

**BHUSHAN STEEL LIMITED**  
The Future of Steel



**RIGHT TIMED.  
RIGHT POSITIONED.**



**ANNUAL REPORT 2011-12**

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**Forward Looking Statement:** This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available sources and has not verified those information independently.



## **RIGHT TIMED. RIGHT POSITIONED.**

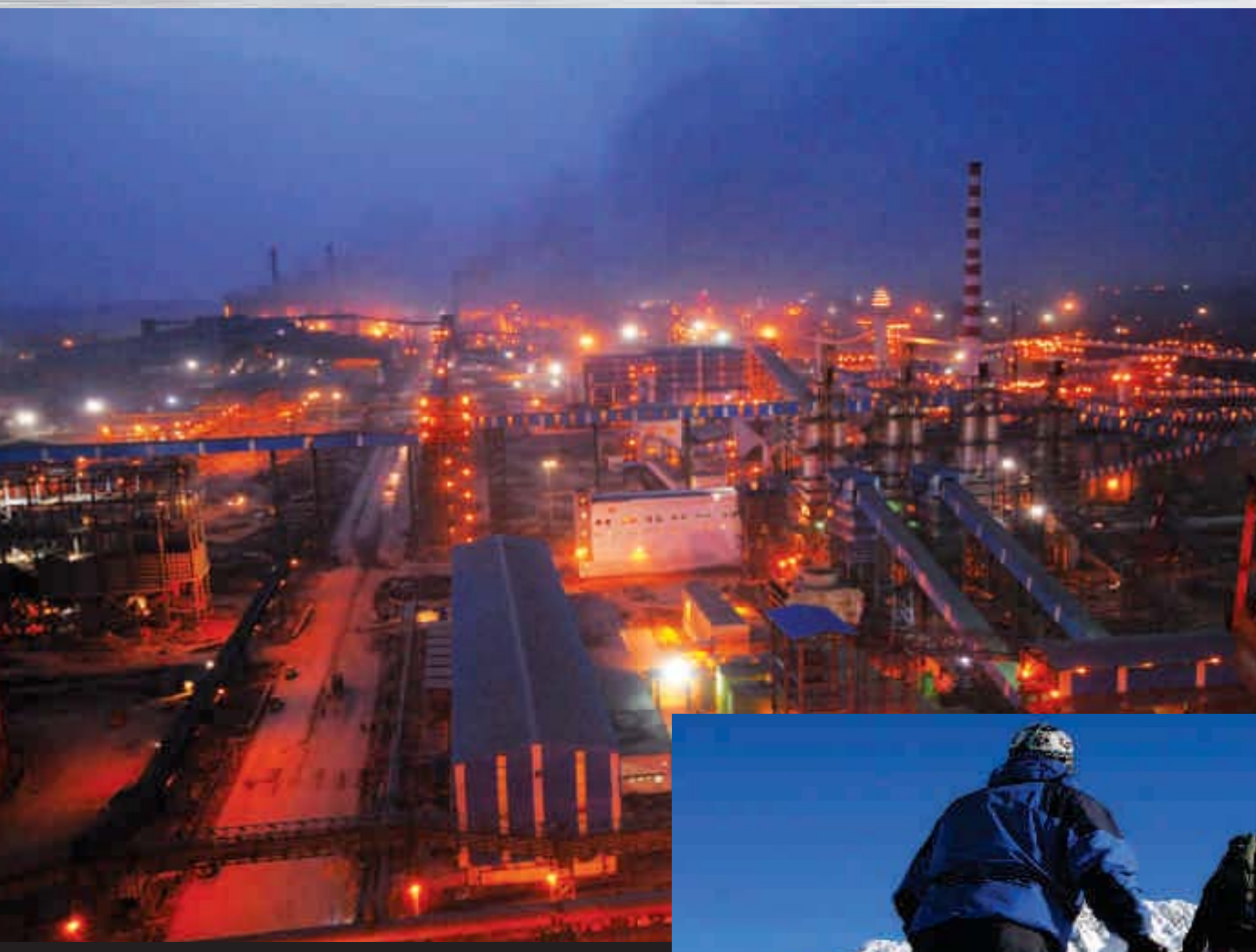
In fast evolving and dynamic realm of business today, global opportunity landscape is fast tilting towards emerging economies including India. In order to make the most of impending opportunities, successful businesses need to time and position their strategic moves right.

Way back in 2005, we foresaw the steel demand burgeoning over medium to long-term in India. We resolved to make one of the largest Capex investments of recent times aimed at emerging as a leading Steel maker in India. Our steel sojourn was marked with several impediments such as softening global demands and tightening liquidity. Our steely resolve and astute project implementation coupled with the robustness of our business model helped us achieve what we were set out for.

As the dust of economic uncertainty settles down over coming months, Phase III of our integrated steel complex in Orissa would approach commissioning in FY 13. With the demand growth picking momentum, we would be ready with mammoth capacities – 5 MTPA of primary steel, 2.2 MTPA of secondary steel and 840 MW of power (including Bhushan Energy Limited). Having persevered with our mission expansion for 8 years, we would reap its benefits for all our stakeholders over many decades to come.

In view of evolving global opportunity landscape, we find ourselves right timed and right positioned.







## EXPANSIONS. RIGHT TIMED.

All our greenfield and brownfield expansions, in primary as well as secondary steel making, have been meticulously planned, in line with potential demand growth in our target markets. Our capability to embrace best of global technologies, processes and machineries in each of our expansions has kept us in top stead of product quality.

The prevalent economic slowdown and tightening of liquidity did result in overall slowdown in major capital expenditures. Subsequently, capacity addition in steel sector in India has been quite moderate in recent times. Our right timed expansions put us in an advantageous position to serve growing demand with ready and running capacities as and when the demand acceleration peaks in coming years.

Our robust strategies and effective implementation have been instrumental in furthering our expansion agenda successfully amidst all challenges. In FY 12, we added ERW pipes in our product portfolio by adding a new line at our Khopoli plant.

The 2.5 MTPA phase III expansion of HR Coil at integrated Orissa steel plant is slated for completion during FY 13. With this, we will go on to add 5 MTPA of greenfield capacity in just 8 years which would be the fastest ever such feat in the industry. Growing from just 0.9 MTPA of secondary steel in 2005 to 5 MTPA of primary steel and 2.2 MTPA of processed steel by FY 14, we would catapult ourselves into the echelons of steel leadership in India.







## CAPACITIES. RIGHT PLACED.

From 45.1 kg in 2008 to 52 kg in 2011, India's per capita steel consumption has been steadily growing. Despite marked improvements in recent years, India still lags far behind the world average of 203 kg and China's average of 427 kg.

With consistent growth in per capita steel consumption over coming years, our primary as well as processed steel capacities are right placed to mine the best of unfolding growth in domestic and exports markets. Our traditional customer segments of automobile and consumer durables are poised to continue their growth momentum in light of growing domestic demands. The fact that many global players are choosing India to be their global manufacturing base is only growing to accelerate demand growth for our products.

Our steel manufacturing capacity in Orissa is located in a region with rich availability of staple raw materials such as iron ore, coal and water. Its proximity to ports makes the vital difference in terms of importing raw materials as well as exporting finished steel as and when desired.

Our two secondary steel plants, one each at Khopoli in Maharashtra and Sahibabad in NCR region of Delhi, are strategically located to cater to various manufacturing clusters in northern and western India. With a vision to sell most of our manufactured steel as high value added finished steel, we are poised to add new processing lines at Orissa. By adding Orissa as our third secondary steel location, we would enhance our capabilities to cater to manufacturing clusters in southern and eastern parts of the country.

With our capacities rightly placed, we would make the most of impending opportunities.









## **RANGE. RIGHT MIXED.**

In the competitive world of business, having a wide array of products in line with market demand helps as a springboard in the up cycle and cushion in the down cycle. At Bhushan Steel, we have maintained a right mix of products. Our dominance in high-end CR steel is well established in automobile and consumer goods segment.

In secondary steel segment, we added ERW pipes in our product portfolio in the year under review. Courtesy our continuous expansion and diversification, we have made some pioneering product initiatives in India and maintained a diverse line of product offerings for our customer segments globally. As a leading steel player in India today, our varied product range includes Hot Rolled Coils, Cold Rolled Coils, Galvanized Sheets, Galume, Colour Coated Sheets, Drawn Tubes, Tempered Steel Strips, ERW Pipes and Wire Rods amongst others. Apart from these, we also generate Power for captive consumption.







## VISION. RIGHT DIRECTED.

At the core of our unabated forward march has been our vision of Sustainable and Inclusive growth. We have been driven to create sustained value for all our stakeholders – customers, employees, partners, suppliers, shareholders, lenders, exchequers and community. Driven to drive sustained value for our stakeholders, we continue to dream, dare and deliver.

With a definitive focus on future, we continue to ready ourselves. The same spirit has helped us create many firsts in the Indian steel industry. As a result, we have stayed ahead of the curve consistently. With our well planned and seamlessly executed secondary and primary steel capacities and ensuing development on the allocated Coal & Iron Ore blocks, we are within striking distance to realize our long cherished vision of fully integrated, backward and forward, steel operations.

Our phase III expansion of 2.5 MTPA primary steel capacities, apart from consumption in open market, would ensure an even smooth input for our secondary steel manufacturing. Going forward, we are aiming to and have planned to increase our secondary steel capacities, which would have uninterrupted and ready-availability of raw material.





# FUTURE. EVER EVOLVING.



At Bhushan Steel, continuous capacity expansions, product diversity and technological enhancements form core of our business operations. A continued focus on bringing more steel, better quality and value addition has kept our expansion spirit high all these years.

As we are about to see the momentous completion of phase III of our expansion in FY 13, we are announcing commencement of our next expansion at Orissa plant. The latest from the house of Bhushan Steel is 2 MTPA Pickling Line with Tandem Cold Mill line (PLTCM). In PLTCM, HR Coil will undergo pickling and cold rolling process to yield CR Coil. Since both these processes are taking place on the same line, it leads to saving in manufacturing time. The Continues Annealing Line (CAL) as part of this expansion further adds to the variety of steel that we can bring to our customers with increased efficiency and optimized costs. Post completion of PLTCM we would have added 2 MTPA Cold Rolled Coil/Sheet and 0.65 MTPA Galvanized Sheets.

## **Distinctive features**

- Reduced cost and time involved in movement of HR Coil to CR Line • Superior steel quality from improved flatness, better surface, cleanliness and dimensional tolerance • Significant reduction in scrap/wastage during processing

## **Strategic advantages**

- Internal consumption of surplus HR Coils generated from expanded capacities (4.4 MTPA) post phase III expansion
- Self-reliance on Raw material for PLTCM due to ready availability of HR Coil • Most suited location for exports opportunities to international markets due to proximity to the port

## **Wide range of products**

- CR Annealed & Skin Pass Coil • Galvanised Coil for both Automobile and Construction Sectors • Gal-Alume/ Zn-Mg Coated Coil for construction sector • Aluminised Coil for heat exchanger • CR full Hard Coil







## RESOURCES. RIGHT ALIGNED.

At Bhushan Steel, we have been mastering the art of steel making with efficiency, profitability and sustainability. From 0.12 MTPA of secondary steel in 1989 to first captive power plant of 12 MW in 1997 to foray in primary steel with 1.9 MTPA plant in 2006 to 4.4 MTPA total capacities and 355 MW captive power plant today, our journey has been that of a phenomenal growth.

Steel making being amongst the most capital-intensive businesses, we took cognizance of our responsibility to become an efficient, self-reliant and sustainable business at the right time with the right intensity. Today, with total capacities in sight to be 5 MTPA upstream and 2.2 MTPA downstream by FY 13, we equal the intensity of focus on raw material, manpower and logistics integration.

Our relentless planning and execution towards integrating all the important raw material and infrastructure like Thermal Coal, Iron Ore, Coking Coal, Water and Power has started showing initial signs of success. Development work on Iron Ore, Coal Mines and Water resources is progressing well apart from our continuous addition of Captive Power.

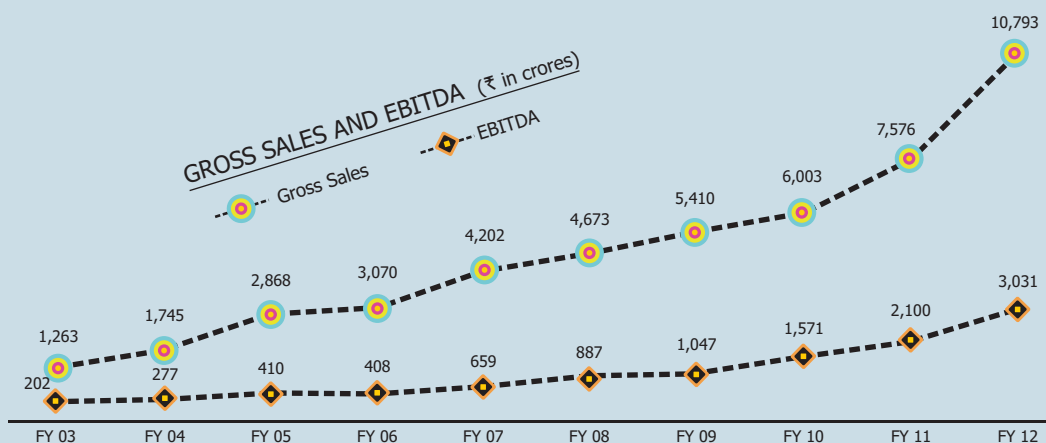


# FINANCIAL HIGHLIGHTS

## 10 YEARS' FINANCIAL SUMMARY

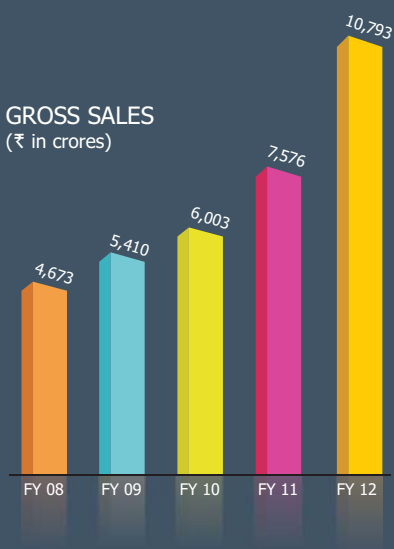
(₹ in crores)

Particulars	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Gross Sales	1,263	1,745	2,868	3,070	4,202	4,673	5,410	6,003	7,576	10,793
EBITDA	202	277	410	408	659	887	1,047	1,571	2,100	3,031
Net Profit	55	90	153	154	313	424	421	846	1,005	1,023
Net Worth	573	664	805	960	1,338	2,022	2,781	4,421	6,695	8,918
Gross Block (Including CWIP)	1,302	1,529	2,044	3,091	4,586	7,495	10,682	14,795	21,818	28,999

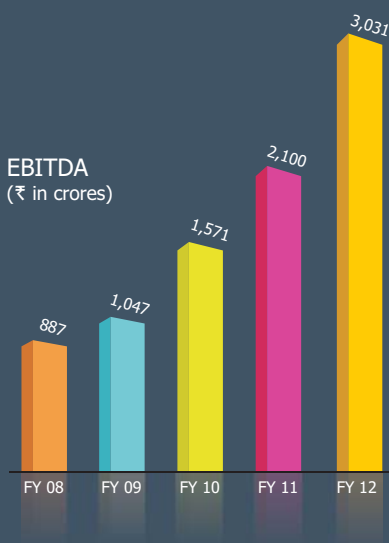




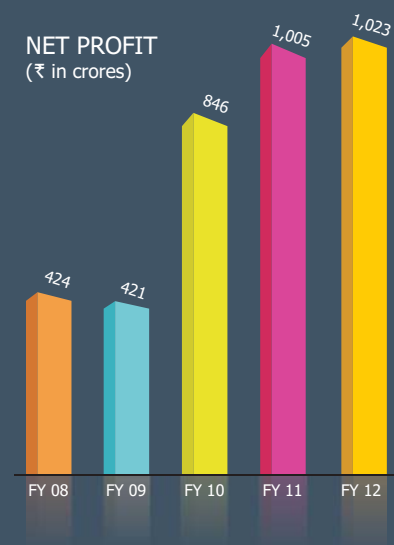
**GROSS SALES**  
(₹ in crores)



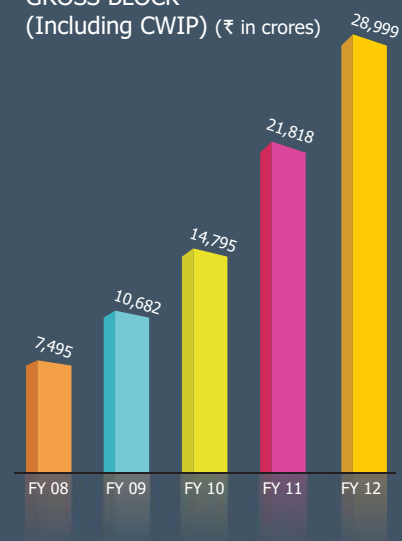
**EBITDA**  
(₹ in crores)



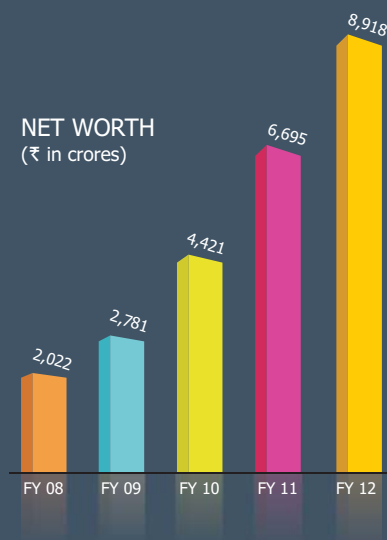
**NET PROFIT**  
(₹ in crores)



**GROSS BLOCK**  
(Including CWIP) (₹ in crores)



**NET WORTH**  
(₹ in crores)





**B. B. Singal**  
Chairman



# CHAIRMAN'S MESSAGE

## *Dear Shareholders*

Amidst the volatilities and uncertainties prevalent in the macro-economic environment across the globe and here in India, I am pleased to address you all with a momentous feat of your Company coupled with another year of industry-defying growth.

### **Testing Macro-economic Scenario**

Growth momentum of the world economy got arrested once again in the year gone by. At work in the networked world of today were several events and factors such as the catastrophic Tsunami in Japan, sovereign debt crisis in the Euro zone, higher unemployment in most of the developed economies including US, and considerably higher global prices of commodities including food items, inflationary pressures in emerging economies and reverse flow of foreign capital towards safer havens in advanced economies. Consequently the world GDP growth rate slipped to 3.9% in calendar year (CY) 2011 from 5.3% recorded in 2010. Emerging economies, despite moderation in their growth rate to 6.2% in CY 2011 from 7.5% recorded in the previous year, showed tremendous resilience. The world economy is projected to grow by 3.5% in 2012 before returning back to 4.1% in calendar year 2013.

Against such a testing backdrop, Indian economy recorded a GDP growth of 6.5%, its lowest in past nine years. Consistently higher inflation, sharp depreciation of Indian rupee against US dollar, fiscal regime of liquidity tightening through sequential increase in interest rates and deferment of key policy reforms spelt their adverse cast on our growth momentum. Being a diehard optimist and a firm believer in India growth story, I am encouraged by the sense of urgency that the government is expressing towards reviving growth.

### **Silver Lining for Indian Steel Industry**

Amidst economic uncertainties, global Steel production recorded a 6.8% growth to reach 1,527 million tonnes in 2011. In India, the industry's production recorded 5% growth in the same period to reach 72 million tones by 2011. Steel production in India has suffered from Industry's poor performance on capacity addition. In the light of Planning Commission's projections of domestic steel demand to almost double during the 12th Five Year Plan period from current levels, the future of Indian steel industry appears bright. Your Company's soon to be accomplished feat of adding 5 MTPA of primary steel capacities coupled with significant increase in secondary steel segment is right timed. The same would yield tremendous value enhancement for all our stakeholders over coming years.

### **Shining in Testing Times**

Let me first congratulate each one of you on your Company's transition to the coveted club of ₹10,000 Crores revenue mark in FY 12. The toughest steel is the one that passes through highest heat. Like our products, our Company also has shown tremendous toughness in weathering many a tough times and cycles in its very young age of little over two decades.

Amidst challenging times of FY 12, your Company came up with flying colours to record a 42% growth in its revenues and a 44% growth in its EBITDA. Consequently, our revenues and EBITDA stood at ₹10,793 Crores and ₹3,031 Crores respectively in FY 12.

### **A Brighter Future Ahead**

From being a dominant player in special grade downstream steel until 2004, we dreamt of foraying into primary steel making way back in 2005. Fiscal year 2012-13 would mark the accomplishment of a future that we envisioned for ourselves. With the ensuing expansion under phase III of our greenfield project at Orissa fast approaching completion, we are poised to catapult ourselves in the echelons of steel leadership in India. Our vision of becoming a leading steel player with integrated operations is within striking range of realization. On the other side of this perseverance and hard work would be a leading Indian steel maker, one with 5 MTPA of primary steel, 2.2 MTPA of secondary steel and 840 MW of power generation including generation capacities in Bhushan Energy Limited. And we are still counting.

I would like to close my address with congratulating every member of our management and staff for their passionate efforts and wish them good luck in successful accomplishment of their set out goals. While thanking each one of you for your continued trust and patronage, I look forward to many more years of being together and creating value.

Best Regards,

**B. B. Singal**  
Chairman



**Neeraj Singal**  
Vice-Chairman & MD



# SESSION WITH THE MANAGING DIRECTOR

## **How do you view the Company's performance in FY 12?**

At Bhushan Steel, we have a rich tradition of enhancing stakeholders' value through consistent performance year after year. With our teams persevering and excelling to overcome macro-economic uncertainties, the year gone by was no different where we outperformed the industry once again. Crossing the coveted mark of ₹10,000 Crores for the first time, our revenues reached ₹10,793 Crores in FY 12 and recorded an impressive 42% growth over ₹7,576 Crores achieved in the previous year. At ₹3,031 Crores, our EBITDA grew by 44% over ₹2,100 Crores recorded in FY 11.

We continued to expand our product portfolio as well as our installed capacities in upstream and downstream segments through the year. We added high quality API grade ERW Pipes in our diverse product offerings. With total capacities at 2.2 MTPA of primary steel (1.90 MTPA HRC and 0.30 MTPA Billets) and 2.2 MTPA of finished steel, we continued to achieve realizations better than the industry average. Our Captive Power generation capacity, which stood at 158 MW in FY 12, is poised to become more than double to 355 MW with completion of our ensuing phase III expansion at Orissa.

## **Phase III of ensuing expansion at Orissa is nearing completion. How would it add to Bhushan Steel's strengths?**

Completion of Phase III expansion would deliver a decisive edge to our strengths. Marking the completion of our grandeur foray into primary steel making, our Orissa unit would stand tall as a technological masterpiece in modern steel making in India. This would go on to be recorded as the fastest executed 5 MTPA Greenfield steel making facility in India which is built with best-in-class machineries and deploys state-of-the-art technology. Strategic geographic advantages of this facility clubbed with proven dominance in high-end downstream product segments of our operations would make us the first company in India to have fully-integrated operations. Matching our downstream capacities with installed upstream capacities over coming years would enable higher realizations and catapult Bhushan Steel into an altogether different league of steel making.

With completion of ensuing phase III expansion, a lot would get accomplished and vindicated including the valor of our dreams, the ardor of our execution and the never say die attitude of our spirit. It is important to mention that all this would get accomplished during a period which proved to be quite severe for the economy as well as the industry. Slated to be completed in FY 13, our Orissa facility would possess 4.5 MTPA of Hot Rolled Coils besides billets and slabs and 792 MW of captive power including capacities under Bhushan Energy Limited.

## **How do you view the emerging market conditions and how do you relate the timing of completion of phase III expansion?**

It is quite apparent that overall macro-economic environment globally and at home has not been encouraging, especially during the second half of FY 12. Rising cost of commodities including food items, resultant inflationary pressures in domestic economy leading to a regime of liquidity tightening and ripple effect of slowdown in advanced economies and uncertainties in the Euro zone have cast their adverse spell in our economy in FY 12 and some of these factors are likely to continue in FY 13 too. Spate of unabated increase in the interest rates appears to have been stalled and Government's intentions to make serious efforts towards reviving growth shall have positive impact on the investment sentiments. Add to it the strong fundamentals of our economy and I am optimistic of demand growth in FY 13, cautiously though.

Post commencement and subsequent stabilization of our phase III capacities, we are likely to capture the most of increased demand in near to medium term. With leading agencies qualifying 2012 as the year of consolidation for global economy coupled with their projections of accelerated growth returning in the second half of calendar year 2013 augurs well for our integrated operations. In a nutshell, India would certainly see accelerated growth in manufacturing of Automobiles and Consumer Durables, not only for domestic but for global consumption also. Leading global corporations are already considering India as an important manufacturing location for their global operations. With ready capacities of high quality special grade steel, we are going to cater to their growing demands and in turn benefit from it.

## **How do you view the Company's growth prospects in near-to-medium term?**

At Bhushan Steel, we take pride in sheer consistency of our performance. Amidst most testing times of recent years, we have achieved excellent compounded annual growth rates of 20.76% in revenues and 35.69% in EBITDA over the last five years. With the fruits of backward and forward linkages poised to get added over coming 3-4 years, we shall continue to reap the benefits of our dynamic evolution with similar growth numbers in coming years. Expansion in downstream segment, diversification in our product portfolio, integration of key raw materials and phased increase in efficiency of our soon to be commissioned capacities shall be the enablers to this effect.

