582.06</u>
	<u>54,972.08</u>	<u>45,939.52</u>

* Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

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10. FIXED ASSETS

TANGIBLE ASSETS

₹ in lacs

As at 31.03.2017	Leasehold Land	Freehold Land	Building	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total Tangible Assets
Cost at beginning of year	9,673.60	2,095.41	7,313.34	32,993.48	38.35	90.33	102.81	234.98	52,542.30
Additions	-	-	-	-	-	0.36	-	-	0.36
Disposals	-	18.16	153.84	-	5.85	18.58	12.28	-	208.71
Cost at end of year	9,673.60	2,077.25	7,159.50	32,993.48	32.50	72.11	90.53	234.98	52,333.95
Depreciation at beginning of year	-	-	3,031.67	18,300.93	32.46	66.83	101.68	206.78	21,740.36
Charge for the year	-	-	201.03	713.97	1.11	3.36	0.15	10.03	929.65
Disposals	-	-	20.18	-	4.75	12.56	12.28	-	49.77
Depreciation at end of year	-	-	3,212.52	19,014.90	28.82	57.63	89.55	216.81	22,620.24
Net book value at beginning of year	9,673.60	2,095.41	4,281.67	14,692.55	5.89	23.50	1.12	28.20	30,801.94
Net book value at end of year	9,673.60	2,077.25	3,946.98	13,978.58	3.68	14.48	0.98	18.17	29,713.71

Note - 5

CAPITAL WORK-IN-PROGRESS	3,567.79
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As at 31.03.2016	Leasehold Land	Freehold Land	Building	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total Tangible Assets
Cost at beginning of year	9,673.60	2,143.23	7,313.34	32,993.48	46.16	91.82	102.81	247.27	52,611.71
Additions	-	-	-	-	2.12	-	-	-	2.12
Disposals	-	47.82	-	-	9.93	1.49	-	12.29	71.53
Cost at end of year	9,673.60	2,095.41	7,313.34	32,993.48	38.35	90.33	102.81	234.98	52,542.30
Depreciation at beginning of year	-	-	2,828.37	17,577.65	35.83	63.43	101.52	191.48	20,798.28
Charge for the year	-	-	203.30	723.28	2.24	4.25	0.17	24.08	957.32
Disposals	-	-	-	-	5.61	0.85	-	8.78	15.24
Adjustment of Expired Assets	-	-	-	-	-	-	-	-	-
Depreciation at end of year	-	-	3,031.67	18,300.93	32.46	66.83	101.69	206.78	21,740.36
Net book value at beginning of year	9,673.60	2,143.23	4,484.97	15,415.83	10.33	28.39	1.29	55.79	31,813.43
Net book value at end of year	9,673.60	2,095.41	4,281.67	14,692.55	5.89	23.50	1.12	28.20	30,801.94

CAPITAL WORK-IN-PROGRESS	3554.50
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NOTE

- (1) Cost at the beginning of the year includes increase in valuation of ₹1042.00 lacs and ₹ 5091.97 lacs in Buildings and Plant & Machinery respectively on Revaluation of assets as at 31st March ,1993
- (2) Cost of Land at the beginning of the year includes increase in valuation of ₹11711.80 lacs on Revaluation of Land as at 31st March ,2014
- (3) Depreciation includes ₹ 871.95 lacs (₹842.46 lacs) and ₹5057.76 lacs (₹5057.76 lacs) in Building and Plant & Machineries respectively on increased value of assets due to revaluation
- (4) Capital Work in progress includes captive power plant expansion ₹3207.26 lacs (₹3207.26 lacs).
- (5) Disposal of Freehold Land represents the cost of 0.867 acres of land sold during the year.

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10A INTANGIBLE ASSETS

(Intangible assets - in - progress)

Mining exploration and
development expenses
₹ / lac

Opening Balance as at 01.04.2016	259.49
Additions during the year 2016 -17	2,918.15
Closing Balance as at 31.03.2017	3,177.64
Opening Balance as at 01.04.2015	237.95
Additions during the year 2015 -16	21.53
Closing Balance as at 31.03.2016	259.48

Note Addition during the year includes ₹ 2897 lacs paid by the Company to the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Fund of the Ministry of Environment and Forest (MOEF) towards afforestation cost calculated at Net Present Value (NPV). This cost will be amortised on commencement of mining operations.