# BOARD OF DIRECTORS



## **Brij Bhushan Singal**

As a first generation entrepreneur, Brij Bhushan Singal, Chairman of the Board has played a pivotal role in guiding Bhushan Steel to its current position of strength. As a promoter director, he has been instrumental in not only shaping the physical assets of the Company but also in honing a promising leadership pool in the Company. Holding a Bachelor's Degree in Law from Delhi University, he brings a rich experience of over five decades in the steel industry. A big admirer and advocate of technological advancements, he guides the Company in technological and equipment related aspects.

## **Neeraj Singal**

As Vice Chairman & Managing Director, Neeraj Singal has spearheaded Bhushan Steel's transformation from a single plant downstream steel processor to a three locations fully integrated Steel & Power player in India. Having risen from ranks, he has served in various departments of the Company and also as executive director of Bhushan Metalics before joining the board of Bhushan Steel. Holding a Bachelor's Degree from Punjab University, he brings rich hands on experience of 25 years. As a promoter Director, he guides the Company on all operational aspects including expansion projects.



## **Nittin Johari**

As Whole-time Director (Finance), Mr. Nittin Johari heads the finance function of the Company. A fellow member of Institute of Chartered Accountants of India, He holds a Master's Degree in Commerce from the University of Rohilkhand at Bareilly. He brings nearly 27 years of experience in corporate finance, management information systems, budgeting, etc. Prior to joining Bhushan Steel, he has served WIMCO Limited, Century Textiles Limited and Modi Rubber Limited in various leadership roles in finance function. He is responsible for financial management, treasury, foreign exchange management of the Company, alongside legal matters.

## **Rahul Sen Gupta**

Mr. Rahul Sen Gupta is Whole-time Director (Technical) on the Company's Board. He holds a Bachelor's Degree in Science in Mechanical Engineering from the University of Calcutta, Kolkata. He has nearly 31 years of experience in steel industry. Prior to joining the Board, he was employed with Indian Oxygen Limited. He is responsible for project conceptualization, project planning and implementation, and technology evaluation.



## **Prem Kumar Aggarwal**

Mr. Prem Kumar Aggarwal is Whole-time Director (Commercial) on the Board of the Company. He holds Bachelor's Degree in Science from Punjabi University and is also a fellow member of the ICAI. He has more than 30 years of experience in accounts and commercial activities, and prior to joining the Board, he has worked as an Assistant General Manager with Bhushan Industries Limited and in other capacities with Amrit Banaspati Limited and the Himachal Pradesh State Forest Corporation. He is responsible for the overseeing of commercial and legal matters involving the Company, including indirect taxation disputes in particular.



**Mohan Lal**

Mr. Mohal Lal is an independent Director on the Board. He holds a Master's Degree in Arts and a Bachelor's Degree in Law - both from the University of Delhi, New Delhi. He has over 63 years of experience in the field of law, particularly in income taxation. He was designated as a senior advocate.

**Vinod Kumar Mehrotra**

Mr. Vinod Kumar Mehrotra is an independent Director on the Board. He holds a Master's Degree in Commerce and a Bachelor's Degree in Law from the University of Delhi, New Delhi. He also holds a certified associate-ship with the Indian Institute of Banking. He has around 38 years of experience in banking industry. Prior to joining the Board, he was employed with numerous banks including the State Bank of India as Deputy Managing Director.

**Brij Bihari Tandon**

Mr. Brij Bihari Tandon is an independent Director on the Board. He holds a Master's Degree in Economics and a Bachelor's Degree in Law from the University of Delhi, New Delhi, as well as certificate of associate-ship from the Indian Institute of Bankers. Prior to joining the Board, he served as an officer of the Indian Administrative Service and has about 47 years of experience in that capacity. He served as the Chief Election Commissioner of India and the Election Commissioner of India, and also held numerous positions including as a member of the Delimitation Commission of India, the Secretary to the Ministry of Personnel, Public Grievances and Pensions, and the Secretary to the Ministry of Mines, Govt. of India.

**Malakapalli Venkata Suryanarayana**

Mr. Malakapalli Venkata Suryanarayana is an independent Director on the Board. He is a fellow member of the ICAI. He has over 35 years of experience with the Life Insurance Corporation of India where he held various positions before retiring as the Executive Director (Audit). He has been a nominee Director of the Life Insurance Corporation of India on the Board prior to joining as independent Director.

**Sunita Sharma**

Ms. Sunita Sharma is a nominee Director of the Life Insurance Corporation of India on the Board. She holds a Master's Degree in Science from the University of Delhi, New Delhi. She has over 32 years of working experience with the Life Insurance Corporation of India where she has worked in different departments including housing finance and accounts. She has held various positions at the Life Insurance Corporation of India such as Secretary (Personnel and Industrial Relations) and Chief (Personnel).



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri Brij Bhushan Singal  
Chairman

Shri Neeraj Singal  
Vice-Chairman &  
Managing Director

Shri Mohan Lal  
Director

Shri B.B. Tandon  
Director

Shri V.K. Mehrotra  
Director

Shri M.V. Surya Narayana  
Director

Smt Sunita Sharma  
Nominee Director of LIC

Shri Nittin Johari  
Whole-time Director (Finance)

Shri Rahul Sen Gupta  
Whole-time Director (Technical)

Shri P. K. Aggarwal  
Whole-time Director (Commercial)

## COMPANY SECRETARY

Shri O.P. Davra

## AUDITORS

Mehra Goel & Co.  
Chartered Accountants

## REGISTERED AND CORPORATE OFFICE

F-Block, 1st Floor, International Trade Tower, Nehru Place, New Delhi - 110 019, INDIA  
Tel: 011 - 42297777, 42295555, 39194000.  
Fax: 011 - 26478750, 26415845

## WORKS

- Site IV, Sahibabad Industrial Area, Distt. Ghaziabad - 201 010 (U.P.) INDIA
- Village: Nifan, Sarvoli, Kharpada Road, Taluka-Khalapur, Near Khopoli, Distt.: Raigad - 410 203 (Maharashtra) INDIA
- P.O. Shibapur, Meramandali Distt.: Dhenkanal - 759 121 (Orissa) INDIA

## TECHNICAL SUPPORT

- |                                        |                             |
|----------------------------------------|-----------------------------|
| 1 ABB                                  | 17 Mecon                    |
| 2 Air Liquide Engineering SA, France   | 18 MillTech, Korea          |
| 3 BHEL                                 | 19 Outo Tec, Germany        |
| 4 China Shougang International, China  | 20 Paul Wurth, Italy        |
| 5 Daehyuntech, South Korea             | 21 Qualical AG, Switzerland |
| 6 Danieli Corus, The Netherlands       | 22 RITES                    |
| 7 Ebner, Austria                       | 23 Schalker, Germany        |
| 8 Fimi, Italy                          | 24 Siemens AG, Germany      |
| 9 Hitachi, Japan                       | 25 SMS Siemag, Germany      |
| 10 Intech Machinery Co. Limited, Korea | 26 Sumitomo Metal, Japan    |
| 11 KCI Special Cranes, Finland         | 27 Techint S.P.A., Italy    |
| 12 KIC Limited, Korea                  | 28 Waldrich Siegen, Germany |
| 13 Kvaerner Clecim, France             | 29 WAPCOS                   |
| 14 L & T                               |                             |
| 15 LOI Thermoprocess GmbH, Germany     |                             |
| 16 Man B & W, Germany                  |                             |

## BANKERS

- |                                       |                                         |
|---------------------------------------|-----------------------------------------|
| 1 Allahabad Bank                      | 26 ING Bank                             |
| 2 Andhra Bank                         | 27 J & K Bank                           |
| 3 Axis Bank                           | 28 Karur Vysya Bank Limited             |
| 4 Bank of Baroda                      | 29 LIC                                  |
| 5 Bank of India                       | 30 Nord LB                              |
| 6 Bank of Maharashtra                 | 31 Natixis                              |
| 7 Bank of Rajasthan                   | 32 Oriental Bank of Commerce            |
| 8 Barclays Bank                       | 33 Punjab & Sind Bank                   |
| 9 Bayerische Landesbank               | 34 Punjab National Bank                 |
| 10 Canara Bank                        | 35 Saraswat Cooperative Bank Limited    |
| 11 Central Bank of India              | 36 South Indian Bank                    |
| 12 Corporation Bank                   | 37 Standard Chartered Bank              |
| 13 Credit Agricole Bank (Calyon Bank) | 38 State Bank of Bikaner & Jaipur       |
| 14 Deutsche Bank                      | 39 State Bank of Hyderabad              |
| 15 Dena Bank                          | 40 State Bank of India                  |
| 16 DBS Bank                           | 41 State Bank of Patiala                |
| 17 DZ Bank AG                         | 42 State Bank of Travancore             |
| 18 Exim Bank                          | 43 Syndicate Bank                       |
| 19 Federal Bank                       | 44 The Bank of Tokyo-Mitsubishi UFJ Ltd |
| 20 HSBC Bank                          | 45 The Ratnakar Bank Limited            |
| 21 ICICI Bank                         | 46 UCO Bank                             |
| 22 IDBI Bank                          | 47 Union Bank of India                  |
| 23 Indian Bank                        | 48 United Bank of India                 |
| 24 Indian Overseas Bank               | 49 Vijaya Bank                          |
| 25 IndusInd Bank                      | 50 WEST LB                              |
|                                       | 51 Yes Bank                             |

## BRANCH & SALES OFFICE NETWORK

Agra	Indore
Ahmedabad	Jaipur
Aurangabad	Jammu
Bengaluru	Kullu
Bhubaneswar	Kolkata
Chandigarh	Kanpur
Chennai	Ludhiana
Coimbatore	Mandigovindgarh
Dehradun	Mumbai
Delhi	Pilkhua (Hapur)
Faridabad	Pune
Gurgaon	Parwanoo
Guwahati	Rishikesh
Haldwani	Varanasi
Hyderabad	
Hosur	

## REGISTRAR & SHARE TRANSFER AGENTS

RCMC Share Registry Pvt. Ltd. B - 106, Sector -2, Noida (U.P.) 201 301 Ph. 0120- 4015880, Fax. 0120 - 2444346 Email: shares@rcmcdelhi.com



# Directors' Report

Dear Shareholders,

Your directors are pleased to present the 29th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2012.

## FINANCIAL HIGHLIGHTS

Particulars	(₹in Lacs)	
	Year ended March 31, 2012	March 31, 2011
<b>Profit Before Depreciation and Tax</b>	<b>198515.54</b>	<b>165349.58</b>
Depreciation & Amortisation	61992.95	27784.53
<b>Profit Before Tax</b>	<b>136522.59</b>	<b>137565.05</b>
Provision for Current Taxation	27315.10	27420.75
MAT Credit Utilised	(27190.00)	(27242.30)
Provision for Deferred Tax	34050.00	36878.01
<b>Profit After Tax</b>	<b>102347.49</b>	<b>100508.59</b>
Profit brought forward from Previous Year	377.69	7208.33
<b>Profits available for appropriation</b>	<b>102725.18</b>	<b>107716.92</b>
Which the Directors appropriated as under:		
Proposed Dividend on Equity Shares	1061.79	1061.79
Proposed Dividend on Preference Shares	4.07	370.14
Provision for Dividend Tax	172.91	232.30
Interim Dividend on Preference Shares	750.50	-
Dividend Tax on Interim Dividend	121.93	-
Transfer to Debenture Redemption Reserve	8475.00	5475.00
Release from Debenture Redemption Reserve	-	(1000.00)
Transfer to General Reserve	90000.00	101200.00
Premium paid on Redemption of Preference Shares	1245.89	-
Balance carried forward to Balance Sheet	893.09	377.69
<b>Total</b>	<b>102725.18</b>	<b>107716.92</b>

## INTERIM DIVIDEND ON PREFERENCE SHARES

Pursuant to the approval given by Directors vide circular resolution dated 27.03.2012 interim dividend have been paid on cumulative redeemable preference shares as under:

- ₹10.00 per share on 51,68,600 10% Redeemable Cumulative Preference Shares (Series I, Series II and Series V);
- ₹25.00 per share on 4,00,000 25% Non convertible cumulative Redeemable Preference shares (Series III);
- ₹4.00 per share on 3,99,000 4% Non convertible cumulative Redeemable Preference shares (Series IV).

Since the above dividend on preference shares paid for the whole of year 2011-12 therefore said interim dividend shall be treated as final dividend.

## DIVIDEND

The Board of Directors recommended the following dividend for approval by the members at the ensuing Annual General Meeting:

- Dividend of ₹10.00 per share on 26,26,667 10% Redeemable Cumulative Preference Shares proportionately from the date of allotment till 31st March 2012;
- Dividend of ₹0.50 per share on Equity Shares for the year ended 31st March, 2012.

## HIGHLIGHTS

During the year, your Company has installed the Large Dia ERW Pipe plant at Khopoli with the capacity of 0.285 MTPA.

The Gross sales of the Company have increased to ₹10793 Crore, registering a growth of 42% over previous year's level of ₹7576 Crore.

## EXPANSION PROJECT

The company had commissioned 1.9 MTPA of HRC plant in FY 2011 at Orissa and now is in the process of enhancing the HR capacity to 4.40 MTPA, this brownfield expansion is at advance stage of implementation and trial runs are expected to start in the current financial year. With the start up of HR plant at Orissa the company's dependence on others to supply us primary steel ended, resulting full control of margins.

The company plans to utilize all its HR capacity to manufacture the downstream products as it has leadership position in value added segment for automobile and white goods sector.

At present the company has total downstream capacity of 1.54 MTPA at its Sahibabad and Khopoli plants out of which the major capacity is available to auto and white goods sector and the balance capacity is used for Galvanised and other value added products. The company has almost 100% order book for auto and white goods sector.

Further the company has started trial production of 0.45 MTPA Colled Rolled Complex. With this the company shall utilize its HR capacity of around 2 MTPA and after the expansion of HR capacity during the current financial year the company shall be long on HRC.

The company has option to sell the surplus HR in the market or to further downstream/value addition the same to capture the full value chain and maximize the margins.

In order to maintain its leadership position in this segment and to maximize the margins, the company proposes to set up the downstream capacity of 1.8 MTPA, where the company is planning to set up PLTCM of 1.8 MTPA and CAL of 1 MTPA with the capex of around ₹6000 crores to fully utilize its additional HR capacity. The PLTCM and CAL line shall have the world class facility with latest technology and lower conversion cost as compared to the existing facilities. For the output of this mill the company has entered into the technical collaboration with Sumitomo Metals, Japan which will help the company to market the product under their brand name in the overseas markets.

In addition to the above, the company shall also be completing the Coke oven plant (1.3 MTPA), Coal Washery (2.5 MTPA) and 2 DRI Kilns (aggregate capacity of 0.34 MTPA) and 197 MW Power Plant at the existing site of Integrated steel plant at Orissa.

With this the company will be able to improve in its margins.

## FINANCE

During the year the Company has tied up the term loans in foreign currency and rupee for its expansion plans and for the requirement of funds for its normal capital expenditure. The Company has also tied up ECB for USD 250 Million from State Bank of India, Singapore for our Debottlenecking project at Orissa.

The Working Capital facilities for Sahibabad, Khopoli and Orissa Plants have been appraised by PNB, the lead Bank, for ₹8589 crore (Fund Based limit of ₹3626 crore excluding export credit and Non Fund Based limit of ₹4963 crore) for the Financial year 2012-13.

## CREDIT RATING

The Long Term rating of your company is Care A+ by Credit Analysis & Research Ltd as per the provisions of BASEL II guidelines of RBI.

The Credit Analysis & Research Ltd (CARE) has rated the short term rating at the highest rating of A1+ (A One Plus) for short term credit facilities of the company.

## EXPORTS

During the year, the company has achieved the Export Turnover of ₹1455 Crore. The Export Turnover of most of the Exporters in the country has a negative trend due to the recession in international market during the last year.

With a firm commitment and through sustained efforts, your company continues to maintain good rapport with Global Customers. Our quality products and timely delivery have found wide acceptance in the highly competitive international market.

Our products are being exported across the globe.

## QUALITY

In today's global competition and open economy, quality plays a vital role in marketing the products and stay ahead of others. Therefore, great emphasis is given to manufacturing products that meet high standards of quality in the global market and customer satisfaction.

Proactive efforts are directed towards determining customers' requirements and achieving all-round customer satisfaction. This is primarily achieved through automated systems (reducing manual handling to a minimum), high attention to complaint resolution, online communication and information exchange, quality circles etc.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and Company's Articles of Association Mr. Mohan Lal, Mr. M. V. Suryanarayana and Mr. Nittin Johari, Directors are liable to retire by rotation at the ensuing Annual General Meeting.

Being eligible Mr. Mohan Lal, Mr. M. V. Suryanarayana and Mr. Nittin Johari have offered themselves for re-appointment.

Necessary resolutions for members' approval for their re-appointment form part of the notice of Annual General Meeting. Your Directors recommend their re-appointment.

## FIXED DEPOSIT

The company has not accepted any fixed deposit from the Public and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

## AUDITORS & AUDITORS' REPORT

M/s. Mehra Goel & Co., Chartered Accountants, New Delhi, the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. M/s. Mehra Goel & Co., Chartered Accountants have informed the Company that if appointed, their appointment will be within the prescribed limits U/s 224 (1B) of the Companies Act, 1956. Accordingly members' approval is being sought for their re-appointment as the Auditors of the Company at the ensuing Annual General Meeting.

There is no adverse qualification/remarks in the Auditors' Report therefore do not call for any further comments.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under sub Section 2AA of Section 217 with respect to the Directors Responsibility Statement, it is hereby confirmed that :-

- i) in the preparation of the Annual Accounts for the financial year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the Profit of the Company for the year ended on that date;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

## AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956 (as amended), and in accordance with the requirements of Clause 49 of the Listing Agreement(s), the Board of Directors of the Company has reconstituted a Committee of Board of Directors as Audit Committee consisting of Sh. B. B. Tandon, Sh. B. B. Signal,



Sh. M.V. Suryanarayana, and Sh. V. K. Mehrotra as its members. Sh. B. B. Tandon is the Chairman of the Audit Committee. Audit Committee shall have such powers and authority as provided under the aforesaid provisions and shall act in accordance with the terms of reference to be specified in writing by the Board of Directors from time to time.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of Employees are given in Annexure – 'A' forming part of this Report.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure 'B' forming part of this Report.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

Your Company has implemented the conditions of Corporate Governance as contained in clause 49 of the Listing Agreement with the Stock Exchanges. A report on Corporate Governance and Management Discussion & Analysis along with necessary certificates are given in Annexure 'C', 'D', 'E' and 'F' forming part of this Report.

## **HUMAN RESOURCE DEVELOPMENT**

Your Company achieved a record level of turnover due to the untiring efforts put in by the people at all levels. Industrial relations remain cordial throughout the year and the Board records its appreciation for the contribution of all employees towards the growth of the company without which the achievements made would not have been possible.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standards AS-21 on Consolidated Financial Statements read with Accounting Standards AS-23 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

## **SUBSIDIARIES**

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. As per the general exemption given by Ministry of Corporate Affairs vide General circular no. 2/ 2011, the Company is exempted under Section 212(8) of the Companies Act, 1956 from attaching to its Balance Sheet, the individual annual Reports of its subsidiary Companies.

During the year Paragon Securities Private Limited, Parakeet Finvest Private Limited, Perpetual Securities Private Limited, Marsh Capital Services Private Limited, Bhushan Capital and Credit Services Private

Limited and Jawahar Credit and Holding Private Limited becomes the subsidiaries and Bhushan Steel Global FZE ceased to be the subsidiary of the Company.

As per the terms of the General circular no. 2/ 2011, a statement containing brief financial details of the Company's Subsidiaries for the year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any investor of the company/ its subsidiaries at any point and are also available for inspection by any investors of the Company/its subsidiaries at the Corporate Office of the Company and that of the head offices of the respective subsidiary Companies.

Detail of subsidiaries of the Company are covered in the Annual Report.

## **GROUP**

Pursuant to intimation from the promoters, the name of the Promoters and entities comprising the 'group' as defined under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 are disclosed herein below.

Persons constituting group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 for the purpose of Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 include the following:

Bhushan Energy Ltd.

Bhushan Aviation Ltd.

Bhushan Buildwell Pvt. Ltd.

Bhushan Infrastructure Pvt. Ltd.

Bhushan Energy Trading Pvt. Ltd.

Bhushan Placement Services Pvt. Ltd.

Bhushan General Traders Pvt. Ltd.

Bhushan Consumer Electronics Pvt. Ltd.

## **ACKNOWLEDGEMENTS**

Your Directors would like to express their appreciation for the assistance and co-operation received from Government authorities, financial Institutions, Banks, and various stakeholders such as Shareholders, Debentureholders, Customers, Dealers, Suppliers and Investors during the year under review. The Directors look forward to their continued support in future.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Executives, Staff and Workers of the Company at all levels towards the growth of the Company.

for and on behalf of the Board of Directors,

Place : New Delhi

Dated : July 31, 2012

**(B. B. SINGAL)**  
CHAIRMAN

# ANNEXURE - A

## ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

SR. NO.	NAME	DESIGNATION	REMUNERATION (₹)	QUALIFICATION	AGE	EXP.	DATE OF COMMENCEMENT OF EMPLOYMENT	NATURE OF DUTIES	LAST EMPLOYMENT
1	2	3	4	5	6	7	8	9	10

EMPLOYED THROUGHOUT THE YEAR AND WAS IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹60,00,000 PER ANNUM.

1.	Sh. Neeraj Singal	Vice Chairman and Managing Director	10692550	Graduate	44	25	01.04.1992	Operations and day to day Management	Executive Director with Bhushan Metal-lics Ltd.
2.	Sh. Nittin Johari	Whole-time Director-Finance	6124738	M.com, FCA.	49	27	06.01.1995	Corporate financing and other related matters	Financial Controller with Wimco Limited

EMPLOYED FOR PART OF THE YEAR AND WAS IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹5,00,000 PER MONTH.

1.	Sh. Ashok Kumar Raina	Executive Director	4819200	B.E.(Metallurgy)	64	38	01.08.2011	Corporate Develop-ment	Managing Director with Auto Tech Ltd.
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### NOTES

1. Remuneration as shown above includes salary, allowances, medical expenses, house rent, and taxable value of perquisites but excludes gratuity provision.
2. Sh. Neeraj Singal is son of Sh. B. B. Singal, Chairman of the Company.
3. Sh. Neeraj Singal holds 31.07 % of Paid-up Equity Share Capital of the Company.
4. Nature of employment of Mr. Neeraj Singal is contractual.

# ANNEXURE - 'B'

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2012.

## A. CONSERVATION OF ENERGY

### (a) ENERGY CONSERVATION MEASURES TAKEN

- I. 100% utilization of waste gases coming out from 10 nos. of DRI kilns with installation of waste heat recovery boilers & power generation unit. (Kiln 9 & 10 under commissioning)
- II. Heat recovery of waste gases coming out from hot blast stoves of blast furnace-1 with installation of waste heat recovery heat exchangers to pre-heat the BF gas & combustion air utilized for firing of hot blast stoves.
- III. Usage of mixed gas consisting of BF gas and coke-oven gas as fuel in sinter plant, lime dolo calcination plant, reheating furnace of HSM, heating of coke oven batteries and CRM complex as replacement of LPG.
- IV. Injection of pulverized coal (up to 150 Kg/THM) in Blast Furnace-1. Ultimate saving in consumption of high grade metallurgical coke by same amount.
- V. Installation of back pressure turbine for 12 MW power

generation with utilization of low pressure steam discharged as process steam in Blast furnace, Cokeoven and SMS.

- VI. Partial use of char in boilers which is a bi-product for DRI Kiln 1 to 8.
- VII. Installation of active front end technology in Main Mill drives of HSM helping in regeneration of energy.
- VIII. Installation of Induction generator in Oxygen Plant for Expansion turbine.
- IX. Installation of Static VAR Compensation (SVC) & filter banks at SMS-2, SINTER PLANT-1, SMS-1 & HSM area for improvement of power factor & voltage.

### (b) ADDITIONAL INVESTMENTS & PROPOSAL FOR REDUCTION OF CONSUMPTION OF ENERGY

- I. Utilization of Mixed Gas (coke oven gas and BF gas) as fuel in Continuous Annealing Line (CAL) at Cold Rolling Complex.
- II. Generation of 14 MW electrical power with installation of top pressure recovery turbine (TRT) & generator in Blast furnace-2.



- III. Generation of steam with installation of Coke dry Quenching (CDQ) in Coke Oven -2 to be used as process steam in BF and cokeoven areas.
- IV. Installation of waste heat recovery system in Blast Furnace-2 (Under construction)
- V. Installation of 60T and 125T mixed gas fired boilers to utilize the excess gas available from process.
- VI. Generation of H<sub>2</sub> from coke-oven gas to be used in Annealing furnaces and GP lines of CRM and utilization of residual sulfur free balance gas as fuel in Annealing furnace and GP lines as replacement of LPG.