31st Mar, 2017
₹ / lacs

31st Mar, 2016
₹ / lacs

11 NON CURRENT INVESTMENTS

Other Investment

a) In Equity shares - Unquoted, fully paid up

(i) Investment in Associated Companies

1,419,930 (1,419,930)Equity Shares of ₹ 10 each of Bilati (Orissa) Limited *

141.99

141.99

(ii) Others

500 (500) B-Class Shares of ₹ 200 each of Orissa Sponge Iron Employees' Consumer Co-operative Society Ltd.

1.00

1.00

5,000 (5,000) Equity Shares of ₹ 10 each of OSIL-TRFI Community Services.

0.50

0.50

7,200 (7,200) Equity shares of ₹ 10 each of Keonjhar Infrastructure Development Company Ltd, Palaspanga

0.72

0.72

144.21

144.21

Add/(Less) Provision for diminution in value of long term investments.

(141.98)

(141.98)

Add/(Less) Diminution in value of Investment

-

-

* (Provision for diminution in the value of investment in shares of Bilati (Orissa) Ltd.

(BOL) has been made during 2010-11, with a carrying amount ₹ 1,000/-)

2.23

2.23

b) In Preference shares - Unquoted, fully paid up

40,00000 (40,00,000) 6% Preference Equity shares of ₹ 10 each of Keonjhar Infrastructure Development Company Ltd, Palaspanga

400.00

400.00

Total of (a) + (b)

402.23

402.23

11.1 ** Equity Shares of Keonjhar Infrastructure Development Company Ltd. (KIDCO) amounting to ₹ 0.72 Lacs (₹ 0.72 lacs) have been pledged with State Bank of India Bhubaneswar as collateral security for loan granted by them to KIDCO .

12 DEFERRED TAX ASSETS (NET)

Deferred Tax Liabilities

Depreciation

4,179.30

4,295.88

Deferred Tax Assets

Carried forward loss

(17,007.60)

(18,402.95)

Deferred Tax Liability / (assets) (Net)

(12,828.30)

(14,107.07)

12.1 The Company has recognised deferred tax in the accounts as it has the potential to recoup the losses on commencement of mining operations. Having complied with all formalities the company is now waiting for execution of mining lease. In calculation of deferred tax, all adjustments are made as provided under the Income Tax Act 1961 and the Rules framed there under including accounting for disallowances made during assessment/ appeal .

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13 LOANS AND ADVANCES		As at 31 st March, 2017		As at 31st March 2016	
		(Long-term)	(Short-term)	(Long-term)	(Short-term)
		₹ / lacs	₹ / lacs	₹ / lacs	₹ / lacs
Capital advance					
Unsecured, considered good	(A)	235.88	-	217.33	-
Security deposit					
Unsecured, considered good	(B)	123.73	-	124.73	-
Loans and advances to related parties (note - 36)					
Unsecured, considered good		-	-	-	-
Doubtful		-	-	-	-
		-	-	-	-
Provision for doubtful advances		-	-	-	-
	(C)	-	-	-	-
Advance recoverable in cash or in kind					
Unsecured, considered good		80.21	95.42	80.53	286.32
Doubtful		399.68	-	399.68	-
		479.89	295.42	480.21	286.32
Provision for doubtful advances		399.68	-	399.68	-
	(D)	80.21	295.42	80.53	286.32
Other loans and advances					
Advance income tax and tax deducted at source(Net of provision for taxation)		-	36.50	-	31.90
Prepaid expenses		-	1.37	-	0.74
Loans to employees		-	-	-	-
Balance with statutory/government authorities		511.70	684.47	511.70	683.01
	(E)	511.70	722.34	511.70	715.65
Total (A+B+C+D+E)		951.52	1,017.76	934.29	1,001.97

13.1 Long Term Advances under doubtful includes claim receivable amounting to ₹ 119.00 lacs from Mahanadi Coalfield Ltd . Mahanadi Coalfield Ltd encashed the bank guarantee given to them for purchasing of coal under the fuel supply agreement . The company has contested such encashment of bank guarantee and the matter is subjudice .

		31st Mar, 2017	31st Mar, 2016
		₹ / lacs	₹ / lacs
14 CURRENT INVESTMENT - QUOTED			
(At cost less provision for diminution in value)			
Trade Investments - Quoted, fully paid up			
63,524(63,524) Equity Shares of ₹ 50 each of Rathi Steel & Power Limited.		31.76	31.76
(Market value ₹ 2.20 lacs , previous year ₹ 2.03 lacs)			
		31.76	31.76
Add/(Less)	Provision for diminution in value of current investments.	(29.56)	(29.74)
		2.20	2.02

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	31st Mar, 2017 ₹ / lacs	31st Mar, 2016 ₹ / lacs
15 INVENTORIES		
(At lower of cost and net realisable value)		
Finished Goods	1,211.01	1,211.01
Raw Materials	939.24	939.24
Stores and Spares	559.91	559.91
	2,710.16	2,710.16
In view of substantial reduction in the value of inventories for possible deterioration of grade and quality made 2014- 15 no further reduction in the value is considered during the year .		
16 TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivable outstanding for a period exceeding six months from the date they were due for payment	148.08	148.08
Unsecured, considered doubtful	-	-
	148.08	148.08
Others	-	-
	148.08	148.08
Less : Provision	-	-
Total Trade Receivables	148.08	148.08
17 CASH AND BANK BALANCES		
(A) Cash and cash equivalents		
(a) Cash on hand	1.20	2.41
(b) Balances with Banks		
(1) In Current Account	1,020.86	29.68
(2) In Deposit Accounts (maturing in three months or less)	-	-
Total Cash and cash equivalent	1,022.06	32.09
(B) Other bank balances		
Fixed deopsit with banks	3.00	-
(maturing after three months but within twelve months)		
On Margin money deposit	-	63.57
	3.00	63.57
Total Cash and bank balances	1,025.06	95.66
18 REVENUE FROM OPERATIONS		
Sale of products	-	-
Sale of Power	-	-
Engineering and Technical Services	-	-
	-	-
Less : Excise Duty on sale of products	-	-
	-	-
19 Profit on sale of Freehold Land represents the profit earned by the company on sale of 0.867 acres of freehold land during the year .		
20 OTHER INCOME :		
Interest (Gross) (TDS deducted ₹ 4.36 lacs (₹ NIL lacs)	7.01	7.54
Miscellaneous Income (Net of excise duty ₹ Nil, previous year ₹ Nil)	21.07	29.02
Change in valuation of long term Investment	0.18	-
Liability written back since no longer payable	-	0.20
	28.26	36.76

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	31st Mar, 2017 ₹ / lacs	31st Mar, 2016 ₹ / lacs
21 COST OF MATERIALS CONSUMED		
MATERIAL EXPENSES		
Raw Materials Consumed		
Opening Stock	939.24	939.24
Add : Purchases	-	-
	<u>939.24</u>	<u>939.24</u>
Less : Closing Stock	<u>939.24</u>	<u>939.24</u>
	-	-
Details of Materials consumed		
Iron ore	-	-
Coal	-	-
Limestone & Dolomite	-	-
Steel Scrap	-	-
Others	-	-
	<u>-</u>	<u>-</u>
22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK IN TRADE		
Opening stock		
Finished Goods	1,211.01	1,211.01
Closing stock		
Finished Goods	<u>1,211.01</u>	<u>1,211.01</u>
	-	-
Opening stock	133.22	133.22
Closing stock	<u>133.22</u>	<u>133.22</u>
	-	-
23 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	427.49	560.35
Contribution to Provident Fund , Gratuity and Other Funds	84.07	41.62
Staff Welfare Expenses	40.54	99.11
	<u>552.10</u>	<u>701.08</u>
24 FINANCE COST		
Interest expenses	7,086.95	6,711.96
Other borrowing costs	0.16	13.27
	<u>7,087.11</u>	<u>6,725.23</u>
25 DEPRECIATION AND AMORTISATION EXPENSE		
For the year	929.65	957.33
Less : Withdrawn from Revaluation Reserve	29.49	29.49
	<u>900.16</u>	<u>927.84</u>
26 OTHER EXPENSES		
Manufacturing expenses		
Consumption of Stores & Spares	2.53	-
Power & Fuel	44.71	45.83
Repairs to Machinery	0.12	1.21
	<u>47.36</u>	<u>47.04</u>