#### (c) IMPACT OF THE ABOVE MEASURES

Energy Conservation measures has resulted in achieving:

- I. Generation of (77 + 33 MW) power from Waste gas of DRI.
- II. Saving in consumption of metallurgical coke by around 20 Kg/Ton of liquid pig iron produced achieved from waste heat recovery system of Blast Furnace-1.
- III. Drastic reduction in the consumption of LPG & LDO in Sinter plant, HSM Re-heating furnace, Lime dolo calcination plant and CRM complex.
- IV. Ultimate saving in consumption of high grade metallurgical coke.
- V. Generation of 12 MW power from BPTG instead of wasting the energy in PRDS.
- VI. Reduction in the consumption of coal required for generation of Steam for power plants.
- VII. Reduced power requirement & improvement in power factor.
- VIII. Generation of 250KW power by Induction Generator in O<sub>2</sub> Plant.
- IX. Generation of process steam to be used in Blast furnace and cokeoven plant by back pressure turbine and CDQ.

The details regarding present energy consumption including captive generation are furnished as per Form A of the Annexure to the Rules.

#### FORM-A

##### I. POWER & FUEL CONSUMPTION

	2011-12	2010-11
<b>1 ELECTRICITY PURCHASED</b>		
Unit (No. in lacs) KWH (including used for Project)	19697.44	13676.90
Total Amount (₹ In Lacs)	93493.08	63124.70
Rate/ Unit (₹)	4.75	4.62
<b>2 OWN GENERATION (THROUGH FURNACE OIL GENERATOR)</b>		
Unit (No. in lacs) KWH	1200.54	1583.59
Unit per ltr. of oil Excluding RLNG consumed alongwith Furnace Oil)	6.61	5.71
Rate per Unit (₹)	6.06	4.46
<b>3. OWN GENERATION (THROUGH STEAM TURBINE GENERATOR)</b>		
Unit (No. in Lacs) KWH (including units sold)	4763.35	4308.53
Unit per MT of Steam	259.74	270.27
<b>4. FUEL CONSUMED IN MANUFACTURING</b>		
Qty. (Ltrs. In lacs)	114.93	79.48
Total Amount (₹ In Lacs)	3829.73	1993.69
Avg. Rate (₹)	33.32	25.09
<b>5. RLNG</b>		
Qty. (Thousand BTU in Lacs)	16263.30	15147.84
Total Amount (₹ in Lacs)	7680.73	5781.38
Avg. Rate (₹)	0.47	0.38

##### II. CONSUMPTION PER UNIT OF PRODUCTION.

	2011-12	2010-11
Production (MTs)	2096811	1766443
Elect. (Unit / MT)	733	702
Fuel Oil (Ltrs. / MT)	5.48	6.49
RLNG (Thousand BTU)	1173.14	1237.64
Elect. (₹ / MT)	2674.75	2478.46
Fuel Oil (₹ / MT)	182.65	162.89
RLNG (₹/ MT)	554.04	472.36

**FORM B****B. TECHNOLOGY ABSORPTION****RESEARCH & DEVELOPMENT (R&D)**

Company's Research and Development activities consist of carrying on normal quality testing of its raw material, work in progress and finished goods. It does not involve developments of new products.

- |   |                                                           |                                                                                                                                                                                                                                                                                                                                                                             |
|---|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Specific areas in which R&D is carried out by the company | Due to the latest and advanced testing facilities installed at the company's R&D centers, detailed testing of the various imported steel samples brought from different Automobile Industries were analyzed & the auto grade specification required for the outer body panels has been very well established. This has enabled 96% indigination of the automobile industry. |
|---|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Tied up with SMI for higher Strength Steel & Bake Hardened Steel production for automotive application.

Due to the latest and advanced testing facilities installed at the Company's R&D centers, started developing various Special grade steels required for Automobile in hot rolled and or further cold rolled like EDD, high tensile structural steels, even in the early stages of Steel Melting and Slab Caster Plant stabilization and Hot strip mill startup period.

This effort will be further continued for development of all special grade steels in hot rolled and cold rolled required for automobile, white goods, line pipes, electrical stamping(NGO), high tensile HSLA grades for wider Market and niche segment.

**RESEARCH & DEVELOPMENT CARRIED OUT AT OUR FOLLOWING PLANTS****A. COMPANY'S PLANT AT SAHIBABAD DIST. GHAZIABAD U.P****PRODUCT DEVELOPMENTS:-**

- Development of Bake Hardened Steel Grades BH-180 /220 specially for components for Mahindra & Mahindra's XUV-500 model.
- Development of High strength steel grade HSLA-590.
- All the automobile grades have been well established for the auto sector in EDD and IF grades including outer skin panel application.
- CRCA with DOS oil treated for food grade application for Export well established and being regularly supplied.

**B. COMPANY'S PLANT AT KHOPOLI, MAHARASHTRA****1.) NEW R&D EQUIPMENT:-**

Q-FOG' CYCLIC CORROSION TESTING EQUIPMENT has been procured from 'Q-LAB U.S.A.' to perform salt spray test and sophisticated cyclic corrosion test for Galume and Pre-painted products. This will help to get correlation with outdoor expected results.

**2.) PRODUCT DEVELOPMENT:-**

- Bare Galume acrylic coated product conforming to the requirements of RoHS Directive 2002/95/EC has been well established and being regularly supplied to customers.

**C. COMPANY'S PLANT AT MERAMANDALI, DISTT. DHENKANAL, ORISSA****PRODUCT DEVELOPMENTS:-**

- Developed HSLA Steel Grades SAPH 410, 440, E34, E38 for Automobile applications. Successful trial and applications of Hot Rolled Steel Coils has been taken up jointly with Sumitomo metals at Customers' end for Rims Application. Also regular supply of these steels being made for wheels Disc application.
- Developed High Strength Structural Steel Grades with strength up to 650 Mpa.
- Developed High Strength Steel for Line Pipe Application as per specification API 5L- X42, X52, X60 & X70 up to 16mm thickness with 100% Fracture toughness and meeting all requisite mechanical properties.
- Developed High Carbon Steel grades like C62, C65, C76, C80 and C98 with carbon as high as 1% for Hardened & Tempered application used for Chain-link and cutting blades / tools for cutting marble/ Wood etc.
- Developed Ultra low carbon steel for critical EDD application.
- Developed Steel for LPG Cylinder application.
- Trial production of Dual Phase steel conducted. Further fine tuning will be carried out before delivering the steel for Wheels & Rims applications in Auto-Sector.
- Final certification audit has been conducted successfully by API Body for API-Q1, 8th edition, ISO/TS29001:2007 certification.
- BIS product licenses (IS2062, IS6240, IS10748, IS5986 & IS1079) obtained for various steel grades like Structural, LPG, Pipes & Tubes, HSLA for forming /Flanging and Carbon Steel Strips.



**PREPRINTED PRODUCTS:**

- 1) All paint systems i.e. RMP, SMP, PVDF, SDP developed and well established.
- 2) High scratch & dust repellent paint system (HSDR quality) for clean roof application.
- 3) Different wrinkle finish paint for high class roofing/cladding/sandwich panels
- 4) Printing pattern coating for furniture and auto body applications.
- 5) DJH coating thickness gauge from US
- 6) Latest system of measuring pre painted coating thickness for individual coat measurements.

**POLLUTION AND NOISE CONTROL**

- Installation of Dust Monitoring System
- Installation of Emission Monitoring System
- Ambient Air Monitoring System
- Installation of Acid Regeneration Plant
- Mixing of Additive (Carbonyl-O) in HFO
 

Price of F.O. have increased & also its specifications have changed (Sulphur content have gone up to 4% and viscosity has also increased up to 185 cst.) Carbonyl-O gives better control on these by improving better combustion efficiency.
- Power Generation before & after addition of additive in F. O.

Fuel oil additive improves ignition and combustion properties of fuel. E.g. consider case below

Before use of additives		After use of additives	
Fuel injection	Active power	Fuel injection	Active power
73	82%	71	82%
76	85%	74	85%

- Fuel Saving, Sludge Reduction & Lower Aux Power Cons.

Sludge reduction, sedimentation and asphalting reduction (asphalting forms dispersion) in treated tank by use of Carbonyl-O. Calculation show direct savings of 0.13 RS/LTR of F.O. saving. Kinematics viscosity has also decreased (13.4 mm<sup>2</sup>/s at 50°C); flow ability of F.O. is enhanced giving lower auxiliary equipment energy consumption. Reduced SO<sub>2</sub> formation in exhaust (by observing exhaust quality) also resulted in lesser corrosion of equipment. Optimized atomization resulted in reduction of leak fuel quantity.

- Stack Emission & stack Temp.

To keep all Pollutant present in Exhaust Gas within limit, we have monitored the Stack Emission (SPM, SO<sub>2</sub>, CO<sub>2</sub>, CO & NO<sub>2</sub>) continuously by internal source.

Following parameters of exhaust gas are checked as per schedule:-

Sr. No.	PARAMETER	METHOD	RESULT	UNIT	LIMIT
1	Particulate Matter (PM)	EPA Method-5	41.2	mg/Nm <sup>3</sup>	150
2	Sulphur Dioxide (SO <sub>2</sub> )	EPA Method-6	782.0	Kg/Day	1400
3	Carbon Dioxide (CO <sub>2</sub> )	Multiple Gas Detector	6.0	%	-
4	Carbon Monoxide (CO)	Multiple Gas Detector	36.92	ppm	150
5	Nitrogen Dioxide (NO <sub>2</sub> )	EPA Method-7	18.4	mg/Nm <sup>3</sup>	970

- Effective Utilization of Waste Heat In EGB

Decreased carbon deposition on Waste heat boiler water pipes have resulted in more heat transfer thus efficiency of boiler has increased.

- Increase in calorific value by 0.12 MJ/kg after adding additive Carbonyl-O.
- Engine sound has reduced and opacity of smoke has also reduced.
- Net efficiency increase by adding additive (Carbonyl -O)

Combustion efficiency is monitored by increase in percentage of CO<sub>2</sub>. I.e. Combustion of carbon to carbon dioxide .Net increase in CO<sub>2</sub> percent is 0.5 % indicating net increase in combustion efficiency by 1.83%.

Calculation: - (Molecular weight of CO<sub>2</sub>:- 44 gm)\*0.5% net CO<sub>2</sub> increment (Atomic weight of carbon)

$$= 3.66 * 0.5$$

$$= 1.83\% \text{ net saving of fuel.}$$

Conclusion: - ₹292.80/MT of F.O. (Gross saving)

- Adequate changes (reduced) of carbon deposits on turbocharger turbine blades, which resulted to better efficiency of the DG sets.

Less carbon deposition on blades of turbocharger shows better efficiency of D.G sets and the cleaning frequency of turbines reduced (average 12 days) Before dosing time required for washing turbines of both DG - 65:00 min.

	<p>After dosing time required for washing turbine of both DG - 48:00</p> <p>Time saving in month for scheduled maintenance of both DG -34 min</p> <ul style="list-style-type: none"><li>Exhaust gas temperature comes down by 5 °C to 8 °C from running parameters.</li></ul> <p>Exhaust gas temperature deviation stopped and come down by 5 °C to 8 °C it will result that lower thermal and mechanical loading on engine resulting life increment of rotating equipment / part. For example-</p> <p>Before use of additives-Exhaust gas temperature difference between the banks:-</p> <p>At same load 10.0 MW:-</p> <table><tr><th>Bank-'A'</th><th>Temp. Record</th><th>Bank-'B'</th><th>Diff.</th></tr><tr><td>428</td><td>Lowest</td><td>406</td><td>22</td></tr><tr><td>440</td><td>Highest</td><td>421</td><td>19</td></tr><tr><td>436</td><td>Margin</td><td>415</td><td>21</td></tr><tr><td>437</td><td>-</td><td>414</td><td>23</td></tr></table> <p>After use of additives-Exhaust gas temperature difference between the ban</p> <table><tr><th>Bank-'A'</th><th>Temp. Record</th><th>Bank-'B'</th><th>Diff.</th></tr><tr><td>448</td><td>Highest</td><td>438</td><td>13</td></tr><tr><td>440</td><td>Margin</td><td>427</td><td>13</td></tr><tr><td>437</td><td>Lowest</td><td>424</td><td>13</td></tr></table> <ul style="list-style-type: none"><li>Energy Saving &amp; cost saving In the Form Of Condensate Recovery From ECL (Wider)</li></ul> <p>By using feed water from ECL tank having temp of 90°C has reduced the energy consumption of IBL as the fuel requirement has lessened due to raised temp of feed water (previously it was 35°C). This has also given an advantage by lesser usage of soft water.</p> <p>Net Saving from CRM during period 15.01.2011 to 15.02.2011 by condensate recovery</p> <ol style="list-style-type: none"><li>Total condensate recovery = 510360 Ltr (510.360 KL)</li><li>Total Energy saved = 36213612 Kcal/Ltr</li><li>Total Cost Saving in ₹ = 124773.30</li><li>Average condensate recovery per day = 17.01 KL/Day.</li><li>Average Energy Saving per day = 1207120 Kcal / Day</li><li>Average Saving in ₹ per day = 4159.11 / Day</li></ol> <p>Cost saving per KL of condensate = 244.48 ₹/KL</p> <p>Annual savings due to condensate recovery:-</p> <p>= (Cost of Cond. /kg * Qty of Cond. /hrs * Hrs Of operation)</p> <p>= 0.244*709*360*24</p> <p>= ₹1494685.44</p>	Bank-'A'	Temp. Record	Bank-'B'	Diff.	428	Lowest	406	22	440	Highest	421	19	436	Margin	415	21	437	-	414	23	Bank-'A'	Temp. Record	Bank-'B'	Diff.	448	Highest	438	13	440	Margin	427	13	437	Lowest	424	13
Bank-'A'	Temp. Record	Bank-'B'	Diff.																																		
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448	Highest	438	13																																		
440	Margin	427	13																																		
437	Lowest	424	13																																		

	<p>Total condensate recovery at STP (tube plant)</p> <p>= 644730 Liters/month</p> <ul style="list-style-type: none"> <li>Energy saving and cost saving in the form of condensate recovery form E.C.L. (wider)</li> <li>Regular monitoring of CRM</li> <li>Regular p.m. of CRM</li> <li>Follow standerd operating procedure for CRM</li> <li>Total condensate recovery</li> <li>Total energy saving (KCAL)</li> </ul>
2	<p>Benefits derived as a result of the above R&amp;D</p> <p>Bhushan Steel Limited is the first steel manufacturer in India which is making dent resistant steel for Automobile sector specially for outer body skin panels, all car manufacturer were importing the steel from various sources Earlier. Bhushan Steel first got the opportunity to explore this market as an Indian Supplier.</p> <p>Indignation of the car body sheet panel has been achieved up-to 96% at the major car industry. Ultra low carbon steel (ULC-IF steel) and Dent resistant high tensile material i.e. APFC 340, APFC 390 &amp; SPC 440 has been well developed and established for the outer body panels</p> <p>New grades required for the automotive sector other than the EDD quality sheet have been produced, supplied and performing well at the various automobile manufacturers.</p> <p>Rolling up-to 1700 mm width has been achieved.</p> <p>Non Scalloping material with equiaxed grain structure for the bearing case industry has been established.</p> <p>Enameling grade for the kitchen ware application has been accepted by the market.</p> <p>Approval granted by Honda Motors Japan for Outer body skin panels &amp; Production of Alu Zinc (Galume) Started.</p> <p>In the initial stabilization period of ConArc – LRF-CCM operation, Plant has started developing Special Steel Grades for cold rolling for automobile and White goods industry like D/DD/EDD, Tube making Grades steel, Medium &amp; High carbon steels, Micro Alloyed Steel (Low Alloy High Strength –HSLA) like SAE1541, SAE1060, SAE1045, and high tensile structural steel in St52.3, etc, were successfully done .</p> <ol style="list-style-type: none"> <li>Net efficiency increase by adding additive. (carbonil-o) and actual fuel saving - 1.01 % of fuel consumption.</li> </ol>

	<p>2. Sludge reduction by way of sediment and asphaltene reduction in treated tank by carbonil-o.</p> <p>3. Net increase in calorific value of f.o. after adding additive is 0.12 mj / kg.</p> <p>4. Total sulphur content is reduced by 0.40 % by additive and reduced corrosion of equipment and pollutant to atmosphere.</p> <p>5. Engine sound has reduced and opacity of smoke has also reduced.</p> <p>6. Adequate changes (reduced) of carbon deposits on turbocharger turbine blades, which resulted to better efficiency of the dg sets.</p> <p>7. Exhaust gas temp. comes down by 5 to 8 'c from running parameters.</p> <p>8. During major maintenance (50000 r.h) of dg#1, very less carbon dipositionn found on engine parts as compare to prives maintenance (33450 r.h):</p> <p>1) Temp increment in boiler feed water (from 35°c to 90°c)</p> <p>2) Reduce soft water consumption in boiler.</p> <p style="padding-left: 40px;">approx. = 2100 ltrs/hr.</p> <p style="padding-left: 40px;">= 50.400 kl/day.</p> <p style="padding-left: 40px;">= 1512 kl/month.</p> <p>3) Recover of condensate water in feedwater tank will help reducing the boiler water tds, water tretment cost &amp; also the cost of water.</p> <p>4) Energy saving to raise the feed water temmp in ibl (from 35°c to 90°c)</p>	<ul style="list-style-type: none"> <li>- Galvanizing Line-1 automation.</li> <li>- Furnace extension of Narrow mill complex.</li> <li>- Erection of One more additional Narrow mill with ancillary facilities.</li> <li>- Improving accuracy for balance weigh feeders.</li> <li>- Procurement and commissioning of VVVF drives and motor for charging plate of both the charging machines for coal charging optimization.</li> <li>- Planning to commission Dry Quenching system for Coke cooling.</li> <li>- Procurement and commissioning of accumulators of both Fume Cars for 24 hours running of Fume Cars in Batteries for reducing charging emission.</li> <li>- PCI rate is to be increased up to 150kg/thm.</li> <li>- Hot Blast Temperature is to be raised up to 1200deg.C.</li> <li>- For Future Plan of action Winding and Repairing shop for HT/LT motor is envisaged.</li> <li>- Planning to use coke oven gas in both BHEL boilers.</li> <li>- Planning to install 2 Ton electrical hoist in both BHEL Boilers to lift bed material at required level to reduce Time &amp; man power.</li> <li>- Planning to change cooling tower pump impellers from Cast steel to stainless steel (Energy shaving).</li> <li>- BP Sheet Annealing Furnace.</li> <li>- One 1250MM Wide 6Mi Cold Rolling Mill</li> <li>- One Rewinding Cum Trimming Line.</li> <li>- One Galvanizing Cum Galvalure with Ceramic Pots.</li> <li>- One Cut To Length Line.</li> <li>- Utilities such as Compressor form INGERSOLL RAND DM wake plant .Soft water plant from Ion Exchange-Mumbai</li> <li>- 40NM³ x 2 Hydrogen Plant from Peric , China</li> <li>- One 10Ton Boiler from Industrial Boiler, Mumbai.</li> <li>- To replace old control system of all steering in Color Coating Line by upgraded control system of CMI to obtain sheet centering to reduce sidetrack, to reduce roll damage, to maintain proper tension, to prevent catenaries fluctuation etc.</li> </ul>
3 Future Plan of action	<p>The efforts are continued to achieve 100% indig-nation of the auto industry.</p> <p>Material to be tried for optimizing different anneal-ing cycles for getting optimum properties.</p> <p>To reduce process cost &amp; reduce failure and Im-prove performance of the existing and newly de-veloped products.</p> <ul style="list-style-type: none"> <li>- Erection of Acid regeneration Plant.</li> <li>- Erection of H&amp;T Line.</li> <li>- Up-gradation of Pickling Line -1 &amp; Addition of one more Acid tank.</li> <li>- Further Automation of Hitachi rolling mill.</li> <li>- Electrical Automation of Skin-pass mill.</li> </ul>	



	<ul style="list-style-type: none"> <li>- Planned to increase CCL speed from 90 MPM TO 120 MPM, by upgrading existing line equipments, existing system; trails are successful up to 105 MPM.</li> <li>- Online color and DFT measurement system</li> <li>- Installation of small dia. Pipe mill of capacity 3" to 9", Make-Milltech, Korea.</li> <li>- Magnetic Particle Inspection equipment, Make - K-Electronics, Mumbai.</li> <li>- Automatic Hardness tester for the evaluation of material's hardness to cater bulk samples for API orders.</li> </ul>
	<ul style="list-style-type: none"> <li>- Up-gradation of API 5L license up to X-80 grade &amp; API 5CT license up to K-55 grade.</li> <li>- Installation of another new Roll Grinding Machine.</li> <li>- Installation of another new HR Slitter.</li> <li>- Installation of new Profiling line</li> <li>- Installation of new Re-cooling cum tension leveler.</li> <li>- Installation of 06 new Annealing Bases</li> <li>- Automation of ECL</li> <li>- Automation of GP-III</li> <li>- Level II Automation of Hitachi Mill</li> <li>- Re-vamping of 20 Hi Rolling Mill.</li> </ul> <p>Steel of High tensile application in Engineering Structural, Power transmission, Line pipe application for gas &amp; oil transportation, electrical stamping (NGO), etc. developed during the financial year 2010-11.</p> <p>Steel Grade 590H &amp; 340BH to be developed during the financial year 2011-2012.</p> <p><b>FUEL SYSTEM AND THE ENVIRONMENT</b></p> <p>The installation of the "Fuel system" will help Bhushan Steel Ltd to achieve the following aims:</p> <ol style="list-style-type: none"> <li>1) Approx. 5% savings of fuel. With reduce in wastage of natural resources and improve the energy efficiency of the plant.</li> <li>2) Reduction in emission, with considerable reduction of CO<sub>2</sub> resultant to achieve carbon credibility</li> </ol>

	<ol style="list-style-type: none"> <li>3) Cleaner and complete combustion resulting in reduction of unburnt carbon deposits and reduction in CO Emissions.</li> <li>4) Reduces of Preventive Maintenance schedule.</li> </ol>
4	Expenditure on R&D (Rates in Lacs) Capital / Recurring Nil

## TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1	Efforts in brief made towards technology absorption, adaptation & innovation	<p><b>COMPANY'S PLANT AT SAHIBABAD DIST. GHAZIABAD U.P</b></p> <ol style="list-style-type: none"> <li>a) The project for installation of latest 6HI UCM cold rolling mill from Hitachi Japan with allied facilities like Electrolytic cleaning line, 100% Hydrogen furnace, 4 HI skin-pass mill from Clecim France with electrostatic oiler from Ravine Italy, sophisticated roll grinding machine &amp; electro discharge texturing machine from Waldrich siegen Germany, Fully automatic CR Slitting lines from FIMI Italy, CTL &amp; multi blanking line with electro magnetic stacker from Henrich George Germany and full fledged laboratory and R&amp;D centre to meet the stringent requirements of car body manufactures is already in operation.</li> <li>Additional Roll Grinding facility with on line crack detection from Waldrich Siegen – Germany, has been implemented.</li> <li>b) Added Embossing line for colour coated product for more value addition in Appliance Sector.</li> <li>c) Enhanced Finishing line capacity by adding 02 Nos. cut-to-length lines.</li> <li>d) Re-wamping of 20HI rolling mill.</li> <li>e) Installed Sewage Treatment plant for environment protection.</li> <li>f) Integrated power generation has been planned with two DG sets of 12 MW each from MAN B&amp;W- Germany already in full operation</li> </ol>
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<p>g) Technical Assistance Contract with Sumitomo Metal Industries- Japan for development, sample test and evaluation and simulation of various grades required by the Indian Industry has been renewed for further period of six years.</p> <p>h) Re-certification of ISO/TS 16949 from 2002 version to 2009.</p> <p>i) Certificate has been obtained from Duns &amp; Brandstreet Information Services India Pvt. Ltd (DUNS Number 65-008-1524) for supplying our material directly to Auto OEM's abroad like (GM, Ford, Chrysler, Volks Wagon etc.)</p> <p>j) Installation of Kathabar coil cooling system imported from LOI Thermo process Germany has resulted in increased productivity &amp; also helped in eliminating rejection due to pin rust.</p> <p>k) 06 No. Hydrogen bases added from Ebner Austria.</p> <p>l) Colour Coated &amp; Profiling facility added.</p> <p>m) One new process line is also under installation stage, This will start producing material during current year and with this line we will produce Galume material (Al +Zn).</p> <p>n) Service Center for colour coating line established.</p>	
<p>COMPANY'S PLANT AT KHOPOLI, MAHARASHTRA</p> <p>The most advanced state of art facilities have been installed at Khopoli, Maharashtra –</p> <p>1) 1 no. Narrow cold rolling mill with capacity to roll high carbon steel has been installed. The mill has most modern automation and control system from ABB</p> <p>2) 6 nos. Wide size annealing bases and 4 nos. Narrow annealing bases from Ebner, Germany have been installed</p> <p>3) A very sophisticated hardening and tempering furnace controlled with ABB automation system has been installed.</p> <p>4) Continuous Grinding Line from Bruer, Germany has been set up for attaining high quality of grinding and polishing on steel strips</p>	<p>5) 1 no. Ultra Modern Facility to process tubes for the production of boiler tubes has been put up. Precision tubes, drawn tubes and various square and rectangular tubular section can be produced to meet all market segments</p> <p>6) Narrow cold rolling mill complex has got additional facilities –</p> <ul style="list-style-type: none"> <li>• CR Slitter for multi-slitting operation having sophisticated Siemens controls</li> <li>• Rewinding Line for rewinding and inspection, again with state-of-art ABB automation</li> <li>• CR Slitter for multi-slitting of steel strips with Siemens automation system</li> <li>• Cut-to-Length machine to cut steel strip within close tolerances</li> </ul> <p>7) Service centre has been put up with most modern facilities :</p> <ul style="list-style-type: none"> <li>• CR Slitter from Daehyun, Korea for the processing of slits of wider strips having controls from Mitsubishi</li> <li>• 2 nos. Cut-to-length from Daehyun, Korea for cutting of steel strip with high precision</li> <li>• Very sophisticated Cut-to-length from Fimi, Italy for the cutting of steel strips within close tolerances</li> <li>• CR Slitter with most sophisticated controls from ABB</li> <li>• Tension leveling line for obtaining perfect leveled steel sheets to meets Indian and overseas elite market</li> </ul> <p>8) Skin Pass Mill has already been commissioned successfully. Flattening spangles, improving surface roughness, partly eliminating the yield point elongation</p> <p>9) Electrical Discharge Texturing Machine has been installed to obtain desired roughness for processing of high quality of steel strips. Electrodes are mounted on the machine in a manner which maximizes flexibility in respect of the roll diameters that can be textured. It helps to improve the painting process of the final product, enhancing its appearance, as well cold forming operation, reducing die wear</p>