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	31st Mar, 2017 ₹ / lacs	31st Mar, 2016 ₹ / lacs
Administrative , selling and other expenses		
Rent	7.16	8.55
Rates & Taxes	6.04	12.08
Insurance	1.07	5.69
Travelling & Conveyance	24.26	17.95
Postage ,Telephone & Telex	6.62	7.51
Printing & Stationery	1.67	3.12
Upkeep maintenance	6.89	7.69
General Repairs	3.12	7.05
Bad Debt / advances written off	-	1,944.68
Less : Adj with Provision for doubtful advances	-	(1,944.68)
Provision for doubtful advances	-	59.50
Provision for diminution in value of investments	-	0.39
Legal & Professional Expenses	199.98	201.49
Miscellaneous Expenses	161.35	60.77
Packing & forwarding	0.82	-
	418.98	391.79
TOTAL	466.34	438.83

27 Disclosures in accordance with revised AS-15 on "employees benefits"

a) Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Account for the year:

Particulars	2016-17 ₹ / lacs	2015-16 ₹ / lacs
Employers' Contribution to Provident Fund	11.88	15.47
Employers' Contribution to Superannuation Fund	Nil	1.23
Employers' Contribution to Employees' Pension Scheme	25.53	31.69
Total	37.41	48.39

b) Defined Benefit Plans:

i) Compensated Absences:

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of avilment of leave while in service and qualifying salary on the date of avilment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account in qualifying salary projected up to the assumed date of encashment.

ii) Detail of the Gratuity and Leave Encashment benefit are as follows :

Particulars	2016 - 17		2015 - 16	
	Gratuity (Funded) Amount (₹ / lacs)	Encashment (Non Funded) Amount (₹ / lacs)	Gratuity (Funded) Amount (₹ / lacs)	Encashment (Non Funded) Amount (₹ / lacs)
Obligation at the beginning of the year	913.35	94.89	1007.25	110.80
Service cost	28.23	0.76	(117.92)	2.48
Interest cost		7.20	4.46	8.33
Benefits settled	(3.16)	(10.35)	(74.46)	(22.71)
Actuarial (Gain) / Loss		(7.06)	94.02	(4.01)
Obligation at the end of the year	938.42	85.44	913.35	94.89

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Particulars	2016 - 17		2015 - 16	
	Gratuity (Funded) Amount (₹ / lacs)	Encashment (Non Funded) Amount (₹ / lacs)	Gratuity (Funded) Amount (₹ / lacs)	Encashment (Non Funded) Amount (₹ / lacs)
Change in plan Assets				
Plan Assets at the beginning of the year, at fair value	22.28	-	89.33	-
Expected return on plan assets	-	-	4.46	-
Actuarial (Gain) / Loss	-	-	(3.05)	-
Contributions	1.00	-	6.00	-
Benefits settled	-	-	(74.46)	-
Plan Assets at the end of the year, at fair value	23.28	-	22.28	-
Reconciliation of present value of the obligation and the fair value of the planned assets				
Fair value of the Plan Assets at the end of the year	-	-	22.28	-
Present value of the defined benefit obligation at the end of the year	-	85.44	913.35	94.89
Assets / (liability) recognised in the balance sheet	-	85.44	(891.07)	94.89
Gratuity cost for the year				
Service cost	-	-	(117.92)	-
Interest cost	-	-	4.46	-
Expected return on plan assets	-	-	(4.46)	-
Actuarial (Gain) / Loss	-	-	96.96	-
Net Gratuity cost	-	-	(20.96)	-
Assumptions				
Interest rate		6.90%	8.35%	7.60%
Expected rate of return on plan assets		6.90%	8.35%	7.60%
Expected rate of salary increase		9%	6.00%	9%
Retirement age	58	58	58	58

In the absence of details from LIC, some comparable data for gratuity for the year 2016-17 with that of 2015-16 could not be furnished.