<p>10) 5 nos. Profile Machines have been installed for the processing of high quality profile of GI, GL and color products for various commercial applications.</p> <p>11) Electro static oiler for controlled oiling for CRCA applied for auto sector and appliance industries.</p> <p>12) 100% Hydrogen atmosphere controlled bell annealing furnaces for achieving uniform properties in CRCA.</p> <p><u>ERW Pipe Plant:</u></p> <p>BSL has commissioned the latest technology ERW pipe plant from Mill tech- Korea. The mill is of first of its kind in India to manufacture ERW pipes up to 25" OD required for Oil and natural gas transportation.</p> <p>The technology incorporates high level of automation for smooth &amp; trouble free operation with high production output.</p> <p>This is the first ERW pipe mill to manufacture X-80 grade pipes specially required for high pressure service.</p> <p><u>UTILITY</u></p> <ol style="list-style-type: none"> <li>1. Erection and Commissioning of Sewage Treatment Plant at API Capacity: - 1000 M3 / Day</li> <li>2. Erection and Commissioning of Sewage Treatment Plant at Bhushan Garden Capacity: - 1500 M3 / Day</li> <li>3. Installation of Chilling Machine at API-1 Capacity: - 260 TR</li> </ol> <p>Tube plant</p> <ul style="list-style-type: none"> <li>• 5 Mt/hr capacity roller hearth furnace installed in addition to previous two furnaces to increase the production of C.E.W.</li> </ul> <p>A fully equipped R&amp;D centre is under commissioning with following facilities</p> <p><u>Research &amp; development centre:</u></p> <p>Few of the test systems are listed below:</p> <ul style="list-style-type: none"> <li>• Spark emission spectrometer from m/s thermo electron Spectrometer - Switzerland - with additional facility to check nitrogen content</li> </ul>	<ul style="list-style-type: none"> <li>• Fully computerized universal testing machine with 120 ton capacity from M/s Zwick - Germany for determination of mechanical properties along with stress/strain curve facility</li> <li>• Digital Vickers and Rockwell hardness testers from M/s Zwick – Germany</li> <li>• 'Q-Fog' cyclic corrosion testing equipment has been procured from 'Q-Lab' USA. To perform salt spray test and sophisticated cyclic corrosion test for Galume and Pre-painted products. This will help to get correlation with outdoor expected results</li> <li>• Impact test machine with capacity of 400 joules for determination of fracture toughness of material in sub zero environmental conditions.</li> <li>• Metallurgical microscope with photomicrograph attachment from M/s Carl Zeiss – Germany</li> <li>• Drop weight tear test machine (DWTT) with capacity of 30000j to determine ductile / brittle fracture determination of material under subzero environmental conditions.</li> </ul> <p>QUV accelerated weather tester for life cycle tests for pre-painted products.</p> <p><u>R &amp; D efforts:</u></p> <p>QUV for predicting relative durability to outdoor environments</p> <p>Quality systems:</p> <p>BSL khopoli has been now certified for latest version of ISO 2001- 2008 version.</p> <p>Also, certified for ISO 14001-2004 for the environmental management system.</p> <p>Presently, on the way for ISO 18001 OHSAS and TS 16949 certification for auto sector.</p> <p>Bhushan is moving ahead for certification from American petroleum institute's license for manufacturing pipes as per API 5L &amp; 5CT Specification along with QMS as per API Spec. Q1 certification.</p> <ol style="list-style-type: none"> <li>1. ISO 9001-2008/TS29001 for Quality Management System.</li> </ol>
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<p>2. API Q-1 for Quality Programs for the Petroleum, Petrochemical &amp; Natural Gas Industry.</p> <p>3. API 5L for line pipes from American Petroleum Institute.</p> <p>4. API 5CT for Casing &amp; Tubing from American Petroleum Institute.</p> <p>5. BHEL, Hyderabad.</p> <p>6. Certification Engineers India Ltd. for Laboratory Testing Facilities.</p> <p>7. Certifications approved by BIS :-</p> <p>(1) IS 3601:2006:- Steel Tubes for mechanical &amp; General Eng. Purpose</p> <p>(2) IS 4270:2011:- Steel Tubes Used for Water Wells- Specification</p> <p>(3) IS 1161:1998:- Steel Tubes For Structural Purpose- Specification</p> <p>(4) IS 9295:1983:- Steel tubes for Idlers for belt conveyors</p> <p>(5) IS 3589: 2001:-Steel Pipes for Water &amp; Sewage (168.3 to 2540 mm)</p> <p>Approvals from MECON, GAIL, IOCL, GSPL and IGL etc. are under way. Certificates for ISO 14001 for Environmental Management System &amp; ISO 18001 for Occupational Health &amp; Safety Management System are under implementation.</p> <p>Following facilities will be included in coming years:</p> <p>1. Installation of small dia. Pipe mill of capacity 3" to 9", Make-Milltech, Korea.</p> <p>2. Magnetic Particle Inspection equipment, Make - K-Electronics, Mumbai.</p> <p>3. Automatic Hardness tester for the evaluation of material's hardness to cater bulk samples for API orders.</p> <p>4. Up-gradation of API 5L license up to X-80 grade &amp; API 5CT license up to K-55 grade.</p> <p><u>Three LPE coating: -</u></p> <p>Coating facilities available / achievement.</p> <p>External coating: -</p> <p>a) Fusion bonded epoxy coating up to 500 micron</p>	<p>b) Dual layer fusion bonded epoxy coating min. 750 micron</p> <p>c) 3LPE coating as per DIN 30670</p> <p>d) Polypropylene coatings for high operating temperature</p> <p>*Coating range: 3" to 25" OD pipes</p> <p>*Coating length: 8.5 m to 18.5 m.</p> <p>*Coating thickness up to 4.5 mm</p> <p>*Coating capacity - 400 Sq. m/hr as per DIN 30670</p> <p>*Installed coating capacity - 2640000 Sq. meter / year min.</p> <p><u>Internal coating: -</u></p> <p>a) flow reduction coating</p> <p>b) Food grade epoxy coating</p> <p>c) 100% solvent free epoxy coating</p> <p>d) Polyurethane coating</p> <p>Coating range: - 6" to 25" OD pipes</p> <p>Coating length: - 8.5 m to 18.5 m</p> <p>Coating thickness up to 1500 micron</p> <p>Installed coating capacity: - 1650000 sq m/ year min.</p> <p>COMPANY'S PLANT AT MERAMANDALI, DISTT. DHENKANAL, ORISSA.</p> <p>a) Company's Plant at Orissa is a backward seamless integration to manufacture HR Coils, Billets &amp; Blooms along with Power generation facilities.</p> <p>b) All machines and Technology are from world renowned suppliers like SMS Siemag-Germany, Tenova-Italy, Lurgi, Concast, PaulWorth, Danieli &amp; Corus etc.</p> <p><u>Process Routes</u></p> <ul style="list-style-type: none"> <li>DRI – IF/ EAF – Billet Caster/Slab Caster</li> <li>SP – BF – CONARC – Slab Caster – Hot Strip Mill</li> </ul> <p>Along with Power Plant/Coke Oven Plant</p> <p><u>Facilities completed &amp; put in operation</u></p> <ul style="list-style-type: none"> <li>500 TPD DR Kilns # 1, 2, 3, 4, 5, 6, 7 &amp; 8.</li> <li>Power Plant – 33 MW, 77 MW, 2 x 150 MW along with 2 x 220 KV &amp; 33 KV Switchyards</li> </ul>
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<ul style="list-style-type: none"> <li>SMS # 1 - 6 Nos. 15 T Induction Furnace, 1 No. 60 T EAF <ul style="list-style-type: none"> <li>* 3 - Strand Billet Caster</li> <li>* Single Strand Slab Caster</li> </ul> </li> <li>Oxygen Plant-150 TPD, 341 TPD &amp; 405 TPD with Oxygen, Nitrogen &amp; Argon separation systems</li> <li>Utility systems with Water treatment and water cooling systems with pipelines &amp; Water cooling towers</li> <li>Full-fledged Railway Network with Yards, Wagon Tippers # 1 &amp; 2</li> <li>RMPP/RMHS - 425 TPH Coal Washery # 1 along with Middling circuits <ul style="list-style-type: none"> <li>* Coal Crushing &amp; Screening System</li> <li>* Iron Ore Crushing &amp; Screening Complex</li> <li>* Coal, coke, lime, iron ore etc conveying systems</li> <li>* Stackers-cum-Reclaimers # 1, 2, 3 &amp; 5</li> <li>* Truck Tippers # 1, 2, 3 &amp; 4</li> <li>* Purchased DRI and Coke Handling Systems</li> </ul> </li> <li>177 M<sup>2</sup> Sinter Plant</li> <li>1681 Cum Blast Furnace</li> <li>2 x 300 TPD Lime/Dolomite Kilns</li> <li>1 x 0.85 MTPA Coke Oven Plant</li> <li>SMS #2 - * 2 x 180 T Conarc Furnace <ul style="list-style-type: none"> <li>* 2 Nos. LRF for secondary refining of steel</li> <li>* 130 T HMDS</li> <li>* 180 T RH - degasser</li> <li>* 1700 MM wide Single Strand Slab Caster</li> </ul> </li> <li>1850 MM Wide HSM equipped with HAGC, CVC, Profile &amp; Flatness control, RM-2, Coil Box, 6-Stand FM, 2 Nos. Down Coilers &amp; 1 No. 300 T/Hr RHF</li> <li>Cold Rolling Mill (CRM) <ul style="list-style-type: none"> <li>- One 1850 MM Wide HR Slitting</li> <li>- One 1650 MM Pushpull/Semi Automatic Pickling Line</li> <li>- One 1050MM 6HI Cold rolling mill</li> <li>- One 2500 Lts/Hr Capacity Acid Regeneration Plant</li> <li>- One Effluent treatment plant from Nagpur Pollution</li> <li>- One 1250mm width CRM mill to be install</li> </ul> </li> </ul>	<p><u>Facilities under completion</u></p> <ul style="list-style-type: none"> <li>Reclaimers # 1 &amp; 2 (Aug/Sept'11)</li> <li>Stacker-cum-Reclaimers # 4 (Nov'11)</li> <li>Wagon Tippler # 3 with associated material conveying systems (Oct'11)</li> <li>(-) 5 MM Coal crushing &amp; screening system</li> <li>2 x 300 TPD Lime Kilns</li> <li>1 No. 300 T/Hr RHF</li> </ul> <p><u>Facilities under implementation</u></p> <ul style="list-style-type: none"> <li>2 x 500 TPD DR Kilns (No. 9 &amp; 10)</li> <li>2 x 204 M<sup>2</sup> Sinter Plant</li> <li>2.5 MTPA Coke Ovens (72 Nos. 7.6M tall ovens) with all associated Facilities</li> <li>1 x 3800 Cum Blast Furnace with all associated Facilities</li> <li>2 x 600 TPD Lime Kilns</li> <li>3 x 180 T BOF</li> <li>Wagon Tippers # 4 &amp; 5</li> <li>Coal Washery # 2</li> <li>2 x 165 MW Power Plants</li> <li>Procurement and commissioning of VVVF drives and motor for charging plate of both the charging machines for coal charging optimization.</li> <li>Planning to commission Dry Quenching system for Coke cooling.</li> <li>Procurement and commissioning of accumulators of both Fume Cars for 24 hours running of Fume Cars in Batteries for reducing charging emission.</li> <li>PCI rate is to be increased up to 150kg/thm.</li> <li>Hot Blast Temperature is to be raised up to</li> <li>BP Sheet Annealing Furnace.</li> <li>Now planning to install electric steel (CRNGO)</li> <li>One 1250MM Wide 6Mi Cold Rolling Mill</li> <li>One Rewinding Cum Trimming Line.</li> <li>One Galvanizing Cum Galvalure with Ceramic Pots.</li> <li>One Cut To Length Line.</li> <li>Utilities such as Compressor form INGERSOLL RAND DM wake plant .Soft water plant from Ion Exchange-Mumbai</li> <li>40NM<sup>3</sup> x 2 Hydrogen Plant from Peric , China</li> <li>One 10Ton Boiler from Industrial Boiler , Mumbai.</li> </ul> <p>1200deg.C.</p>
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2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	<p>COMPANY'S PLANT AT SAHIBABAD, DISTT. GHAZIABAD, U.P.</p> <p>a) All the automobile grades have been well established and being supplied to almost all the major car manufacturers. This has resulted 96% indigenization of the vehicles resulting in import substitution and substantial cost saving for the car manufacturers.</p> <p>b) Due to Integrated power generation facilities, continuous un-interrupted supplies of material to the customer to meet their tight schedule and production targets.</p>	<p>C) Prepainted products:</p> <p>1) All paint systems i.e RMP, SMP, PVDF, SDP developed and well established.</p> <p>2) High scratch &amp; dust repellant paint system (HSDR quality) for clean roof application.</p> <p>3) Different wrinkle finish paint for high class roofing/cladding/sandwich panels.</p> <p>COMPANY'S PLANT AT MERAMANDALI, DISTT. DHENKANAL, ORISSA.</p> <p>Future development of special grade steel like IF steel, extra low Carbon Steel, API-5L (X70 to X80) through Hot Metal treatment through HMDS and Steel vacuum treatment in RH-degasser for wider application and improved market.</p> <p>BOF route steel making will enhance further development of low carbon high purity steels for automobile sector application through cold rolling and direct hot rolled and micro-alloyed route.</p> <p>Enhancement of HSM capacity will lead to increased productivity, process control and cost reduction in final product.</p> <p>Larger capacity BF-2 will have increased productivity and cost reduction in Iron &amp; steel production</p>
	<p>COMPANY'S PLANT AT KHOPOLI, MAHARASHTRA</p> <p><u>Product developments:</u></p> <p>A) CRCA: All the automobile grades have been well established for the auto sector in EDD and IF grades.</p> <p>B) Bare Galume product well established for grades with YS 230 to 550 Mpa grades in acrylic coated condition confirming to 1000HRS of salt spray corrosion tests.</p>	

<p>3. In case of import of technology (imported) during the last 5 years reckoned from the beginning of the financial year, following information may be furnished :</p> <p>a) Technology imported</p> <p>b) Year of Import</p> <p>c) Has technology been Fully absorbed.</p> <p>d) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action.</p>	<p>COMPANY'S PLANT AT SAHIBABAD, KHOPOLI AND DHENKANAL</p> <p>Main Mill equipment and design has only been imported through SMS-Siemag, Corus, Tenova, etc .</p> <p>Commissioning and Operation of these equipment has been done with help of original supplier with full involvement of our Technical personnel.</p> <p>There is no special technology import involved so far, in Steel making and rolling technology.</p>
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#### FOREIGN EXCHANGE EARNINGS & OUTGO :

1) Activities relating to exports initiatives taken to increase exports, development and services and export plans.	Company's products are recognised in the International market as conforming to stringent international standards.
2) Total foreign exchange used and earned.	<p>Used : ₹3958 Crores</p> <p>Earned : ₹ 1457 Crores</p>



# ANNEXURE - C

## CORPORATE GOVERNANCE REPORT

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

The Company is committed to attain the highest standard of Corporate Governance. It recognises that the Board is accountable to all the Stakeholders for good governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make appropriate disclosure and enhanced shareholders value without compromising in anyway and in compliance with laws and regulations.

### 2. BOARD OF DIRECTORS

The current policy of the Company is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management. Currently the Board of Director consists of ten(10) Directors, out of which Six (06) are Non Executive Directors, Five (05) of whom being independent.

Composition and category of Directors are as under :-

Category	Name of Directors.
Promoters/Executive Director	Sh. Neeraj Singal
Promoter Non-Executive Director & Chairman	Sh. B B Singal
Non-Promoter Executive Directors	Sh. Nittin Johari
	Sh. P.K. Aggarwal
	Sh. Rahul Sen Gupta
Independent Non-Executive Directors	Sh. Mohan Lal.
	Sh. B.B. Tandon
	Sh. V.K. Mehrotra
	Sh. M. V. Suryanarayana
Nominee Directors	Ms. Sunita Sharma
	(Nominee Director LIC)

### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER DIRECTORSHIP AND CHAIRMANSHIP / MEMBERSHIP OF COMMITTEE OF EACH DIRECTOR IN VARIOUS COMPANIES.

Sr No	Name of Directors	Attendance Particulars			No of directorships, committee membership and chairmanship of Public companies		
		No. of Board Meetings held during their tenure in the F.Y.2011-12	No. of Board Meeting Attended	Attendance at Last AGM	Other Directorships (*)	Committee membership (*) (#)	Committee Chairmanship (*) (#)
1.	Sh. B.B. Singal	05	05	YES	7	5	4
2.	Sh. Neeraj Singal	05	05	YES	7	3	-
3.	Sh. Mohan Lal	05	05	YES	2	-	-
4.	Sh. B.B. Tandon	05	05	YES	14	10	1
5.	Sh. M V Suryanarayana	05	05	NO	-	1	-
6.	Sh. V.K. Mehrotra	05	05	YES	-	1	-
7.	Smt. Sunita Sharma	05	05	NO	-	-	-
8.	Sh. Nittin Johari	05	05	YES	1	-	-
9.	Sh. Rahul Sen Gupta	05	05	YES	1	-	-
10.	Sh. P.K. Aggarwal	05	05	YES	-	1	-

(\*) Excludes Directorships, Committee memberships and Committee Chairmanships of Private Limited Companies, Foreign Companies and Companies incorporated U/s 25 of the Companies Act, 1956.

(#) Committee here means Audit Committee and Shareholders / Investors Grievances Committee. Membership of Committees includes chairmanship also.

### NO. OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD

During the year 2011-2012 Five (05) Board Meetings were held on 26/04/2011, 07/05/2011, 29/07/2011, 14/11/2011 and 28/01/2012.

### 3. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 28-06-1997. Presently the Committee consists of Four Directors namely (1) Sh. B.B. Tandon (2) Sh. B.B. Singal (3) Sh. M.V. Suryanarayana and (4) Sh. V.K. Mehrotra.

Sh. B.B. Tandon is the Chairman of the Audit Committee.

Audit Committee has power (a) to investigate any activity within

its terms of reference, (b) to seek information from any employee, (c) to obtain outside legal or other professional advice and (d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference of the Committee conform to the provisions of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement as detailed hereunder:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment, re-appointment, removal of statutory auditors and fixation of audit fee and also approval for payment for any other services.

- c. Reviewing with management the annual financial statements before submission to the board for approval, focussing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgement by management. (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follows up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Reviewing the utilization of proceeds of funds raised by the Company.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non payment of declared dividends) and creditors.
- l. Reviewing, with the management, quarterly financial statements before submission to the Board for approval.

During the year, the committee has met four times on 07/05/2011, 29/07/2011, 14/11/2011 and 28/01/2012. Sh. B. B. Tandon, Sh. B.B. Singal, Sh. M.V. Suryanarayana and Sh. V.K. Mehrotra have attended all the four meetings of the Audit Committee.

#### 4. REMUNERATION COMMITTEE

This Committee has been constituted for making recommendation of Remuneration of Executive Directors of the Company. The Committee Reviews Company's Policy on specific remuneration package for the executive Directors including pension, rights, any compensation and recommend the managerial remuneration as per the policy.

#### COMPOSITION

This Committee comprises of Sh. Mohan Lal, Sh. M.V. Suryanarayana, Sh. V. K. Mehrotra, Sh. B.B. Singal and Ms. Sunita Sharma.

Sh. Mohan Lal Non Executive director is the Chairman of the Committee. During the year the Committee met on 14.11.2011 and all the members of the Committee have attended this meeting.

#### REMUNERATION POLICY

The remuneration policy is directed towards rewarding performance based on review of achievement on a periodical basis. The remuneration policy is in consonance with the existing Industrial practice. The remuneration structure of the Executive Directors comprises of salary, perquisites and allowances, contribution to provident fund, leave encashment and gratuity.

#### DETAIL OF REMUNERATION PAID TO DIRECTORS

(a) Remuneration paid to Executive Directors:

Sr. No.	Name	Designation	Salary & Perks (₹)
1.	Sh. Neeraj Singal	Vice Chairman and Managing Director	1,06,92,550
2.	Sh. Nittin Johari	Whole-Time Director	61,24,738
3.	Sh. Rahul Sen Gupta	Whole-Time Director	42,69,815
4.	Sh. P.K. Aggarwal	Whole-Time Director	35,16,987
		Total	2,46,04,090

(b) Sitting fees paid to Non – Executive Directors: The Non-Executive Directors are paid sitting fees for each Meeting of the Board as well as any other committee meetings attended by them.

Sr. No.	Name	Designation	Sitting Fees (₹)	No. of Equity shares held
1.	Sh. B.B.Singal	Chairman	7,65,000	41558130
2.	Sh. Mohan Lal	Director	90,000	1000
3.	Sh. V.K. Mehrotra	Director	1,50,000	-
4.	Sh.M.V. Suryanarayana	Director	1,50,000	50
5.	Sh. B.B. Tandon	Director	1,35,000	-
		TOTAL	12,90,000	

(c) Besides salary and perks Executive Directors are entitled to the Company's contribution to provident fund, superannuation or annuity fund, leave encashment and gratuity.

(d) No Commission is paid to any Director.

#### 5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

This Committee comprises of Sh. B.B. Singal, Sh. Neeraj Singal, and Sh. P.K. Aggarwal, Directors. This Committee has been constituted for Investors Grievances, suggesting and monitoring measures to improve investors' satisfactions. Sh. B.B. Singal is the Chairman of the Committee.

The board has designated Mr. O.P. Davra as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were 8. All the complaints were disposed off and there were no complaints pending as on March 31, 2012.

## 6. GENERAL BODY MEETINGS

Location and time for the last three (03) Annual General Meetings (AGMs):

2010-11	2009-10	2008-2009
On Wednesday the 14th September 2011 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010	On Saturday the 25th September 2010 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010	On Saturday the 26th September 2009 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010.

Special resolutions passed by AGMs held in last three years are as below :

One special resolution was passed in AGM regarding addition of Article 8A to the Articles of Association.	N.A.	Two Special resolutions were passed in AGM regarding Re-appointment of Smt. Ritu Singal as Senior Executive and Further Issuance of Securities.
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### Special Resolutions passed through Postal Ballot

During the year ended 31st March 2012, the Company has conducted postal ballot process and three (3) special resolutions for the purpose of Further issue of securities, Increase in Authorised share capital and Amendment in Memorandum of Association have been passed by the Company's shareholders and result of postal ballots was declared by the Chairman on 06.07.2011. The Company has complied with the provisions of Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules 2001 while passing the Special Resolutions through postal ballots.

Mr. R.S. Bhatia, a practicing Company Secretary appointed by the Board of Directors of the Company as the scrutinizer for conducting the Postal Ballot process.

### Detail of Voting Patterns for the resolutions

Number of valid postal ballot forms received	961	
Resolutions	Votes in favour of	%age of Votes
i) Resolution no. 1	147222051	98.9507%
ii) Resolution no. 2	147303023	99.0051%
iii) Resolution no. 3	147302798	99.0049%

Resolutions	Votes against the resolutions	%age of Votes against the resolutions
i) Resolution no. 1	1560676	1.0492%
ii) Resolution no. 2	1472189	0.9949%
iii) Resolution no. 3	1471856	0.9951%

Further a Notice of postal ballot dated 12-05-2012 pursuant to Section 192A (2) of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 has been sent to the members in respect of resolution for Further issue of Securities, proposed to be passed as Special Resolution.

7a Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

- There were no materially significant transactions with related parties which were in conflict with the interests of the Company.

7b Detail of non-compliance by the Company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

- None.

7c The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behaviour. No person has been denied access to Audit Committee.

## 8. ADOPTION OF NON-MANDATORY REQUIREMENTS

The Registered Office of the Company has a Chairman Office for Sh. B.B. Singal, non executive Chairman of the Company.

Besides mandatory requirements your Company has voluntarily constituted a Remuneration Committee to consider and recommend the remuneration of Executive Directors. The Company also endeavours to comply with other non-mandatory requirements of Clause 49 as well.

## 9. MEANS OF COMMUNICATION

The Company publishes un-audited Quarterly financial results and audited annual financial results normally in "Economic Times" (English), "Business Standard" (English), "Jansatta", "Nav Bharat Times" (Hindi), and "Business Standard" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective web-sites.

Both "Management Discussion & Analysis" and "Shareholder Information" form part of the Annual Report.



## 10. GENERAL SHAREHOLDERS INFORMATION

- (i) Annual General Meeting for the year ending 31st March, 2012 – On the Monday, 24th September, 2012 at 11.00 A.M at Air Force Auditorium, Subroto Park, New Delhi - 110010.
- (ii) As required under Clause 49(IV) (G) (i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment at the forthcoming Annual General Meeting (AGM) are given in the Notes to the Notice of the AGM to be held on 24th September, 2012.

### (iii) Financial Year : 1st April 2012 To 31st March 2013.

#### Financial Reporting for the Quarter ending

30th June, 2012	31st July, 2012
30th September, 2012	Between mid October, 2012 To mid November 2012
31st December, 2012	Between mid January, 2013 To mid February 2013
31st March, 2013	Between mid April, 2013 To mid May 2013

Financial results of the Company are put on the Web sites of Stock Exchanges as well as of Company (<http://www.bhushansteel.com>) immediately after the Board Meeting.

### (iv) Date of Book Closure

The Book closure starts from 21st September 2012 to 24th September, 2012 (both days inclusive) for the purpose of Annual declaration of dividend on equity shares for the year 2011-12 at the 29th Annual General Meeting of the Company to be held on 24th September 2012.

### (v) Dividend payment date

Within 30 days from the date of A.G.M i.e. on or before 23.10.2012.

### (vi) Listing of Shares

The Equity Shares of the Company are listed on the following Stock Exchanges.

- (1) Bombay Stock Exchange Ltd.
- (2) National Stock Exchange of India Ltd.

Annual Listing Fee including fees for the year 2012-13 have been paid on due dates to both the Stock Exchanges i.e. BSE and NSE.

### (vii) Stock Code

- (1) Bombay Stock Exchange Ltd. : 500055.
- (2) National Stock Exchange of India Ltd. : BHUSANSTL.

### (viii) Market Price Data

The High and Low of the share price of the Company at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) during each month from April, 2011 to March, 2012 are given below.

(Face value of each Share: ₹ 2)

DATE	NSE		BSE	
	High	Low	High	Low
April, 2011	527.90	438.00	526.75	438.00
May, 2011	504.40	421.20	530.00	425.00
June, 2011	472.00	377.00	472.00	385.00
July, 2011	459.90	389.55	460.00	391.25
August, 2011	397.55	305.05	399.00	308.00
September, 2011	368.00	312.55	367.00	314.55
October, 2011	347.50	312.45	347.10	313.00
November, 2011	343.00	308.10	342.00	307.50
December, 2011	326.00	297.00	326.70	296.60
January, 2012	357.40	305.00	359.00	305.50
February, 2012	411.90	350.15	410.95	350.05
March, 2012	419.90	370.05	419.75	369.50

### (ix) Share price performance in comparison to broad based indices – NSE Nifty and BSE Sensex based on share price on 31-03-2012.

During financial year 2011-2012, BSL share price was decreased in NSE by 5.31% and in BSE by 5.11% as compared to fall in NSE Nifty by 9.25% and BSE Sensex by 10.58%.

**(x) Registrar and Transfer Agent**

RCMC Share Registry Pvt. Ltd.  
Unit : BHUSHAN STEEL LIMITED  
B-106, Sector -2  
NOIDA - 201301  
Ph. No. 0120-4015880.  
Fax No. 0120-2444346  
E-mail: shares@rcmcdelhi.com

**(xi) Share Transfer System**

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 and D&CC/FITTC/CIR-18/2003 dated 12/02/2003, M/s. RCMC Share Registry Pvt. Ltd., which is already the Depository Interface of the Company for both NSDL & CDSL, have been appointed as Registrar and Transfer Agents (RTA) w.e.f. 31/03/2003 for all the work related to share registry in terms of both physical and electronic.

**Share Transfer Committee**

It approves the transfer and transmission of securities, issuance of duplicate share certificate. This Committee comprises of Sh. P.K. Aggarwal and Sh. O.P. Davra.

**Physical Mode**

Transfers of Equity shares in physical form are registered within a period of 15 days from the date of receipt. After the transfer, Share Certificates are immediately sent. The Equity shares of the company are to be traded compulsorily in Demat mode w.e.f. 25.09.2000.

**Dematerialised Mode**

The Company's Equity Share are eligible for dematerialisation. The Company had signed Agreements with both the Depositories namely: NSDL and CDSL. The Shareholders may therefore hold Company's Share in Electronic Mode. The company's ISIN No. for both the Depositories is INE824B01021.

**(xii) Distribution of Shareholding as on 31.03.2012**

Sr. No.	Category	%age
1	Promoters	67.76
2	Banks, Financial Institutions, Mutual Funds, Insurance Companies	00.77
3	Foreign Institutional Investors, NRI's	01.84
4	Others	29.63

**(xiii) Dematerialisation of Shares & Liquidity**

Over 206875245 equity shares of the Company's paid up equity share capital has been dematerialized upto 31st March, 2012. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).

**(xiv) Conversion of Warrants**

There was no conversion of Warrants during the year ended 31.03.2012.

**(xv) Plant locations**

- Plot No. 23, Site-IV, Sahibabad Industrial Area, Sahibabad, Distt. Ghaziabad, U.P.
- Plot 28/4, Site-IV, Sahibabad Industrial Area, Sahibabad, Distt. Ghaziabad, U.P.
- Village – Nifan, Savroli and Dehvali, Taluka-Khalapure, Distt. Raigad, (Near Khopoli), Maharashtra.
- Meramandali, Distt. Dhenkanal, Orissa.

**(xvi) Transfer of unclaimed amounts to Investor Education and Protection Fund**

The investors are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due date (as indicated in the Notes to the Notice) before crediting the same by the Company to the Investor Education and Protection Fund.

During the year under review the Company has credited following amount to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956:

- ₹114958/- in respect of the Unpaid/ unclaimed dividend amount relating to the Final dividend declared in 2003-04.
- ₹120577/- in respect of the Unpaid/ unclaimed dividend amount relating to the Interim dividend declared in 2004-05.

**11. COMMITTEE ON BORROWINGS**

The Company has a Committee of Directors on Borrowings since 26-11- 1996.

Presently, the Committee consists of three Directors namely (1) Sh. B. B. Singal, (2) Sh. Neeraj Singal and (3) Sh. Nittin Johari. Sh. B.B. Singal is the Chairman of the Committee.

Thirty Seven (37) Nos. of Meetings of Committee of Board of Directors on Borrowings were held during the year 2011 - 2012 on 12-04-2011, 02-05-2011, 05-05-2011, 26-05-2011, 30-05-2011, 13-06-2011, 17-06-2011, 18-06-2011, 14-07-2011, 30-07-2011, 04-08-2011, 17-08-2011, 01-09-2011, 09-09-2011, 17-09-2011, 21-09-2011, 29-09-2011, 24-10-2011, 07-12-2011, 17-12-2011, 23-12-2011, 07-01-2012, 20-01-2012, 28-01-2012, 29-01-2012, 01-02-2012, 02-02-2012, 06-02-2012, 10-02-2012, 15-02-2012, 21-02-2012, 03-03-2012, 10-03-2012, 17-03-2012, 20-03-2012, 24-03-2012, and 28-03-2012.

**12. ADDRESS FOR CORRESPONDENCE**

Regd. Office : Bhushan Steel Limited.  
F-Block, 1st Floor, International Trade Tower,  
Nehru Place, New Delhi-110 019.  
Tel. : 011-42295555, 42297777  
Fax : 011-26478750  
E-mail-investorservices@bhushansteel.com  
Web site : www.bhushansteel.com

# ANNEXURE- D

## MANAGEMENT DISCUSSION AND ANALYSIS:

The management of Bhushan Steel Limited presents its analysis report covering performance and outlook of the Company. The report has been prepared in compliance with the Corporate Governance requirement prescribed in the Listing Agreement. The management accepts responsibility for the integrity and objectivity of the financial statements.

### GLOBAL STEEL INDUSTRY

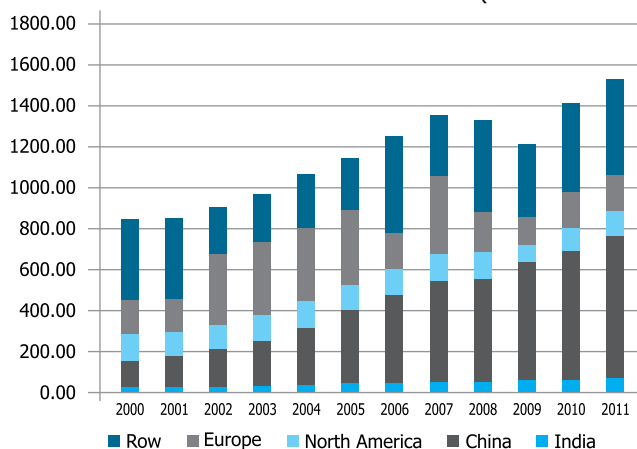
World crude steel production reached 1,527 Million tonnes (Mt) for the year of 2011. This is an increase of 6.8% compared to 2010 and is a record for global crude steel production.

Annual production for Asia was 988.2 Mt of crude steel in 2011, an increase of 7.9% compared to 2010. The region's share of world steel production increased slightly from 64.0% in 2010 to 64.7% in 2011.

The international steel industry has been recording a gradual improvement since 2010, with production levels rising steadily in all regions. This revival has been propelled by the global economic resurgence (as evident in rising industrial production across major geographies) as well as the government stimulus provided in key regions. The global economy is on the recovery path while advanced economies are expected to pick up growth momentum. The emerging economies will consolidate with moderate growth as the focus is shifted to contain inflation while pursuing growth.

**Chart Indicating Global Crude Steel Production**

(in Million Tonnes)



### INDIAN STEEL INDUSTRY

India is the 4th largest producer of steel in the world and produced about 72 million tonnes (MT) of steel in FY 11, thus accounting for approximately 5% of the world's total production.

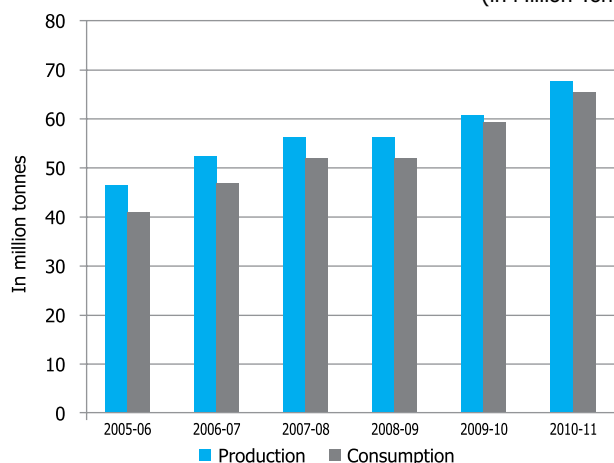
Globally, with the financial crisis spilling into the real economy, demand has slowed down. However, India is the only country in the world apart from China to post a positive overall growth in crude steel production over the last year. The recovery in steel production has been aided by the improved sales performance of steel companies. China and India are expected to provide the impetus for steel demand for the next few years.

India, being one of the fastest growing countries, showed significant increase in steel consumption during the last 3-4 years. Finished steel demand in India registered a healthy growth during last 7-8 years.

Major steel consuming sectors such as construction, infrastructure, pipe and tubes and machinery recorded significant growth over the last few years, driving the country's steel demand.

**Chart Indicating Indian Steel Production – Consumption**

(in Million Tonnes)

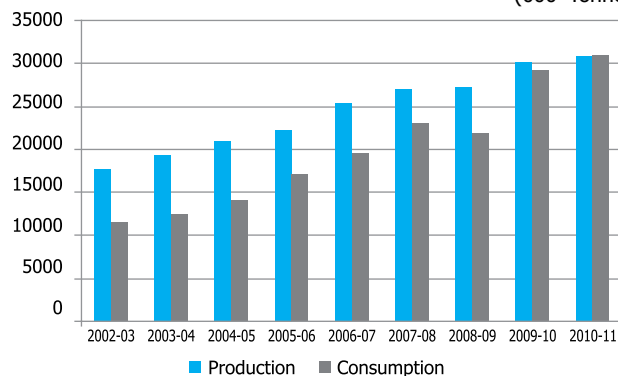


### DEMAND SUPPLY SCENARIO FOR FLAT PRODUCTS

During the period 2002-03 to 2010-11, the finished steel production of flat products has increased from 17.69 MT to 30.8 MT, exhibiting a CAGR of 7.2%. The demand of these products has exhibited a CAGR of 13.23% in the same time period. This emphasizes the point that the demand for flat steel products is increasing at a rapid pace, thereby creating a ready market for steel producers in flat steel segment. It is evident from the following chart that the gap in production and consumption in last 2 years have been reduced to almost NIL.

**Chart Indicating Finished steel production - flat products**

(000' Tonnes)



### Cold Rolled Steel

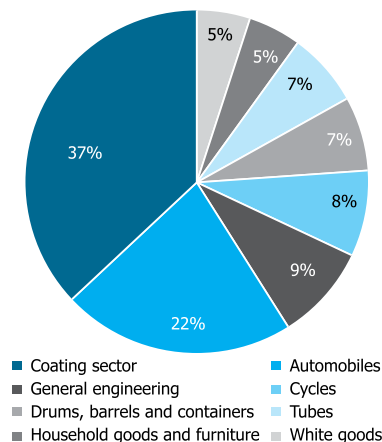
The total installed capacity of CR flats in India was 15.33 million tonnes at the end of 2009-10. The production of CR flats has exhibited a CAGR of 8% from 2002-03 to 2010-11. The consumption of CR flat products exhibited a CAGR of 9.5% in the same period.

Bulk of the CR Coils/Sheets produced in the country are consumed by the Coating Sector to produce value added steel which gives higher margins. The second largest consumer of CR Coils is the automobile industry using nearly 22% of total CR Coils produced.



**Chart Indicating Consumption Pattern of CR Flats**

**CR Sheets/Coils - Consumption Pattern**



It is expected that automobile and other end use industries would achieve stable growth rate thus providing a ready market for BSL's products.

### Galvanised Steel

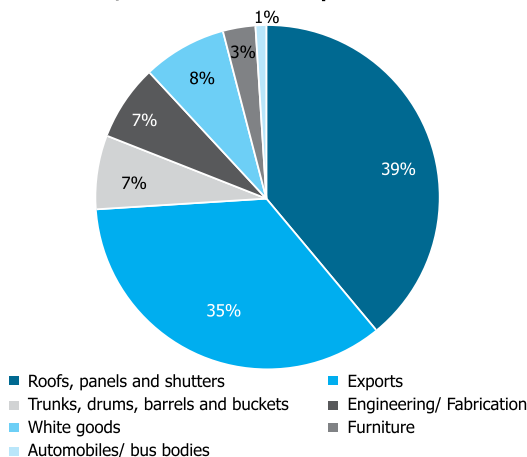
The total installed capacity of Galvanised Steel in India was 5.60 million tonnes per annum at the end of 2010-11. The production of GP/GC sheets in India has increased significantly during the recent years. Due to the long life and durability of the product, it is used massively in development of infrastructure like Airports, Metro stations etc. Major producers of galvanized steel in the country have installed state-of-the-art technologies and are now capable of producing galvanized coils for high end applications.

India's galvanized steel products have been well accepted in the global market. This is evident from the fact that the production of galvanized products is higher than the domestic demand. This excess quantity is fed into the global market especially Middle east / African markets, which are a big consumer of these products.

### Consumption Pattern

**Chart Indicating Consumption Pattern of GP/GC Sheets**

**GP/GC Sheets - Consumption Pattern**



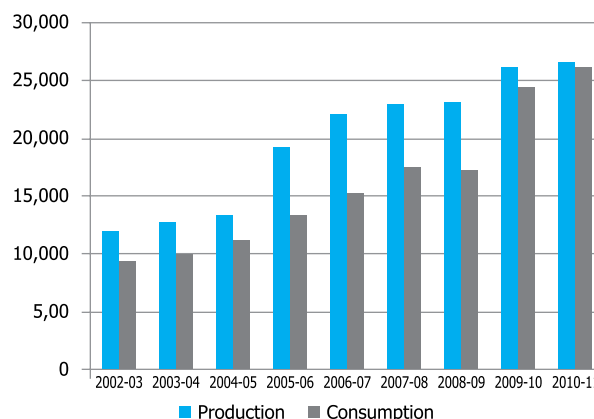
39% of the GP/GC Sheets produced in India are consumed by the construction industry (roofing, etc.) followed by exports which account for 35% of the total production. Engineering, white goods and automobiles are the other major sectors consuming GP/GC Sheets.

### HR Coils

The production of HR coils has exhibited a CAGR of around 10.46% in the past 8 years. Due to the increase in demand for value added products of HR coil like Cold rolled coils and coated steel products (Galvanized steel, galume steel etc.) the production of HR coils has accelerated. The consumption of HR itself has increased over the years with use of HR galvanized sheets in automobile sector. The growth in consumption of the HR coils in the past 8 years in India has outpaced the growth in production of HR coils.

**Chart Indicating Demand and Production of HR Coils**

(’000 tonnes/annum)



The demand for HR products remained stable with improved activity in construction, automobile, pipe and tube sectors.

### RECENT GOVERNMENT INITIATIVES

Major initiatives taken by the Ministry of Steel for the promotion of steel sector are:

- **Implementation of the National Steel Policy (NSP), 2005:** The National Steel Policy (NSP) has envisaged to achieve indigenous production of 110 million tonnes (mt) of steel per annum by 2019-20 from 38 mt in 2004-05. To achieve this objective, it is necessary to create required infrastructure for steel industry as well as increase per capita consumption of steel. A Steel Promotion Coordination Committee (SPCC) has been constituted under the Chairmanship of Secretary Steel to decide on the measures to be taken for promotion of steel consumption in the country on a sustained basis. As one of the measures, a National Steel Promotion Campaign has been launched in March 2007, with participation of major steel producers to create a mass awareness regarding various innovative and common uses of steel.
- In order to encourage R&D activities in iron & steel sector, Ministry of Steel is providing financial assistance from Steel Development Fund (SDF) and Plan Fund. 64 research projects initiated by public and private undertakings, research laboratories, educational and other promotional institutions have so far been approved under this scheme.

- ₹118 crore was allocated from Plan Fund during the 11th five year plan for promotion of R & D in steel sector. Under this scheme 8 R & D projects have been approved with Plan fund of ₹111 crore.
- For ensuring quality of Steel, seven items such as galvanised sheet, steel wire for pre-stressed concrete etc. have been brought under a quality control order issued by the Government. The matter to bring more steel items under this order is under examination.
- **Taxes and Duties:** The following changes were affected by the government in 2011-12 and few are in continuation since 2010-11:

Table: Changes in Taxes and Duties

Measure	Action Taken
Export Duty	In order to preserve iron ore resources for domestic use on cheaper rates, export duty on iron ore has been increased w.e.f. 30.12.2011 to 30% ad valorem on all varieties of iron ore (except pellets)
Countervailing Duty	CVD reintroduced on certain products
Duty Entitlement Pass Book (DEPB)	DEPB on steel items reintroduced
Import Restriction	Import of certain steel products on restricted list
Antidumping	Antidumping enquiry initiated

- The Joint Plant Committee (JPC) under the Ministry had initiated a study to assess the steel demand in rural areas of the country and to examine the potential of increasing the level of steel consumption. The study covers 300 districts, 1500 villages, 4500 manufactures and 8000 retailers spread over all the 35 states and union territories of the country. The JPC has since submitted its report in July 2011 and the same is under examination.
- New Research & Development policy for steel sector has been finalized /adopted for implementation.
- Website of the Ministry of Steel has been redesigned and made comprehensive and user-friendly.
- An Action Plan and Quality Manual has been prepared for obtaining ISO: 9001 certificate for the Ministry of Steel.
- An Action Plan to mitigate potential areas of corruption in the Ministry of Steel has been prepared.
- Four (04) new R&D projects in steel sector have been approved in different areas.
- In the Ministry, action on rotational transfer policy for sensitive posts has been completed.
- New techno-economic benchmarks have been evolved on international pattern for improvement in performance of Steel PSUs and its implementation is being monitored closely.
- Steel Innovation Council for promotion of innovative ideas in Steel Sector has been set up in the Ministry of Steel. First meeting of the Council took place on 06.01.2012.
- Under Results Framework Document (RFD) 2010-11, working of the Ministry of Steel was rated as "Excellent".
- Inter Ministreial Group (IMG) meetings under the Chairmanship of Secretary (Steel) are being held regularly to sort out

infrastructural constraints of steel industry relating to railways, roads, ports, land etc.

The above measures would help restrict import of steel products thereby benefiting the domestic steel industry in the long term and emphasis on conservation will help India maintain self sufficiency in Iron ore.

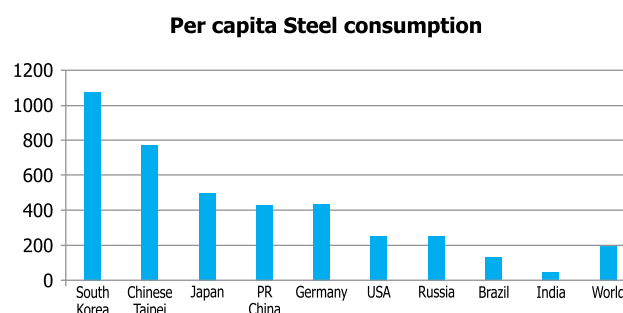
## FUTURE OUTLOOK

The steel industry cycle had turned negative during the latter half of 2008-09 resulting in margin compression for all steel players due to reduction in sales volume and realizations. Indian steel companies have, however shown signs of recovery.

**Domestic Demand Growth despite slowdown:** Demand slowdown due to the global liquidity crunch had hurt India's steel consumption growth for an interim period. However, it logged a growth in excess of 10% in previous two years on the back of infrastructure growth and strong domestic demand. India is expected to show robust consumption growth (~10-11% CAGR) in the coming five years. It is expected that construction and automobile sectors would be the key demand drivers for the domestic steel industry.

**Per capita steel consumption expected to improve:** India's per capita steel consumption is 52 kg at present. It ranks bottom among all developing nations with rural per capita steel consumption as low as 3 kg. India compares poorly with world average per capita steel consumption of 203 kg and other developing countries like China (427 kg) and Brazil (132 kg).

Chart Indicating Per Capita Steel Consumption Comparison (in kg)



With huge infrastructure spending committed by the government in the Twelfth Plan (2012-17), and steel use being promoted increasingly, demand is expected to pick up after the recent slowdown and remain robust, going forward. This should help India improve its per capita steel consumption.

## COMPANY'S PROSPECTS

The company is on steel growth trajectory, led by strong volume growth and backward integration:

The company commenced the implementation of its integrated steel plant at Meramandali, Orissa in January 2005 as a backward integration to produce HR Coils in phased manner. The phase I & II of the project has been installed with the production capacity of Hot Roll Coil Mill (1.90 Mtpa), Billets (3,00,000 TPA) & Power Plant (110 MW). With the start up of HR plant of 1.9 MTPA at Orissa the company's

dependence on others to supply primary steel ended up resulting in full control of margins.

The Company's Brownfield project Phase III at Orissa is scheduled for completion in FY 13 which is envisaging setting up of additional 2.5 MTPA HRC Capacity in addition to Phase II capacity to ensure optimum utilization of infrastructure and resources at the existing plant to utilize the full capacity of Hot Rolling (HR) mill being implemented. The total HRC of the company shall be 4.4 MTPA once the project will be completed.

It is one of the most modern integrated steel & Power Complex which deploys best available technologies, thereby enabling Bhushan Steel to produce auto grade HR Coil for the first time in India.

At a time of Economic, Industrial slowdown and uncertain socio-regulatory conditions, Bhushan Steel has been investing in expansion that is nearing completion with economic growth now in sight. Bhushan Steel's investments are so timed that they ensure reaping the benefits at the right time when demand is expected to rise. Bhushan Steel over the period of time has added significantly to its offering right from secondary steel to primary steel and then to value-added steel to ERW Pipes and excelled on customer expectations. Today, when completion of Phase III expansion by adding 2.5 MTPA primary steel is well within site, Bhushan's strategic vision reflects in nearing truly backward & forward integrated operations.

The Company has been allocated Iron Ore Mines and Coal Mines by the Orissa Government. The work on these mines has been started and the mines are likely to be operational within 2-3 years. The Company has also acquired sizeable stake in Bowen Energy Ltd, Australia, which has the license for exploring coking coal mines in Queensland, Australia. With the development of all these mines the Company shall be able to increase the margin in future. Thus, going forward the Company is expected to show significant growth in its Topline as well as Bottomline .

## PERFORMANCE

The company is engaged in Steel business, which is context of Accounting Standard (AS)-17 issued by the institute of Chartered Accountants of India is considered the only business segment. The overall operational performance of the company has been much satisfactory during the year. The plants have operated optimally during the year and there were no major break downs or shutdowns. Brief performance of the Company is as follows:

(₹ in Crores)

Particulars	FY 2011-12	FY 2010-11	Variation
Turnover	10792.64	7576.28	3216.36
PBDIT	3031.42	2099.91	931.51
Interest and Financial Charges	1046.27	446.41	599.86
Cash Profit	1712.00	1379.29	332.71
Depreciation	619.93	277.85	342.08
Profit Before Tax	1365.22	1375.65	(10.43)

## RISKS AND CONCERNS

### Input Risk

With rising cost of raw material such as iron ore, access to captive raw materials has become critical for steel manufacturers but fall in other critical inputs and coking coal has helped the Company to keep its overall input cost at reasonable level.

The major raw materials required for the project are iron ore/coke/ coking coal and thermal coal. The plant is located in an area where iron ore fines are easily available at reasonable rates from various private mine owners.

The Company currently procures thermal coal through linkages and daily 'e-auctions' organized by Coal India Limited and its subsidiaries. The company also imports coal from Australia and South Africa.