28 Miscellaneous expenses include payments to Auditors towards:

As Auditor:	2016-17 (₹ / lacs)	2015-16 (₹ / lacs)
Statutory Audit fee	0.75	0.75
Tax Audit Fee	0.00	1.20
Other Services	0.60	0.44
Out of pocket expenses	-	0.29
	1.35	2.68

29 Contingent liabilities and commitments

(A) Contingent liabilities		
(a) Claims against the company not acknowledge as debts		
i Disputed Sales Tax (under appeal) Includes ₹ 1369 lakh is for non submission of declaration forms, out of which ₹ 1357.79 lakh has since been collected / submitted and ₹ 1962.31 lakh other disallowance items.	3313.31	3313.31
ii Disputed Central Excise and Service Tax (under appeal)	155.33	155.33
iii Income Tax Demand (under appeal)	65.99	149.03
iv Provident & Pension Fund (under appeal)	212.96	201.96
v Other Claims not acknowledged as debt (includes ₹ 2029.69 lacs (gross) pertaining to the amount claimed by a party through a company petition before the Hon'able Odisha High Court on which decision is pending)	2092.33	2033.16
vi Penalty imposed by bse for non various non compliances	21.62	26.03
(b) Guarantees		
i Letters of Credit and for Counter Guarantees to the Banks for guarantees given by them.	NIL	459.50
ii Guarantee given to Keonjhar Central Co-Operative Bank Ltd. for cash credit facilities obtained by Bilati (Orissa) Ltd.	126.93	126.93
iii Joint undertaking for overrun / shortfall in margin and Guarantee Cum Undertaking given to State Bank of India for the Term Loan extended to Keonjhar Infrastructure Development Company Limited (KIDCO) amounting to ₹58 crores in the event of default in debt servicing by KIDCO.	Not ascertainable	Not ascertainable
(B) Commitments		
Estimated amount of contracts (Net of advance) , (previous year ₹ 111.83 lakh) remaining to be executed on Capital Account and not provided for.	111.83	111.83
(C) No dividend is payable on 10% Non Convertible Cumulative Redeemable Preference Shares of ₹10/- each as the allotment of the said shares has been cancelled by the Board at the meeting held on 18.02.2017.	Nil	Nil

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30 Imported and indigenus raw materisls and stores & spares consumed:

	2016-17		2015-16	
	Value (₹/lacs)	%	Value (₹/lacs)	%
Raw materials				
Imported	-	-	-	-
Indigenous	-	-	-	-
	-	-	-	-
Stores & Spares parts				
Imported	-	-	-	-
Indigenous	-	-	-	-
	-	-	-	-

31 Expenditure in Foreign Currency:

-

32 Earnings in foreign exchange:(Technology Sales)

-

33 Earnings per share :

Profit for the year after taxation, as per statement of profit and loss(₹/lacs)	(9,937.99)	(6742.89)
No. of Equity Shares (weighted)	29,790,000	27,00,0000
Basic & diluted Earning per share(face value – ₹ 10/-per share)	(33.36)	(24.97)

In computing diluted earning per share equity share warrants (10% consideration on 710000 equity shares) allotted on preferential basis has been excluded pending conversion of warrants into equity shares .

34 As the Company's business activity falls within a single primary business segment, viz. "Iron & Steel" the disclosure requirement of Accounting Standard 17 – Segment reporting are not applicable.

35 Related Party disclosures under Accounting Standard –18

A. Name of related party and relationship

I. Subsidiary	:	-
II. Associates	:	Torsteel Research Foundation in India TRFI Investment Pvt. Ltd. OSIL-TRFI Community Services OSIL-TRFI Community Services Trust Bilati (Orissa) Ltd. Torsteel Services Pvt. Ltd. Keonjhar Infrastructure Development Co Ltd Monet Ispat & Energy Limited
III. Key Management Personnel	:	Dr. P. K. Mohanty Mr Munir Mohanty

Orissa Sponge Iron & Steel Limited

	2016-17 ₹ / lacs	2015-16 ₹ / lacs
B. Transaction with related parties referred to in – (A) :		
I. Transactions with key managerial personnel:		
Remuneration		
Dr. P. K. Mohanty	0.25	0.24
Mr.M. Mohanty	<u>2.86</u>	<u>12.40</u>
	3.11	12.64
II. Transactions with Associate Companies/ Entities :		
a) OSIL – TRFI Community Services		
Contribution towards community services	-	-
b) OSIL – TRFI Community Services Trust		
Contribution towards community services	-	-
c) Torsteel Research Foundation in India		
Advance received / paid	(208.81)	80.88
Receivable / (Payable) as at 31.03.17	(217.90)	(9.09)
d) Torsteel Services (P) Ltd.		
Advance received / paid	-	31.27
Receivable / (Payable) as at 31.03.17	-	-
e) TRFI Investment Pvt. Ltd.		
Advance received / paid	63.60	-
Reimbursement of legal expenses relating to OSIL share transfer	-	(62.48)
Receivable / (Payable) as at 31.03.17	-	(63.60)
f) Keonjhar Infrastructure Development Co Ltd		
Advance received / paid	(14.66)	(8.87)
Receivable / (Payable) as at 31.03.17	(21.64)	(6.98)
g) Bilati (Orissa) Ltd.:		
Advances given during the year	-	-
Advances written off during the year	-	1927.51
Balance Receivable as at 31.03.17	-	-
h) Monet Ispat & Energy Limited		
Advance received / paid	(1976.11)	(37.68)
Advances written off during the year	-	-
Balance Receivable as at 31.03.17	(2247.70)	(271.59)

36 Discloser pursuant to the requirement of notification GSR 308(E) dated 30.03.2017 relating to specified Bank Notes (SBN) held and transacted durig the period from 08.11.2017 to 30.12.2017.

	SBNs (₹)	Other denomination notes(₹)	Total (₹)
Closing cash In hand as on 08.11.2016	30000	3074	33074
(+) permitted receipts	0	176229	176229
(-) permitted payments	0	136001	136001
(-) amount deposited in banks (Yes Bank on 01.12.2016)	30000	0	30000
Closing cash in hand as on 30.12.2016	0	43302	43302

37 All the amounts in Rupees have been rounded off to lacs with thousands in decimals.

38 Previous years figures

Previous figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

See accompanying notes forming an integral part of the financial statements.

In terms of our annexed report of even date.

For and of behalf of the Board

For A. K. BHARDWAJ & CO

Chartered Accountants
FRN 316085E

A. K. BHARDWAJ & CO

Partner
Membership No.052723
Place : Kolkata
Dated : 27th May, 2017

Ankur Gupta
Company Secretary

M Mohanty
Director & C F O

B.K.Sarkar, Director
A.K.Mukherjee, Director
S.K.Kar, Director
Nancy Roy, Director
M.B. Bhagat, Director
A.Tulsyan, Director
Dr.P.K.Mohanty, Chairman
& Managing Director

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government in full measure,

Members who are holding shares in demat mode are requested to register their e-mail id with their Depository Participant immediately, if not registered already.

Members who are holding shares in physical form should send their queries by e-mail to green@orissasponge.com with their name and folio no.

OR

Such members holding shares in physical form can also write to the Company at Orissa Sponge Iron & Steel Limited (Share Department) Chatterjee International Centre, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata 700 071 and inform their e-mail id quoting their name and folio no.

If undelivered. Please return to :

ORISSA SPONGE IRON & STEEL LIMITED

Chatterjee International Centre, 11th Floor

33A, Jawahar Lal Nehru Road

Kolkata – 700 071