The coal mine at New Patrapada has approximate 325 million tonnes of reserves. The mine is expected to be operational in next 2-3 years.

The Company has also acquired sizeable stake in Bowen Energy Ltd, Australia, which has the license for exploring coking coal mines in Queensland, Australia.

Thus going forward, the company shall use its own coking coal and Iron ore for captive consumption and mitigate the input risk.

### INTERNAL CONTROL SYSTEM

A strong internal control system with flexibility always helps the management to implement its object and the company always gives priority to it to achieve the following objectives:-

1. Efficiency of operation
2. Accuracy and promptness of financial reporting
3. Safeguard of Company assets
4. Compliance with laid down policies and procedures.
5. Compliance with rule and regulations.

## HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONSHIP

Industrial and employee relations with the Company remain cordial throughout the year. It has been with the fulfillment of our market commitments, prompt communication, participation in social activities and to provide challenging and safe working atmosphere in the company, wherein every employee can develop his own strength and deliver his expertise in the interest of the Company.

Board of Director on record thanks to all of the employees for their valuable contribution towards the growth of the company. As on 31 March 2012, the total employee strength was 5428.

Bhushan Steel encourages individuals to go beyond the scope of their work, undertake voluntary projects that enable to learn and contribute innovative ideas in meeting goals of the company.



# ANNEXURE- E

## DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

This is to inform you that the company has adopted Code of Business Conduct and Ethics for its employees including the Managing Director/ whole-time Directors/ Non-executive Directors. The said Code is posted on the Company's website.

I confirm that the Company has in respect of the Financial year ended 31st March, 2012 received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them.

For the purpose of this declaration, Senior Management team means the members of the Management one level below the Managing Director as on 31st March, 2012.

Place: New Delhi  
Date: 31.07.2012

**Neeraj Singal**  
Managing Director

# ANNEXURE- F

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Bhushan Steel Limited, for the year ended 31/03/2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange (s).

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

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis of representation received from Registrars and share transfer Agents and as per the records maintained by the Company which are presented to the shareholders / Investor Grievance Committee, we state that during the year ended 31st March, 2012, no investor grievances were pending for a period exceeding one month.

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

for **MEHRA GOEL & CO.**,  
CHARTERED ACCOUNTANTS

**(GEETIKA MEHRA)**  
**PARTNER**  
**M.NO. 510525**

PLACE : NEW DELHI  
DATED : July 31, 2012

# AUDITORS' REPORT

To  
**The Shareholders of**  
**BHUSHAN STEEL LIMITED**

We have audited the attached Balance Sheet of **BHUSHAN STEEL LIMITED** as on 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the accounts, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by the report comply with the requirements of Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
    - ii) in the case of the Statement of Profit and Loss, of the Profit of the company for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R.K. MEHRA**  
Partner  
M. No.: 6102

Place: New Delhi  
Dated: 31 st July , 2012

## ANNEXURE

(Referred to in paragraph 1 of our report of even date)

- i) In Respect of its Fixed Assets :
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Fixed Assets covering significant value were physically verified during the year by the Management at such intervals which in our opinion, provides for the physical verification of all the Fixed Assets at reasonable interval having regard to the size of the Company and nature of its business. According to the information and explanations given to us by the Management, no material discrepancies have been noticed on such verification.
  - c) No substantial parts of fixed assets have been disposed off during the year.
- ii) In Respect of its Inventory :
  - a) As per information & explanations given to us, the inventory of finished goods, semi-finished goods and raw material at works were, during the year, physically verified by the management. In respect of Stores and Spare Parts and stock at yards in the custody of the third party and stocks in transit were verified with the confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories of the Company followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories, no material discrepancies were noticed on such physical verification.
- iii) In our opinion and according to information & explanations given to us, the company has not taken/granted any loans, secured or unsecured from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, having regard to explanation that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :-
  - a) The particular of contracts or arrangements referred to Section 301 that needed to be entered in the register maintained under the said Section have been so entered.
  - b) Where each of such transaction is in excess of ₹5 Lacs in respect of any party, the transaction have been made at a price which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi) To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA or any other provisions of the Companies Act, 1956.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
- viii) To the best of our knowledge, the Central Government has prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, which have been maintained by the company and these have been broadly reviewed by us and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- ix) According to the information and explanations given to us, in respect of statutory dues :
  - a) The Company has generally been regular in depositing undisputed dues including Provident Fund, Investors' Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues applicable to it with the appropriate authorities.



- b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Excise Duty, Cess, and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they become payable.
- c) The disputed statutory dues aggregating ₹37727.34 Lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (₹ In Lacs)	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	Apr-May'98 & Oct. 2000 to Nov. 2000	0.96	High Court of Allahabad
		Aug'05 to Jul'09 & Apr'09 to Jan'10	14077.80	CESTAT, Kolkata
		F.Y. 2001-2002, Mar'05 to Jan'10, Jul'01 to Mar'06, Oct'1996 to Sep'2000, 2008-09	3393.71	CESTAT, New Delhi
		2008-09	3.93	Commissioner (Appeal) Chandigarh
		2008-09	0.64	Commissioner (Appeal) Central Excise, Ghaziabad
		Mar'03 to Apr'03, Oct'03 to Sep'05	316.65	Commissioner of Central Excise, Raigad Commissionerat, Panvel, New Mumbai.
		2008-09	1.31	Assistant Commissioner of Central Excise, Cuttack
Finance Act, 1994 (Service Tax Provisions)	Service Tax	Dec'04 to Nov'07, Jun'06 to Jan'08, Nov'06 to Mar'07, Oct'09 to Sep'10, Dec'05 to Aug'08, Oct'09 to Sep'10	3098.26	CESTAT
Income Tax Act, 1961	Income Tax	2007-08	804.21	Commissioner of Income Tax (Appeals)
Sales Tax Acts of various states	Local Sales Tax	2002-03, 2003-04, 2004-05 & Apr'06 to Oct'06	448.63	High Court of Allahabad
		2008-09	35.11	Addl. Commissioner (Appeal)
		2006-07	136.52	Commissioner of Taxes
		Jan'08 to Dec'08	543.62	Orissa High Court
	Penalty on Trade Tax (Net of ₹0.38 Lacs paid under protest)	1991-92	0.75	Trade Tax Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	2002-03, 2003-04, 2004-05 & Apr'06 to Oct'06	2240.64	High Court of Allahabad
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	1995-96, 2004-05	392.37	High Court of Allahabad
		2005-06 to Jan'08	144.12	Addl. Commissioner of Sales Tax (Appeal)
Odisha Entry Tax Act, 1999	Entry Tax (Net of ₹1650 Lacs paid under protest)	Dec'07 to Mar'12	10322.36	Supreme Court
Orissa Minor Minerals Concession Rules, 2004	Royalty	-	1696.09	Orissa High Court
Customs Act, 1962	Custom Duty	2008-09	42.76	CESTAT
		2010-11	26.90	Deputy Commissioner - Customs

- x) The Company has no accumulated losses and has not incurred any cash loss during the financial year covered by our Audit and in the immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- xii) On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge and belief, the Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- xiv) To the best of our knowledge and according to information given to us, the Company is not a dealer or trader in securities. The Company has invested in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts, and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.
- xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks/ Financial Institutions.
- xvi) To the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.
- xvii) In our opinion and according to the information and explanations given to us and on an overall examination of Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investments.
- xviii) According to the information and explanations given to us, the Company has made preferential allotment of Preference Shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. In our opinion and according to information and explanations given to us, the price, at which Preference Shares have been issued, is not prejudicial to the interest of the Company.
- xix) To the best of our knowledge and according to the information and explanations given to us, the Company has created securities/ charges as on the date of our report, in respect of Secured Debentures issued to the satisfaction of the Trustee of the Debentures.
- xx) According to the information and explanations given to us, the Company has not raised any money by Public Issue during the year.
- xxi) Based upon the audit procedure performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R.K. MEHRA**  
Partner  
M. No.: 6102

Place: New Delhi  
Dated: 31 st July, 2012

## BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

	NOTE	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	12841.44	11115.77
Reserves and Surplus	3	726795.00	578525.11
		<b>739636.44</b>	<b>589640.88</b>
<b>Preference Share Application Money Pending Allotment (Refer Note 30)</b>		38301.00	-
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	1552878.02	1096934.45
Deferred Tax Liabilities (Net)	5	103881.83	69831.83
Other Long-Term Liabilities	6	150589.98	64775.88
		<b>1807349.83</b>	<b>1231542.16</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	428778.23	447414.82
Trade Payables	8	99312.50	99201.26
Other Current Liabilities	9	226225.09	152852.34
Short-Term Provisions	10	5483.66	4842.05
		<b>759799.48</b>	<b>704310.47</b>
<b>Total</b>		<b>3345086.75</b>	<b>2525493.51</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	1573271.64	1256569.22
Intangible Assets		118.01	60.25
Capital Work in Progress		906867.43	532472.65
		<b>2480257.08</b>	<b>1789102.12</b>
Non-Current Investments	12	30470.26	15413.24
Long-Term Loans and Advances	13	282603.52	285439.17
Other Non-Current Assets	14	1937.54	35.00
		<b>315011.32</b>	<b>300887.41</b>
<b>Current Assets</b>			
Current Investments	15	2475.00	2475.00
Inventories	16	331142.61	316840.55
Trade Receivables	17	122037.63	48353.31
Cash & Bank Balances	18	33498.03	3472.90
Short-Term Loans and Advances	19	60665.08	64362.22
		<b>549818.35</b>	<b>435503.98</b>
<b>Total</b>		<b>3345086.75</b>	<b>2525493.51</b>
<b>Significant Accounting Policies</b>	1		
<b>Other Notes on Financial Statements</b>	27 to 50		

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 31st July, 2012

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

	NOTE	Year Ended 31.03.2012		Year Ended 31.03.2011	
INCOME					
Gross Revenue from Operations	20	1079263.73		757628.03	
Less: Excise Duty		85122.96	994140.77	57581.78	700046.25
Other Income	21		2734.42		6951.28
TOTAL REVENUE			996875.19		706997.53
EXPENSES					
Cost of Materials Consumed	22		550674.73		423825.53
Change in Inventories of Finished Goods, Work In Progress and Stock- in -Trade	23		(6533.07)		(47175.36)
Employee Benefits Expense	24		14397.97		12309.22
Finance Costs	25		104626.73		44641.08
Depreciation and amortization expense			61992.95		27784.53
Other Expenses	26		135193.29		108047.48
Total Expenses			860352.60		569432.48
Profit Before Tax			136522.59		137565.05
Tax Expense					
- Current Tax			27315.10		27420.75
- MAT Credit Utilised/(Available for Set-off)			(27190.00)		(27242.30)
- Deferred Tax			34050.00	34175.10	36878.01
Profit for the year			102347.49		100508.59
Basic Earning Per Share (₹)			47.78		47.13
Diluted Earning Per Share (₹)			47.78		47.13
Nominal Value of Share (₹)			2.00		2.00
(Refer Note 38)					
Significant Accounting Policies	1				
Other Notes on Financial Statements	27 to 50				

As per our report of even date attached

For **MEHRA GOEL & CO.**

Chartered Accountants

(Registration No.000517N)

Sd/-

**R. K. MEHRA**

PARTNER

M. NO.6102

Sd/-

**B. B. SINGAL**

CHAIRMAN

Sd/-

**NEERAJ SINGAL**

VICE CHAIRMAN &  
MANAGING DIRECTOR

Sd/-

**PANKAJ KUMAR**

HEAD  
(ACCOUNTS)

Sd/-

**NITTIN JOHARI**

WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-

**O. P. DAVRA**

COMPANY  
SECRETARY

Place: New Delhi

Dated: 31st July, 2012

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>136522.59</b>	<b>137565.05</b>
Adjustments for :		
Depreciation	61992.95	27784.53
Provisions (Retirement Benefits)	3.28	426.92
Interest & Financial Charges	104626.73	44641.08
Interest/Dividend Income on Investment	(261.36)	(462.75)
Interest Income (others)	(983.98)	(1781.16)
Profit on Sale of Investment	(490.34)	(156.76)
Loss / (Profit) on Sale of Fixed Assets	(960.09)	(154.64)
Provision for Doubtful Debts	21.28	204.32
Loss / (Gain) on Exchange Rate Change	27538.91	2581.45
	191487.38	73082.99
<b>Operating Profit Before Working Capital Changes</b>	<b>328009.97</b>	<b>210648.04</b>
Adjustments for :		
Increase(-) / Decrease in Inventories	(14302.06)	(120573.38)
Increase(-) / Decrease in Other Receivables	(76047.95)	24840.84
Increase(-) / Decrease in Loans & Advances	33722.79	(10500.91)
Increase / Decrease(-) in Trade Payables	40179.72	(82505.97)
	(16447.50)	23727.48
<b>Cash Flow from Operating Activities</b>	<b>311562.47</b>	<b>128142.07</b>
Direct Tax Paid (Net of Refund)	(26373.24)	(27192.58)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>285189.23</b>	<b>100949.49</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(467226.45)	(564404.73)
Sale of Fixed Assets	1379.11	190.28
Purchase of / Advance for Investments in subsidiary /joint venture	-	(5171.51)
Purchase of Investment – Others	(18168.55)	(35422.52)
Sale of Subsidiary	600.00	-
Sale of Investments	3001.87	50630.18
Interest Income	1242.73	2382.80
Dividend Income	2.61	45.70
<b>Net Cash Used In Investing Activities (B)</b>	<b>(479168.68)</b>	<b>(551749.80)</b>

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest & Financial Charges Paid	(263028.71)	(161213.97)
Proceeds From Cash Credit from Banks (Net)	88161.71	27768.44
Proceeds From Other Borrowings	315926.32	485229.77
Proceeds From Share / Share Application Money / Redemption (Net)	83276.01	87509.00
Premium Paid on Redemption of Preference Shares	(1245.89)	-
Capital Subsidy	6030.15	4120.46
Dividend Paid	(2980.17)	(945.05)
Dividend Tax Paid	(232.30)	(180.22)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>225907.12</b>	<b>442288.43</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>31927.67</b>	<b>(8511.88)</b>
Opening Balances of Cash and Cash Equivalents	3507.90	12019.78
Closing Balances of Cash and Cash Equivalents	35435.57	3507.90

**Foot Note:-**

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statement'.
- Cash and Cash equivalents include ₹22.98 Lacs (Previous Year ₹820.72 Lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.
- Figures in brackets represent cash out flow.

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 31st July, 2012

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

## NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

### 1) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance to the requirements of the Companies Act 1956, applicable Accounting Standards and the requirements of Part-I & II of Schedule-VI (revised).

### 2) BASIS OF PREPARATION

The financial statements have been prepared on historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company, except for defined benefit pension/ other funds obligations that have been measured at fair value. The carrying value of certain monetary items denominated in foreign currency is translated at the exchange rates applicable on the date of Balance Sheet.

### 3) USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### 4) REVENUE/EXPENDITURE RECOGNITION

Revenue is recognized when it can be reliably measured and when all significant risks and rewards/ownership are transferred to the customer. Sales are inclusive of sales during trial run, excise duty, customs duty. Exports sales are net of ocean freight, insurance and discount.

Dividend is recognized when company's right to receive payment is established. Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.

### 5) EXTRAORDINARY ITEMS

Extraordinary items are those income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise, and, therefore, are not expected to recur frequently or regularly.

### 6) EXCEPTIONAL ITEMS

Exceptional items are those items of income and expense arising from ordinary activities, or of such size, nature or incidence that requires separate disclosure to explain the performance of the enterprise.

### 7) FIXED ASSETS

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat/cenvat, less accumulated depreciation and include directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset

over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. The replacement of such spares is charged to revenue.

Capital expenditure on assets not owned by the company with exclusive right to use is reflected in capital work-in-progress till the period of completion and thereafter in Fixed Assets.

### 8) ASSETS IN THE COURSE OF CONSTRUCTION

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

### 9) INTANGIBLE ASSETS

In accordance with Accounting Standard (AS)-26 relating to intangible assets, all costs incurred on technical know how/ license fee relating to production process are charged to revenue in the year of incurrence. Technical know how/license fee relating to process design/plants/facilities are capitalized at the time of capitalization of the said plant/facility and amortized over a period of three years.

### 10) IMPAIRMENT OF ASSETS

Carrying amount of cash generating units/fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The excess of carrying value of the asset over the recoverable amount is charged as an impairment loss to the statement of Profit and Loss.

### 11) DEPRECIATION

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except :

- a) Cold Rolling Plant situated at Sahibabad acquired prior to 1st April, 1996, Galvanizing Plant, Power Plant acquired before 1st April, 2002 including addition or, extension forming integral part of above plants on which depreciation is provided on written down value method.
- b) Plant situated at Khopoli (Maharashtra) on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.



On incremental / decremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation has been provided as aforesaid over the residual life of the respective plants.

Capital expenditure on assets not owned by the company with exclusive right to use is amortized over a period of five years from the year in which the relevant assets have been completed and available for use. In other cases these are amortised in the year in which expenditure is incurred.

Premium on leasehold land is amortized over the period of lease except on leasehold land acquired on lease of ninety years or more. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing ₹5,000/- or less are depreciated in full in the year of purchase.

## **12) INVENTORIES**

Inventories are valued at lower of cost or net realizable value, less any provisions for obsolescence.

Cost is determined on the following basis :-

Raw Material is recorded at cost on a first-in-first-out (FIFO) basis.

Finished goods and work-in-progress are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

By products and scrap are valued at net realizable value.

Excise duty on closing stock of finished goods and scrap is accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

## **13) INVESTMENTS**

Investments are classified into Current and Non-current investments. Current investments are stated at lower of cost or market value/fair value. Non Current investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

## **14) FOREIGN EXCHANGE TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currency outstanding at the year end are translated at exchange rate applicable on the date of Balance Sheet. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases of long term monetary items, where these relate to the acquisition of depreciable fixed assets, are adjusted to the carrying cost of such assets and in other cases are amortized

over the period of such long term monetary item or 31st March, 2013, whichever is earlier.

## **15) BORROWING COST**

Exchange difference on foreign currency borrowings relating to acquisition or construction of qualifying assets are included in the costs of those assets when they are recorded as adjustment to interest costs on those foreign currency borrowings. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **16) MODVAT / CENVAT / VAT**

Modvat / Cenvat / Vat claimed on capital goods is credited to Assets / Capital work in progress account. Modvat/Cenvat/VAT on purchase of raw materials and other materials are deducted from the cost of such materials.

## **17) CLAIMS**

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

## **18) EMPLOYEE BENEFITS**

Short term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long term employee benefits (which are payable after the end of twelve months from end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

Company's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare fund are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

The cost of providing leave encashment and gratuity, defined benefit plans, are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. The leave encashment and gratuity benefit obligations recognized in the balance sheet represent the present value of the obligations as reduced by the fair value of Plan Assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

## 19) TAX EXPENSE

Provision for current income tax is made after taking credit for allowance and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

Minimum Alternate Tax (MAT) paid in accordance with the Income Tax Act, 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset.

In accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the Deferred tax liability for timing differences between the book and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences are recognized to the extent there is virtual certainty that the assets can be realized in future.

## 20) LEASES

Assets acquired under finance lease from 01.04.2001 are capitalized at the lower of their fair value or the present value of the minimum lease payments.

## 21) DERIVATIVE FINANCIAL INSTRUMENTS

In respect of the financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to Statement of Profit and Loss. The contracts entered into are

marked to market at the year end and the resultant profit / loss is charged to Statement of Profit and Loss except where these relate to long term monetary items attributable to depreciable fixed assets in which case it is adjusted to the cost of fixed assets.

## 22) PROVISION AND CONTINGENT LIABILITY

Show cause notices issued by various government authorities are not considered as obligation. Where the demand notices are raised, the show cause notice, disputed by the company, is classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

## 23) CONTINGENCIES & COMMITMENTS

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

# NOTES FORMING PART OF THE ACCOUNTS

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE -2 SHARE CAPITAL</b>		
<b>Authorised</b>		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
1,45,00,000 (Previous Year 70,00,000) Preference Shares of ₹100/- Each	14500.00	7000.00
	<b>22500.00</b>	<b>15000.00</b>
<b>Issued</b>		
21,64,48,000 (Previous Year 21,64,48,000) Equity Shares of ₹2/- Each	4328.96	4328.96
77,95,267 (Previous Year 51,68,600) 10% Non Convertible Redeemable Cumulative Preference Shares of ₹100/- each	7795.27	5168.60
3,99,000 (Previous Year 9,00,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	399.00	900.00
4,00,000 (Previous Year 8,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	800.00
	<b>12923.23</b>	<b>11197.56</b>
<b>Subscribed</b>		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4247.17	4247.17
77,95,267 (Previous Year 51,68,600) 10% Non Convertible Redeemable Cumulative Preference Shares of ₹100/- each	7795.27	5168.60
3,99,000 (Previous Year 9,00,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	399.00	900.00
4,00,000 (Previous Year 8,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	800.00
	<b>12841.44</b>	<b>11115.77</b>
<b>Paid-Up</b>		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- each fully paid up	4247.17	4247.17
77,95,267 (Previous Year 51,68,600) 10% Non Convertible Redeemable Cumulative Preference Shares of ₹100/- each	7795.27	5168.60
3,99,000 (Previous Year 9,00,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	399.00	900.00
4,00,000 (Previous Year 8,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	800.00
	<b>12841.44</b>	<b>11115.77</b>

Detail of Shareholders holding more than 5% shares :

Name of Shareholders	As at 31st March,2012		As at 31st March,2011	
	No. of Shares	% Held	No. of Shares	% Held
<b>(A) Equity Shareholders</b>				
1. Shri Brij Bhushan Singal	41558130	19.57%	41558130	19.57%
2. Shri Neeraj Singal	65988640	31.07%	46902055	22.09%
3. Smt Archana Mittal	12491075	5.88%	12491075	5.88%
4. Bhushan Infrastructure Pvt. Ltd.	26534916	12.50%	-	-
<b>(B) Preference Shareholders</b>				
1. Bhushan Energy Limited	1200000	13.96%	-	-
2. Bhushan Finance Limited	840000	9.77%	-	-
3. Robust Transportation Limited	531567	6.19%	-	-
4. Shri Neeraj Singal	434400	5.05%	833400	12.13%
5. ICICI Bank Limited	-	-	900000	13.10%
6. IL&FS Securities Ltd.	-	-	800000	11.65%
7. Shri Brij Bhushan Singal	-	-	500100	7.28%

Particulars	As at 31st March,2012		As at 31st March,2011	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
<b>Reconciliation of number of shares outstanding is set out below:</b>				
<b>(A) Equity Shares</b>				
At the beginning of the year	212358310	4247.17	212358310	4247.17
Add : Shares Issued	-	-	-	-
Less: Shares Cancelled	-	-	-	-
At the end of the year	212358310	4247.17	212358310	4247.17
<b>(B) Preference Shares (Non Convertible Cumulative Redeemable Preference Shares)</b>				
<b>10% Preference Shares</b>				
At the beginning of the year	5168600	5168.60	3668300	3668.30
Add : Shares Issued	2626667	2626.67	1500300	1500.30
Less: Shares Redeemed	-	-	-	-
At the end of the year	7795267	7795.27	5168600	5168.60
<b>4% Preference Shares</b>				
At the beginning of the year	900000	900.00	-	-
Add : Shares Issued	-	-	900000	900.00
Less: Shares Redeemed	501000	501.00	-	-
At the end of the year	399000	399.00	900000	900.00
<b>25% Preference Shares</b>				
At the beginning of the year	800000	800.00	-	-
Add : Shares Issued	-	-	800000	800.00
Less: Shares Redeemed	400000	400.00	-	-
At the end of the year	400000	400.00	800000	800.00

The holders of Equity Shares has one vote for each equity shares held by them. The registered holders of Equity Shares are entitled to dividend declared from time to time. The Preference Shareholders are entitled to pro-rata dividend in preference over Equity Shareholders . The dividend is cumulative at the rate specified against each category .

The premium on redemption of preference shares to the extent of premium received on issue will be adjusted against the security premium account and any premium paid over the above said amount shall be paid out of current appropriation / General Reserve.

The Preference Share are not convertible in Equity and are redeemable at the option of the company. (Refer Note 29)



(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-3 RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve:</b>		
At Commencement of the year	6549.16	2428.70
Add : Addition during the year(Refer Note 40)	6030.15	4120.46
	<b>12579.31</b>	<b>6549.16</b>
<b>Debenture Redemption Reserve:</b>		
At Commencement of the year	11875.00	7400.00
Add : Transferred From Surplus	8475.00	5475.00
	20350.00	12875.00
Less : Transferred To Surplus / General Reserve	1000.00	1000.00
	<b>19350.00</b>	<b>11875.00</b>
<b>Securities Premium Account:</b>		
At Commencement of the year	216123.26	131814.56
Add : On Issue of Shares	64873.34	84308.70
Less : Utilised on Redemption of Preference Shares	21624.00	-
	<b>259372.60</b>	<b>216123.26</b>
<b>General Reserve:</b>		
At Commencement of the year	343600.00	242400.00
Add: Transferred From Debenture Redemption Reserve	1000.00	-
Add: Transferred From Surplus	90000.00	101200.00
	<b>434600.00</b>	<b>343600.00</b>
<b>Surplus:</b>		
Opening Balance	377.69	7208.33
Add: Net Profit for the Current Year	102347.49	100508.59
	<b>102725.18</b>	<b>107716.92</b>
Less: Appropriations		
Release from Debenture Redemption Reserve	-	(1000.00)
Proposed Dividend on Equity shares	1061.79	1061.79
Proposed Dividend on Preference Shares	4.07	370.14
Provision For Dividend Tax	172.91	232.30
Interim Dividend on Preference Shares	750.50	-
Dividend Tax on Interim Dividend	121.93	-
Transferred to Debenture Redemption Reserve	8475.00	5475.00
Transferred to General Reserve	90000.00	101200.00
Premium Paid on Redemption of Preference Shares	1245.89	-
<b>Net Surplus</b>	<b>893.09</b>	<b>377.69</b>
	<b>726795.00</b>	<b>578525.11</b>

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-4 LONG-TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Non Convertible Debentures</b>	99500.00	71500.00
(Foot note no. 1 to 6)		
<b>Term Loan</b>		
1. From Banks		
- Foreign Currency Loans (Foot note no. 7)	632621.94	334410.13
- Rupee Loans (Foot note no. 8)	823026.21	656230.04
2. From Financial Institutions		
- Rupee Loans (Foot note no. 9)	9471.36	12942.80
3. Vehicle Loan From Bank (Foot note no. 10)	27.02	47.25
<b>Total (A)</b>	<b>1564646.53</b>	<b>1075130.22</b>
<b>UNSECURED</b>		
<b>Term Loan</b>		
Foreign Currency Loans		
- From Indian Banks (Foot note no. 11)	16787.10	14773.36
- From Foreign Banks (Foot note no. 12)	123732.97	117412.03
- From Others	1152.45	1376.55
<b>Total (B)</b>	<b>141672.52</b>	<b>133561.94</b>
<b>Total (A+B)</b>	<b>1706319.05</b>	<b>1208692.16</b>
Less: Current Maturity of Long Term Borrowings	153441.03	111757.71
	<b>1552878.02</b>	<b>1096934.45</b>

**Foot Note:**

- (1) 12% Redeemable Non-Convertible 100 Debentures (Subordinate Debt) of ₹100 Lacs each outstanding on 31st March 2012 ₹10000 Lacs (Previous Year 12% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March 2011 ₹10000 Lacs) (subordinate debt) are redeemable at par in one bullet payment at the end of 10th year from the date of allotment i.e 31.03.2008 and are Secured by Subsequent and subservient charge by way of hypothecation on the present and future assets of the company so as to maintain minimum asset coverage of 1.25 times, throughout the currency of the Debentures. Debentures are further secured by pledge of Equity Shares of Bhushan Steel Limited, having market value not less than 1.5 times of loans, held by promoters/ promoter entities, and Personal Guarantee of Shri B.B. Singal and Shri Neeraj Singal.
- (2) 10.50 % Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2011 ₹30000 Lacs) Debentures are redeemable at par in three equal annual install-

ments commencing from the end of 6th year from the date of allotment i.e.13.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.

- (3) 10.90 % Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹ 17500 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2011 ₹ 17500 Lacs) are redeemable at par in Four equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e.26.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (4) 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹10000 Lacs (Previous Year 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March 2011 ₹10000 Lacs) are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 26.03.2007 and are Secured by first charge on pari passu basis on the fixed assets of the Company.

- (5) 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March 2012 ₹2000 Lacs (Previous Year 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March 2011 ₹4000 Lacs) are redeemable at par in three equal annual installments commencing from 4th year from the date of disbursement i.e.24.04.2006, ₹66.66 Lacs (Previous Year ₹33.33 Lacs) per Debenture have been redeemed and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 11.75 % Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹30000 Lacs (Previous Year ₹ Nil Debentures outstanding on 31st March 2011 ₹ Nil) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment ie. 02.02.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (7) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories at all the plants (excluding specific charge created on favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement, except ₹56695 Lacs (Previous Year ₹ NIL) secured by subsequent & subservient charge on movable assets. out of the above,the ECA Loans of ₹247251 Lacs (Previous Year ₹146366 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors. Out of these, Loans of ₹618520 Lacs (Previous Year ₹329606 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹14102 Lacs (Previous Year ₹4804 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (8) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories at all the plants (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement,except ₹41999 Lacs (Previous Year ₹ 99488 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹512796 Lacs (Previous Year ₹433522 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹310230 Lacs (Previous Year ₹222708 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (9) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories at all the plants (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture

holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement.Out of these Loans of ₹471 Lacs (Previous Year ₹943 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹9000 Lacs (Previous Year ₹12000 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.

- (10) Secured by hypothecation of specific assets.
- (11) Guaranteed by the Personal Guarantee of One Promoter Director.
- (12) Out of these Loans of ₹103385 Lacs (Previous Year ₹98820 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹20348 Lacs (Previous Year ₹17808 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.

#### Detail of Repayment and Rate of Interest

- (13) Maturity Profile of Long Term Borrowing (Other than NCDs) are set out as below:

(₹ in Lacs)			
	1 year	2-3 Years	Beyond 3 years
<b>Term Loans</b>	151441	340020	1115358

- (14) Domestic Loan sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.00% (presently 12% p.a.) and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (15) Foreign Currency Loan for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 1.89% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (16) Another Foreign Currency Loan for Phase I & II of Orissa project was sanctioned at interest rate of USD LIBOR + 1.65% (presently 2.49% p.a.) repayable in three annual Installments commencing from 18 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (17) Domestic Loan sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% (presently 12.50% p.a.) and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (18) Foreign Currency Loan for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% (Presently 2.946% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

(19) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% (Presently 4.703% p.a.) repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

(20) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of Euribor+1.75% (Presently 3.28% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

(21) Domestic Loan sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest of Base Rate+2.50% (Presently 12.25% p.a.) and repayable in 24 quarterly installments

commencing from 15 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

(22) Foreign Currency Loan for Coke Oven 2 of Orissa Project was sanctioned at interest rate of EURIBOR + 4.50% (Presently 5.21% p.a.) repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

(23) Other Foreign Currency Loans for Orissa Project was sanctioned at rate of interest of USD LIBOR+3.50% (Presently 3.98% p.a.) repayable in three annual installments commencing from 48 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

(24) Rate of interest of other Term Loans / Foreign Currency Loans are linked with the Base Rate / LIBOR.

		(₹ in Lacs)	
		As at 31.03.2012	As at 31.03.2011
<b>NOTE-5 DEFERRED TAX LIABILITY(NET)</b>			
<b>Deferred Tax Liability</b>			
Related to Fixed Assets		104615.02	70556.94
<b>Total (A)</b>		<b>104615.02</b>	<b>70556.94</b>
<b>Deferred Tax Assets</b>			
Provision of Doubtful Debts		309.56	302.61
Others		423.63	422.50
<b>Total (B)</b>		<b>733.19</b>	<b>725.11</b>
<b>Total (A-B)</b>		<b>103881.83</b>	<b>69831.83</b>
<b>NOTE-6 OTHER LONG-TERM LIABILITIES</b>			
Creditors for Capital Goods/ Expenditure		149424.06	62051.07
Others*		1165.92	2724.81
		<b>150589.98</b>	<b>64775.88</b>

\*Others include Insurance claim received, security deposit received and amount hold from contractors



(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-7 SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Working Capital Loans</b>		
<b>From Banks</b>		
Cash Credit		
- Foreign Currency Loans	103319.40	41909.19
- Rupee Loans (Foot Note no. 1)	66011.07	39259.57
<b>Term Loan</b>		
From Banks		
- Rupee Loans (Foot note no. 2)	115000.08	80099.02
<b>Total (A)</b>	<b>284330.55</b>	<b>161267.78</b>
<b>UNSECURED</b>		
<b>From Bank</b>		
<b>Rupee Loan</b>		
- Term Loan / Commercial Paper (Foot note no. 3)	116793.65	261709.69
<b>Foreign Currency Loans</b>		
- From Indian Banks (Foot note no. 4)	27654.03	24437.35
<b>Total (B)</b>	<b>144447.68</b>	<b>286147.04</b>
<b>Total (A+B)</b>	<b>428778.23</b>	<b>447414.82</b>

**Foot Note :**

- Working capital loans are secured by hypothecation of stock & book debts , second charge on company's land,building and other immovable properties ranking pari passu inter-se, personal guarantee of two promoter directors.
- Secured by Subsequent and subservient charge on movable assets of the company. Further Loans of ₹40000 Lacs (Previous Year ₹60099 Lacs) are guaranteed by the personal guarantee of two promoter directors & Loans of ₹75000 Lacs (previous year ₹20000 Lacs) are guaranteed by the personal guarantee of one promoter director.
- Includes Commercial Papers ₹68500 Lacs (Previous Year ₹58500 Lacs) personally guaranteed by two promoter directors. Further ₹15000 Lacs (Previous Year ₹46000 Lacs) guaranteed by the personal guarantee of two promoter directors and ₹33294 Lacs (Previous Year ₹147210 Lacs) were personally guaranteed by one promoter director.
- ₹27654 Lacs (Previous Year ₹14471 Lacs) guaranteed by the personal guarantee of one promoter director. ₹ NIL (Previous Year ₹9966 Lacs) are guaranteed by the personal guarantee of two promoter directors.

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-8 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	270.59	74.03
Others	99041.91	99127.23
	<b>99312.50</b>	<b>99201.26</b>
The detail of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :		
<b>Particulars</b>		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
<b>NOTE-9 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	153441.03	111757.71
Non Convertible Debenture Application Money	15000.00	-
Interest Accrued but not Due on borrowings	9319.91	4492.13
Interest Accrued and Due on borrowings	7429.66	3156.52
Unclaimed Dividend *	22.98	820.72
Statutory Dues	6416.45	6517.78
Due to Directors	14.25	6.66
Creditors for Capital Goods / Expenditure	15852.02	22009.18
Other Payables**	18728.79	4091.64
	<b>226225.09</b>	<b>152852.34</b>

\* Do not include any amounts, due and outstanding, to be credited to Investors' Education and Protection Fund.

\*\*Other Payables include credit balances of customers, employees etc.

<b>NOTE-10 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	1305.48	1302.20
Proposed Dividend	1065.86	1431.93
Tax on Dividend	294.84	232.30
Provision for Tax (Net)	2817.48	1875.62
	<b>5483.66</b>	<b>4842.05</b>

## NOTE-11 FIXED ASSETS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	Cost as at 01.04.2011	Addition During the Year	Sale During the Year	Adjustment During the Year	Cost as at 31.03.2012	As at 01.04.2011	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>												
Freehold Land	16726.55	3440.68	22.17	-	20145.06	-	-	-	-	-	20145.06	16726.55
Leasehold Land	9154.50	5017.24	-	-	14171.74	145.94	21.26	-	-	167.20	14004.54	9008.56
Building	264651.50	118699.12	502.07	34801.39	417649.94	15053.24	6893.06	136.52	1665.89	20143.89	397506.05	249598.26
Railway Siding	20874.62	-	-	-	20874.62	486.90	991.55	-	-	1478.45	19396.17	20387.72
Plant & Equipment	1119565.49	162925.76	864.73	53671.38	1335297.90	162635.01	55805.14	857.78	474.89	217107.48	1118190.42	956930.48
Furniture & Fixtures	1426.51	151.55	-	-	1578.06	842.23	92.57	-	-	934.80	643.26	584.28
Vehicles	5095.98	508.63	102.11	-	5502.50	2242.45	454.25	77.76	-	2618.94	2883.56	2853.53
Office Equipments	729.29	71.22	-	(0.72)	799.79	249.45	48.48	-	0.72	297.21	502.58	479.84
<b>Tangible Assets Total (A)</b>	<b>1438224.44</b>	<b>290814.20</b>	<b>1491.08</b>	<b>88472.05</b>	<b>1816019.61</b>	<b>181655.22</b>	<b>64306.31</b>	<b>1072.06</b>	<b>2141.50</b>	<b>242747.97</b>	<b>1573271.64</b>	<b>1256569.22</b>
<b>Intangible Assets</b>												
Computer Software	484.65	98.85	-	-	583.50	424.40	41.09	-	-	465.49	118.01	60.25
Assets Not Owned by Company	3731.21	-	-	-	3731.21	3731.21	-	-	-	3731.21	-	-
<b>Intangible Assets Total (B)</b>	<b>4215.86</b>	<b>98.85</b>	<b>-</b>	<b>-</b>	<b>4314.71</b>	<b>4155.61</b>	<b>41.09</b>	<b>-</b>	<b>-</b>	<b>4196.70</b>	<b>118.01</b>	<b>60.25</b>
<b>TOTAL (A+B)</b>	<b>1442440.30</b>	<b>290913.05</b>	<b>1491.08</b>	<b>88472.05</b>	<b>1820334.32</b>	<b>185810.83</b>	<b>64347.40</b>	<b>1072.06</b>	<b>2141.50</b>	<b>246944.67</b>	<b>1573389.65</b>	<b>1256629.47</b>
Previous Year	368589.43	899260.03	782.38	175373.22	1442440.30	160657.03	29634.54	746.74	3734.00	185810.83		
Capital Work in Progress											906867.43	532472.65
[Includes Pre-operative expenses].												
											<b>2480257.08</b>	<b>1789102.12</b>

### Notes:

1. Certain Buildings Under Possession of the Company are pending registration in the name of the Company.
2. No write off has been done for lease hold land acquired on lease of 90 years and more.
3. Depreciation for the year includes ₹2354.45 Lacs (Previous Year ₹1850.01 Lacs) charged to Capital Work In Progress.
4. Adjustment during the year includes addition of ₹90613.55 Lacs (Previous Year ₹179107.22 Lacs) on account of borrowing cost / exchange fluctuation and deduction of ₹2141.50 Lacs (Previous Year ₹3734 Lacs) on account of depreciation capitalised.

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-12 NON-CURRENT INVESTMENTS</b>		
<b>(Long-Term, Fully Paid-up)</b>		
<b>In Equity Shares</b>		
<b>Non Trade , Quoted</b>		
<b>Tata Steel Ltd.</b>		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
<b>Sequent Scientific Ltd.</b>		
62,000 (Previous Year 62,000) Equity Shares of ₹10/- each	43.58	43.58
	<b>101.66</b>	<b>101.66</b>
<b>Unquoted</b>		
<b>Jawahar Credit &amp; Holdings Private Limited *</b>		
Nil (Previous Year 43,21,871) Equity Shares of ₹10/- each	-	940.31
<b>Bhushan Capital &amp; Credit Services Private Limited *</b>		
Nil (Previous Year 43,21,871) Equity Shares of ₹10/- each	-	940.31
<b>Bhushan Buildwell Pvt. Ltd.</b>		
4,900 (Previous Year 4,900) Equity Shares of ₹10/- each	0.49	0.49
<b>Saraswat Co-operative Bank Ltd.</b>		
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25	0.25
	<b>0.74</b>	<b>1881.36</b>
<b>Trade, Unquoted</b>		
<b>In Associates</b>		
<b>Bhushan Energy Limited</b>		
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹10/- each	10500.00	10500.00
<b>In Joint Ventures</b>		
<b>Andal East Coal Company Pvt. Ltd.</b>		
3,30,000 (Previous Year 3,30,000) Equity Shares of ₹10/- each	145.50	145.50
<b>In Subsidiaries</b>		
<b>Bhushan Steel (Australia) Pty Ltd.</b>		
2,63,69,796 (Previous Year 75,70,100) Equity Shares of One AUD Per Share	12671.74	2653.19
<b>Bhushan Steel Global FZE</b>		
Nil (Previous Year One Equity Share) of One Million Dirhams	-	111.53
<b>Jawahar Credit &amp; Holdings Private Limited *</b>		
43,21,871 (Previous Year Nil) Equity Shares of ₹10/- each	940.31	-
<b>Bhushan Capital &amp; Credit Services Private Limited *</b>		
43,21,871 (Previous Year Nil) Equity Shares of ₹10/- each	940.31	-
<b>Bhushan Steel Madhya Bharat Limited</b>		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
<b>Bhushan Steel (Orissa) Limited</b>		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
<b>Bhushan Steel Bengal Limited</b>		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
<b>Bhushan Steel (South) Limited</b>		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
	<b>25217.86</b>	<b>13430.22</b>



(₹ in Lacs)

	As at 31.03.2012		As at 31.03.2011	
<b>In Preference Shares</b>				
<b>Trade, Unquoted</b>				
<b>In Subsidiaries</b>				
<b>Bhushan Steel Bengal Limited</b>				
8,60,000 (Previous Year Nil) 10% Non Cumulative Redeemable Preference Share of ₹10/- each	2150.00		-	
<b>Bhushan Steel (South) Limited</b>				
10,00,000 (Previous Year Nil) 10% Non Cumulative Redeemable Preference Share of ₹10/- each	3000.00		-	
	<b>5150.00</b>	<b>30470.26</b>	<b>-</b>	<b>15413.24</b>
		<b>30470.26</b>		<b>15413.24</b>
* Became Subsidiary during the year				
<b>Aggregate Value of</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Quoted Investments	101.66	106.01	101.66	134.51
Unquoted Investments	30368.60	-	15311.58	-

(₹ in Lacs)

	As at 31.03.2012		As at 31.03.2011	
<b>NOTE-13 LONG-TERM LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
Capital Advances	172727.40		206848.83	
Security Deposits	10036.25		6019.67	
Advances for Non Current Investments	1412.00		9884.79	
Inter Corporate Deposits (Including Interest Accrued)	7094.99		7923.80	
Loans to Employees	380.11		421.04	
MAT Recoverable	54432.30		27242.30	
Excise Duty Recoverable / Service Tax Recoverable	16923.01		15874.46	
Other Advances *	19597.46		11224.28	
	<b>282603.52</b>		<b>285439.17</b>	

\*Other Advances Include Advance Recoverable from Sales Tax Department etc.

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE : 14 OTHER NON CURRENT ASSETS</b>		
<b>Cash and Bank Balances</b>		
Non Current Fixed Deposits (Refer Note 18)	1937.54	35.00
	<b>1937.54</b>	<b>35.00</b>
<b>NOTE : 15 CURRENT INVESTMENTS</b>		
<b>UNQUOTED, Fully Paid-up</b>		
<b>Indusind Bank Limited</b>		
250 (Previous Year 250) Redeemable Non Convertible Bonds of ₹10,00,000/- each	2475.00	2475.00
	<b>2475.00</b>	<b>2475.00</b>
<b>NOTE-16 INVENTORIES</b>		
(At Lower of Cost And Net Realisable Value)		
Raw Material	70748.98	121630.00
Raw Material In Transit	116020.13	52793.54
Finished Goods	60256.59	77690.34
Finished Goods In Transit	5211.91	1606.14
Work-in-Progress	58917.65	38490.26
Stores	18873.76	23450.34
Other	1113.59	1179.93
	<b>331142.61</b>	<b>316840.55</b>
<b>NOTE-17 TRADE RECEIVABLES</b>		
(Unsecured)		
More than Six Months		
- Considered Good	2209.59	5809.34
- Considered Doubtful	953.97	932.69
	<b>3163.56</b>	<b>6742.03</b>
Less: Provision	953.97	932.69
	<b>2209.59</b>	<b>5809.34</b>
Others - Considered Good	119828.04	42543.97
	<b>122037.63</b>	<b>48353.31</b>

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-18 CASH AND BANK BALANCES</b>		
<b>(A) Cash and Cash Equivalents</b>		
Balances with Banks		
- In Current Account	7117.13	2077.74
- In Unpaid Dividend Account	23.06	820.80
Fixed Deposits having maturity period within 3 months *	25525.59	509.86
Cheques on hand	80.00	-
Cash on Hand	65.20	64.50
<b>(B) Others</b>		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	1937.54	35.00
- 3 to 12 Months *	687.05	-
	<b>35435.57</b>	<b>3507.90</b>
Less : Non Current Fixed Deposit	1937.54	35.00
	<b>33498.03</b>	<b>3472.90</b>
*(Including interest accrued but not due)		
*(Including ₹1942.42 Lacs (Previous Year ₹8.57 Lacs) under bank lien		
<b>NOTE-19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Security Deposits	59.66	274.57
Loans to Employees	923.79	648.74
Balance with Excise Department	206.77	15.72
Excise Duty / Service Tax Recoverable	20123.74	27464.94
Other Advances *	39351.12	35958.25
	<b>60665.08</b>	<b>64362.22</b>

\*Other Advances Include Amount Recoverable from Sales Tax Department etc.

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>NOTE-20 REVENUE FROM OPERATIONS</b>		
<b>Sales of Products</b>	1045467.17	733152.98
<b>Other operating Revenues</b>		
Other Sale	26939.25	21194.47
Export Incentives	6857.31	3280.58
	<b>1079263.73</b>	<b>757628.03</b>
<b>PARTICULARS OF SALE OF PRODUCTS</b>		
Hot Rolled Steel Strips/Sheets/Coils	264254.01	71947.79
Cold Rolled Steel Strips/Sheets/Coils	245884.81	237565.92
Cold Rolled Galvanised Steel Strips/Sheets/ Coils	261112.35	204247.85
Colour Coated Galvanised Steel Strips/Sheets/ Coils	87114.43	65328.17
Precession Tubes	92452.84	63053.23
Large Dia Pipe	4617.83	-
Hardening & Tempring Cold Rolled Steel Strips	11700.78	10655.23
High Tensile Steel Strapings	5619.57	4632.64
Billets	72241.54	72649.29
Wire Rods	-	2689.20
Formed Section	469.01	383.66
Others	26939.25	21194.47
Export Incentives	6857.31	3280.58
	<b>1079263.73</b>	<b>757628.03</b>
<b>NOTE-21 OTHER INCOME</b>		
Interest Earned*		
-From Short-Term Investments	258.75	417.05
-From Bank on FDRs	123.69	6.01
-From Others	860.29	1775.15
Dividend:		
-From Current, Non-Trade Investments	2.61	45.70
Net gain on Sale of Investments		
- From Long-Term Investments	488.47	156.76
- From Current Investments	1.87	-
Profit on Sale of Fixed Assets (Net)	960.09	154.64
Exchange Fluctuation (Net)	-	4313.68
Miscellaneous Income (Refer Note 39)	38.65	82.29
	<b>2734.42</b>	<b>6951.28</b>

\*Including Income Tax Deducted at Source ₹239.72 Lacs (Previous Year ₹153.91 Lacs) and Excluding interest earned of ₹428.89 Lacs (Previous Year ₹41.96 Lacs) transferred to Projects



(₹ in Lacs)

	Year Ended 31.03.2012		Year Ended 31.03.2011	
NOTE-22 COST OF RAW MATERIAL CONSUMED				
Cost of Raw Material Consumed		554694.03		427688.65
Less : Cost of Raw Material Transferred to Project / Internal Use		4019.30		3863.12
		550674.73		423825.53
PARTICULARS OF MATERIALS CONSUMED				
HR / CR / Steel Scrap		287053.72		247939.57
Iron Ore / Sponge Iron		83423.26		50525.56
Coal		117417.90		75341.41
Dolomite / Lime		6841.16		5241.14
Zinc and Alloys		52343.10		42679.33
Paints		7614.89		5961.64
		554694.03		427688.65
NOTE-23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK- IN- PROGRESS AND STOCK IN TRADE				
Inventories (at Close)				
Finished Goods		65468.50		79296.48
Work-in-Progress		58917.65		38490.26
Others		1113.59		1179.93
		125499.74		118966.67
Inventories (at Beginning)				
Finished Goods		79296.48		39775.54
Work-in-Progress		38490.26		31335.83
Others		1179.93		679.94
		118966.67		71791.31
		(6533.07)		(47175.36)
DETAIL OF FINISHED GOODS				
	Closing Stock	Opening Stock	Closing Stock	Opening Stock
Hot Rolled Steel Strips/Sheets/Coils	11263.26	35536.44	35536.44	-
Cold Rolled Steel Strips/ Sheets/Coils	10281.15	11142.60	11142.60	8805.56
Cold Rolled Galvanised Steel Strips/Sheets/Coils	16032.69	13663.58	13663.58	9876.09
Colour Coated Galvanised Steel Strips/Sheets/Coils	4715.87	4087.55	4087.55	1137.45
Precision Tubes	6283.77	4460.97	4460.97	2940.61
Large Dia Pipe	3556.64	-	-	-
Hardened & Tempered Cold Rolled Steel Strips	803.28	587.19	587.19	211.83
High Tensile Steel Strapings	264.10	595.45	595.45	184.19
Sponge Iron	-	-	-	8475.41
Billets	12255.58	9206.75	9206.75	7962.43
Wire Rods	-	-	-	176.69
Formed Sections	12.16	15.95	15.95	5.28
	65468.50	79296.48	79296.48	39775.54

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>NOTE NO- 24 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages & Bonus	26217.99	21463.87
Contribution to P.F. and Other Funds	577.76	414.40
Staff Benefits	395.16	335.48
	<b>27190.91</b>	<b>22213.75</b>
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses	12792.94	9904.53
	<b>14397.97</b>	<b>12309.22</b>
<b>NOTE-25 FINANCE COSTS</b>		
Interest Expenses	196919.28	134686.11
Other Financial Cost	27016.57	19205.27
Applicable loss on foreign currency transactions and translation	48193.78	9202.91
	<b>272129.63</b>	<b>163094.29</b>
Less: Borrowing cost transferred to Project Under Commissioning/Trial Run	167502.90	118453.21
	<b>104626.73</b>	<b>44641.08</b>
<b>NOTE-26 OTHER EXPENSES</b>		
Stores Consumed	22041.63	20020.59
Packing Material Consumed	3577.32	2839.79
Power & Fuel	70474.15	52202.52
Repairs & Maintenance		
- Plant & Machinery	1982.73	2035.78
- Buildings	105.17	122.52
Exchange Fluctuation (Net)	10769.62	-
Excise Duty #	(3295.55)	5665.20
Rates & Taxes	2152.23	1389.07
Administrative Expenses	51578.68	33026.74
Legal & Professional Expenses	1129.47	892.38
Rent	543.21	418.43
Insurance	968.38	1134.50
Auditors' Remuneration	104.00	77.00
Selling & Distribution Expenses	26022.92	22010.11
Commission to Selling Agents	459.41	477.43
Provision for Doubtful Debts	21.28	204.32
	<b>188634.65</b>	<b>142516.38</b>
Less: Transferred to Project under Commissioning		
Pre-operative Expenses / Trial Run Expenses (Net)	53441.36	34468.90
	<b>135193.29</b>	<b>108047.48</b>

# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of finished goods.

	₹ in Lacs	
	Current Year	Previous Year
<b>NOTE - 27</b>		
<b>1. Contingent Liabilities in respect of :</b>		
a) Sales Tax	3405.26	0.75
b) Excise Duty/Custom/Service Tax	25400.98	17573.31
c) Entry Tax	10858.85	5654.41
d) Income Tax	804.21	-
e) Bills Discounted	12508.43	18647.66
f) Others	1867.85	-

## 2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹591617.15 Lacs (Previous Year ₹572893.35 Lacs) (Net of Advances).

## 3. Other Commitment

- Outstanding guarantees issued by the banks ₹21036.75 Lacs (Previous Year ₹78354.15 Lacs) counter guaranteed by the company including letter of credits issued.
- The Company from time to time provides need based support to its subsidiary M/s Bowen Energy Ltd (Australia) towards capital and other requirements.
- The Company has given undertaking to M/s Bhushan Energy Limited, associate company, to provide the necessary fund required to acquire Equity Shares of M/s Orissa Sponge Iron and Steel Limited on open offer upto the limit of ₹21960 Lacs, by subscribing to the share capital of the company.

## NOTE – 28

There is no present obligation arising from past events requiring provision in accordance with the guiding principle as enunciated in Accounting Standard (AS)- 29, as it is not probable that an outflow of resources embodying economic benefit will be required.

## NOTE – 29

- 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal instalments at the end of 3rd and 4th year i.e. on 04/03/2015 and 04/03/2016 respectively.
- 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the current year on private / preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012.
- 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the current year on private / preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/-

before the expiry of ten years from the date of allotment i.e. 30th March, 2012.

- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 15,00,300 shares.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private / preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 13,34,800 and 23,33,500 shares respectively.
- 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the previous year on private placement basis. The preference shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e. 28th March, 2011 in such trenches as stipulated in the subscription agreement.
- 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the previous year on private placement basis. The Preference Shares shall be redeemed at an amount in INR , such that the subscribers get yield of 11.7% per annum on the amount outstanding within 36 Months from the date of allotment, i.e. 29th March, 2011 in such trenches as stipulated in the subscription agreement.

## NOTE - 30

12767000 10% Non Convertible Preference Shares of ₹100/- each at a Premium of ₹2900 per share will be allotted in financial year 2012-13 against share application money pending allotment as on 31st March 2012 amounting to ₹38301 Lacs.

## NOTE – 31

The Company has during the year commissioned coke oven plant and Large Dia Pipe plant and other ancillary equipments.

## NOTE – 32

Auditors' Remuneration includes :

	₹ in Lacs	
Particulars	Current Year	Previous Year
Audit Fees	80.00	55.00
Tax Audit Fees	14.00	10.00
Other Services	10.00	12.00
	<b>104.00</b>	<b>77.00</b>

### NOTE – 33

As per Accounting Standard (AS)-18, the disclosure of transaction with related parties as defined in the Accounting Standard are given below :

**(I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

**a) Subsidiary companies**

Bhushan Steel (Orissa) Ltd. (Incorporated on 27th April, 2010)  
Bhushan Steel Madhya Bharat Ltd. (Incorporated on 27th April, 2010)  
Bhushan Steel (South) Ltd. (Incorporated on 27th April, 2010)  
Bhushan Steel Bengal Ltd. (Incorporated on 27th April, 2010)  
Parakeet Finvest Pvt Ltd. (from 25th January, 2012)  
Marsh Capital Services Pvt Ltd. (from 25th January, 2012)  
Paragon Securities Pvt Ltd. (from 25th January, 2012)  
Perpetual Securities Pvt Ltd. (from 25th January, 2012)  
Jawahar Credit & Holdings Pvt Ltd. (from 29th February, 2012)  
Bhushan Capital & Credit Services Pvt Ltd. (from 29th February, 2012)  
Bhushan Steel Global FZE (Upto 7th May, 2011)  
Bhushan Steel (Australia) PTY Ltd.  
- Bowen Energy Ltd., Australia  
- Kondor Holdings PTY Ltd.  
- Bowen Coal PTY Ltd.  
- Bowen Consolidated PTY Ltd.  
- Capricorn Metals Ltd. (Deregistered w.e.f. 04th April, 2011)  
- Capricorn Resources (Australia) Ltd. (Deregistered w.e.f. 04th April, 2011)  
- Golden Country Resources (Australia) PTY Ltd.  
- Bowen Energy (Asia) PTE Ltd. (Has been struck off).

**b) Joint Venture**

Andal East Coal Company Pvt. Ltd.

**c) Associates**

Angul Sukinda Railway Ltd.  
Bhushan Energy Ltd.

**d) Key Management Personnel**

Shri Neeraj Singal (Vice Chairman & Managing Director)  
Shri Nittin Johari (Whole time Director)  
Shri P.K. Aggarwal (Whole time Director)  
Shri Rahul Sengupta (Whole time Director)

**e) Relatives of Key Management Personnel**

Shri B.B. Singal (Chairman & Father of Vice Chairman & Managing Director)  
Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)

**f) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**

Arshiya International Ltd.  
Bhushan Aviation Ltd.



**(II) Transactions Carried out with related parties referred in (I) above, in ordinary course of business:**

(₹ in Lacs)

PARTICULARS		Subsidiary Companies	Joint Venture	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	Current Year	-	-	-	246.05	32.87	-	278.92
	Previous Year	-	-	-	233.84	27.17	-	261.01
Directors Sitting Fees	Current Year	-	-	-	-	7.65	-	7.65
	Previous Year	-	-	-	-	5.45	-	5.45
Investments in Share Capital/ Share Application Money	Current Year	6283.76	412.00	-	-	-	-	6695.76
	Previous Year	5046.51	125.00	600.00	-	-	-	5771.51
Allotment of Shares and Share Application Money Pending Allotment	Current Year	-	-	30000.00	23100.00	10200.00	-	63300.00
	Previous Year	-	-	-	-	-	-	-
Purchase of Goods/ Services	Current Year	-	-	62914.19	-	-	7078.55	69992.74
	Previous Year	-	-	40752.46	-	-	7070.84	47823.30
Sales of Goods/ Services	Current Year	1650.45	-	3973.42	-	-	-	5623.87
	Previous Year	19703.41	-	2166.57	-	-	-	21869.98
Rent Received	Current Year	-	-	-	-	-	1.20	1.20
	Previous Year	-	-	-	-	-	1.20	1.20
Advance received for sale of Investment	Current Year	-	-	-	-	-	-	-
	Previous Year	-	-	1500.00	-	-	-	1500.00
OUTSTANDINGS								
Receivable	Current Year	8.05	-	-	-	-	-	8.05
	Previous Year	3063.04	-	-	-	-	-	3063.04
Payable	Current Year	-	-	3349.21	14.25	-	428.87	3792.33
	Previous Year	-	-	847.92	6.66	-	136.04	990.62

**Disclosure in Respect of Material Related Party Transactions during the year :**

1. Remuneration & Perks include payment to Shri Neeraj Singal ₹106.93 Lacs (Pre. Year ₹90.95 Lacs), Shri P.K.Aggarwal ₹35.17 Lacs (Pre. Year ₹45.14 Lacs), Shri Nittin Johari ₹61.25 Lacs (Pre. Year ₹55.77 Lacs), Shri Rahul Sengupta ₹42.70 Lacs (Pre. Year ₹41.98 Lacs) and Smt Ritu Singal ₹32.87 Lacs (Pre. Year ₹27.17 Lacs).
2. Directors sitting fees is paid to Shri B.B.Singal ₹7.65 Lacs (Pre. Year ₹5.45 Lacs)
3. Investment in Share Capital/ Share Application Money include Bhushan Steel (Australia) PTY Ltd. ₹4133.76 Lacs (Pre. Year ₹2026.51 Lacs), Bhushan Steel (South) Ltd ₹ Nil (Pre. Year ₹ 3005.00 Lacs), Bhushan Steel Madhya Bharat Ltd ₹ Nil (Pre. Year ₹5.00 Lacs), Bhushan Steel (Orissa) Ltd ₹ Nil (Pre. Year ₹ 5.00 Lacs), , Bhushan Steel Bengal Ltd ₹ 2150.00 Lacs (Pre. Year ₹5.00 Lacs) Andal East Coal Company Pvt. Ltd. ₹412.00 Lacs (Pre. Year ₹125.00 Lacs) and Angul Sukinda Railway Ltd. ₹ Nil (Pre. Year ₹600.00 Lacs).
4. 10% Non Redeemable Preference Shares have been allotted to M/s Bhushan Energy Limited ₹30000.00 Lacs (Pre. Year ₹ Nil) and Share Application Pending Allotment is received from Shri Neeraj Singal ₹23100.00 Lacs (Pre. Year ₹ Nil) and from Sh. B.B.Singal ₹10200.00 Lacs (Pre. Year ₹ Nil).
5. Purchase of Goods/Services is from Arshiya International Ltd. ₹5500.16 Lacs (Pre. Year ₹5217.80 Lacs), Bhushan Energy Ltd. ₹62914.19 Lacs (Pre. Year ₹40752.46 Lacs) and Bhushan Aviation Ltd. ₹1578.39 Lacs (Pre. Year ₹1853.04 Lacs).
6. Sale of Goods/ Services to Bhushan Steel Global FZE ₹1650.45 Lacs (Pre. Year ₹19703.41 Lacs) and Bhushan Energy Ltd. ₹3973.42 Lacs (Pre. Year ₹2166.57 Lacs).
7. Rent Received is from Bhushan Aviation Ltd. ₹1.20 Lacs (Pre. Year ₹1.20 Lacs).
8. Advance received for Sale of Investment is from Bhushan Energy Ltd ₹ Nil (Pre. Year ₹1500.00 Lacs).

**NOTE – 34**

The Company has an Indian Joint Venture with Andal East Coal Company Pvt Ltd. as on 31st March, 2012 and having sharing of 33.33 %. Its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture is as under :-

(₹ in Lacs)

	Current Year	Previous Year
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
Share Capital	33.00	33.00
Reserves & Surplus	105.32	111.60
Share Application Money Pending Allotment	412.00	-
<b>Non- Current Liabilities</b>		
Long-Term Borrowings	-	-
<b>Deferred Tax Liabilities (Net)</b>		
Other Long Term Liabilities	-	-
Long-Term Provisions	0.27	0.31
Current Liabilities	-	-
Short-Term Borrowings	-	-
Trade Payables	3.06	1.51
Other Current Liabilities	20.02	160.68
Short-Term Provisions	0.44	-
<b>TOTAL</b>	<b>574.11</b>	<b>307.10</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Tangible Assets	1.87	0.34
Intangible Assets	-	-
Capital Work in Progress	506.56	263.78
Non-Current Investments	-	-
Long-Term Loans and Advances	0.50	15.16
Other Non-Current Assets	-	-
<b>Current Assets</b>		
Current Investments	-	-
Inventories	-	-
Trade Receivables	-	-
Cash & Bank Balances	22.44	4.28
Short-Term Loans and Advances	42.74	23.54
Other Current Assets	-	-
<b>TOTAL</b>	<b>574.11</b>	<b>307.10</b>
<b>INCOME</b>		
Gross Revenue from Operations	-	-
Other Income	-	-
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>		
Cost of Raw Material Consumed	-	-
Purchase of Stock In Trade	-	-
Change in Inventories of Finished Goods, Work In Progress & Stock In Trade	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation & Amortisation Expense	-	-
Other Expenses	0.85	0.26
<b>Total Expenses</b>	<b>0.85</b>	<b>0.26</b>
<b>Profit / (Loss) Before Tax</b>	<b>(0.85)</b>	<b>(0.26)</b>
Tax Expense	-	-
<b>Profit / (Loss) After Tax</b>	<b>(0.85)</b>	<b>(0.26)</b>

### NOTE – 35

The Company is engaged in the steel business, which in the context of Accounting Standard (AS)-17 is considered the only primary business segment.

Gross Revenue of the company as per Geographical Segment is as follows:

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	926869.97	633751.16
Outside India	145536.45	120596.29
<b>Total</b>	<b>1072406.42</b>	<b>754347.45</b>

Debtors of the company as per Geographical Segment is as follows:

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	120799.41	47436.92
Outside India	1238.22	916.39
<b>Total</b>	<b>122037.63</b>	<b>48353.31</b>

The Company has common fixed assets, other assets and liabilities for producing goods for domestic as well as overseas market.

### NOTE – 36

Fixed Assets include one cold rolling mill established in 1992 damaged in fire accident in the year 1998-99. The amount received from Insurance Company for reinstatement /repair of the mill is included in other liabilities as the matter is still sub-judice. The amount received shall be adjusted on final disposal of the pending suit.

### NOTE – 37

Pre-operative Expenses (In respect of project to be capitalized) :

	(₹ in Lacs)	
	Current Year	Previous Year
Opening Balance	106189.27	250976.99
Add: Pre-operative Expenses		
1. Transferred from Statement of Profit and Loss including Trial Run Loss/(Gain)	66234.30	44373.43
2. Depreciation	2354.45	1850.01
3. Finance Costs (During Construction and Trial Run)	167502.90	236091.65
	<b>342280.92</b>	<b>415653.64</b>
Less : Interest earned during construction period	428.89	41.96
	<b>341852.03</b>	<b>415611.68</b>
Less: Capitalised		
- Pre-Operative Expenses [Including Trial Run Loss/(Gain)]	113692.43	305688.41
- Depreciation	2141.50	3734.00
<b>TOTAL</b>	<b>226018.10</b>	<b>106189.27</b>

	Current Year	Previous Year
<b>NOTE – 38</b>		
<b>Earning Per Share</b>		
(i) <b>Weighted Average No. of Equity Shares</b>		
Equity Share at the beginning of the Year	212358310	212358310
(ii) <b>Equity Shares for Calculating Diluted Earning per Share</b>		
Weighted Average No. of Equity Shares	212358310	212358310
(iii) Profit After Tax (₹ in Lacs)	102347.49	100508.59
Less: - Dividend on preference shares (Including Dividend Tax)	877.16	430.19
Profit after dividend on preference shares	101470.33	100078.40
(iv) Earning Per Share (₹)		
- Basic [(iii)/(i)]	47.78	47.13
- Diluted [(iii)/(ii)]	47.78	47.13

#### NOTE – 39

##### Detail of Misc. Income

		(₹ in Lacs)	
S.No.	Particulars	Current Year	Previous Year
1.	Insurance Claim Received	35.50	33.31
2.	Rent Received	1.20	1.20
3.	Bad Debts / Compensation Recovered	0.36	46.01
4.	Short & Excess Recovery	-	0.01
5.	Misc. Receipts	1.59	1.76
		<b>38.65</b>	<b>82.29</b>

#### NOTE – 40

The Company in respect of Khopoli unit has opted "Deferral Scheme" of sales tax and paid VAT on the basis of Net Present Value (NPV).

Tax difference between the amount payable and amount paid under NPV, amounting to ₹6030.15 Lacs (Previous Year ₹4120.46 Lacs), being capital receipt, has been credited to Capital reserve.

#### NOTE – 41

The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary item in accordance with Companies (Accounting Standards) Amendment Rules 2009 pertaining to Accounting Standard (AS)-11 notified by Government of India on 31st March, 2009 (As amended on 29th December, 2011) which allows foreign exchange differences on long-term monetary items arising on or after 1st April, 2011 to be capitalized to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the balance period of the respective monetary items.

As on 31st March, 2012, a debit of ₹ NIL (Pre. Year ₹ Nil) remains to be amortised in the "Foreign Currency Monetary Item Translation Difference Account".

#### NOTE – 42

The company has not entered into any finance / operating lease during the year.

#### NOTE – 43

##### DERIVATIVES

I The company has not entered into any derivatives instruments to hedge the foreign currency contracts. There is no derivative contract outstanding as on the date of the Balance Sheet.

II The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below :-

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
a) <b>Amount receivable in Foreign Currency on Account of</b>				
Sale of Goods	24.34	1238.22	20.58	916.39
Advance against goods	1625.79	82703.76	1614.98	71899.05
b) <b>Amount payable in Foreign Currency on Account of</b>				
Acceptances	3159.38	160717.45	1730.78	77054.18
Bills Discounted	115.95	5898.27	208.03	9261.33
Creditors	325.54	16560.12	1313.67	58484.51
Loans /Interest Payable	17923.29	911757.64	12063.10	537049.02

#### NOTE – 44

As per Accounting Standard (AS) -15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting Standards are given below:-

##### A. Defined Contribution Plans:

Contribution to defined contribution plan, recognized as expenses / pre-operative expenses is as under:

	(₹ in Lacs)	
	Current Year	Previous Year
a) Employer contribution to Provident Fund /Other Funds	577.62	414.26
b) Employer contribution to State Plans	100.23	56.35
i) Employee State Insurance	100.09	56.21
ii) Maharashtra Labour Welfare Fund	0.14	0.14

##### B. Defined Benefit Plans:

a) Leave Encashment/ Compensated Absence.

b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

In accordance with Accounting Standard (AS) - 15 (Revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumptions:

	(₹ in Lacs)	
	Leave Encashment / Compensated Absence	
	Current Year	Previous Year
		Employee Gratuity Fund
	Current Year	Previous Year
i) <b>Acturial Assumptions</b>		
Discount Rate (per annum)	8%	8%
Rate of increase in compensation levels	5%	5%
Rate of return on plan assets	-	8%
Expected Average remaining working lives of employees (years)	26	26



(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
<b>ii) Change in the obligation during the year ended 31st March, 2012</b>				
Present value of obligation as at 31st March, 2011	1068.57	816.91	1273.06	987.54
Impact of Transition provision of (AS)-15	-	-	-	-
Interest cost	85.48	65.35	97.62	77.04
Past Service cost	-	-	-	-
Current service cost	281.37	327.66	320.09	226.53
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(180.01)	(294.36)	(105.51)	(49.04)
Actuarial (gain)/ loss on Obligations	(181.02)	153.01	65.11	30.99
Present value of obligation as at 31st March, 2012	1074.39	1068.57	1650.37	1273.06
<b>iii) Change in fair value of Plan Assets</b>				
Fair value of Plan Assets as at 31st March, 2011	-	-	1039.43	929.17
Expected return on Plan Assets	-	-	95.18	72.39
Contributions	-	-	401.25	76.84
Benefits Paid	-	-	(105.52)	(49.04)
Actuarial gain/ (loss) on Obligations	-	-	(11.06)	10.07
Fair value of Plan Assets as at 31st March, 2012	-	-	1419.28	1039.43
<b>iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets</b>				
Present value of obligation as at 31st March, 2012	1074.39	1068.57	1650.37	1273.06
Fair value of Plan Assets as at 31st March, 2012	-	-	1419.28	1039.43
Funded Status	(1074.39)	(1068.57)	(231.09)	(233.63)
Present value of un-funded obligation as at 31st March, 2012	-	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognised in Balance Sheet	(1074.39)	(1068.57)	(231.09)	(233.63)
<b>v) Expenses / Pre-Operative expenses recognised in Statement of Profit and Loss</b>				
Current service cost	281.37	327.66	320.09	226.53
Past Service cost	-	-	-	-
Interest cost	85.48	65.35	97.62	77.04
Expected return on Plan Assets	-	-	(95.18)	(72.39)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(181.02)	153.01	76.17	20.92
Total Expense recognised in Statement of Profit and Loss / Pre-Operative expenses	185.83	546.02	398.70	252.10

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

(₹ in Lacs)

	Current Year	Previous Year
<b>NOTE – 45</b>		
<b>Value of Import on C.I.F. Basis</b>		
- Raw Material	149373.69	153937.73
- Capital Goods	191379.65	78615.98
- Stores/Spare parts	5998.10	10916.88
<b>NOTE – 46</b>		
<b>Expenditure in Foreign Currency</b>		
- Travelling	268.24	413.96
- Sales Commission	238.38	267.90
- Machinery Repair & Maintenance	51.61	280.91
- Technical Consultancy	-	3366.12
- Erection & Commissioning	-	154.54
- Interest & Finance Charges	46209.20	20949.97
- Capital Machinery / Indirect Expenses	1793.68	-
- Legal Expenses	466.51	37.92
- Rates & Taxes	22.33	10.52
- Subscription	5.30	4.00
<b>NOTE – 47</b>		
<b>Earnings in Foreign Exchange</b>		
- FOB Value of Export	145536.45	120596.29
- Interest Received	148.46	22.60

	Current Year		Previous Year	
	Value (₹ in lacs)	%age	Value (₹ In lacs)	%age
<b>NOTE – 48</b>				
<b>Value of Imported / Indigenous Raw Material and Stores / Spare Parts Consumed</b>				
<b>Raw Material:</b>				
Imported	127792.31	23.04	146019.41	34.14
Indigenous	426901.72	76.96	281669.24	65.86
	<b>554694.03</b>	<b>100.00</b>	<b>427688.65</b>	<b>100.00</b>
<b>Stores/Spare Parts:</b>				
Imported	3455.91	15.68	1319.55	6.59
Indigenous	18585.72	84.32	18701.04	93.41
	<b>22041.63</b>	<b>100.00</b>	<b>20020.59</b>	<b>100.00</b>

**NOTE – 49****Remittance in foreign currency on account of Dividend**

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The total amount remittable in this respect is given herein below :

	Current Year		Previous Year	
	US\$	INR	US\$	INR
(a) Number of Non-Resident Shareholders		346		244
(b) Number of Equity Shares held by them		5748534		6573935
(c) (i) Amount of dividend paid (Gross)	160	2874267	173	3286967
(a) Amount of dividend paid through transfer in NRE a/c		2866267		3278967
(b) Amount of Dividend paid through Foreign Currency	160	8000	173	8000
(ii) Tax deducted at source	-	-	-	-
(iii) Year to which dividend relates		2010-2011		2009-2010

**NOTE – 50**

Previous Year Figures have been rearranged/regrouped wherever considered necessary.

For **MEHRA GOEL & CO.**

Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 31st July, 2012

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

**Statement Pursuant to section 212 of the Companies Act ,1956, related to Subsidiary Companies as at 31st March,2012**

S. No.	Name of Subsidiary	Bhushan Steel Bengal Ltd.	Bhushan Steel (Orissa) Ltd.	Bhushan Steel (South) Ltd.	Bhushan Steel Madhya Bharat Ltd.	Bhushan Capital & Credit Services Pvt.Ltd.	Jawahar Credit & Holdings Pvt. Ltd.	Paragon Securities Pvt. Ltd.	Parakeet Finvest Pvt.Ltd.	Perpetual Securities Pvt. Ltd.	Marsh Capital Services Pvt. Ltd.	Bhushan Steel (Australia) Pty Ltd.	Bowen Energy Ltd.	Bowen Coal Pty Ltd.	Bowen Consolidated Pty Ltd.	Kondor Holdings Pty Ltd.	Golden Country Resources (Australia) Pty Ltd.
1	Financial Year of the Subsidiary ended on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
2	Shares of the Subsidiary held by the Company on the above date																
	(a) Number	50000	50000	50000	50000	17300000	17300000	320500	320500	641003	320500	26369796	210446912	10	15	10	51150
	Face Value	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each	Equity share of ₹ 10 each
	(b) Extent of holding	100%	100%	100%	100%	85.22%	79.36%	91.17%	91.17%	91.17%	91.17%	84.87%	89.81%	100%	100%	100%	100%
3	Net aggregate amount of profit/(losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company :																
	(a) dealt with in the accounts of the Company for the year ended 31st March,2012 (₹ / lacs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(b) not dealt with in the accounts of the Company for the year ended 31st March,2012 (₹ / lacs)	(1.31)	0.10	(1.29)	0.10	(4.64)	(8.20)	(2.18)	6.63	8.28	4.88	(580.43)	(226.57)	-	-	-	-
4	Net aggregate amount of profit/(losses) of the subsidiary since it become a subsidiary, so far as they concern members of the Company :																
	(a) dealt with in the accounts of the Company for the year ended 31st March,2012 (₹ / lacs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(b) not dealt with in the accounts of the Company for the year ended 31st March, 2012 (₹ / lacs)	(1.48)	(0.07)	(1.47)	(0.07)	(4.64)	(8.20)	(2.18)	6.63	8.28	4.88	(766.84)	(292.82)	12.69	-	2.30	3.64

## Summary of Financial Information of Subsidiary Companies

Name of Subsidiary	Country	Report- ing Cur- rency	Capital	Reserves	Total Assets Including Current As- sets	Total Li- abilities excluding Sharehold- er's Funds	CWIP included in Total Assets	Invest- ments included in Total Assets	Turn- over	(Amount in Rupees)			
										Profit before Taxation	Provision for Taxation	Profit after Taxation	Pro- posed Dividend
Bhushan Steel Bengal Ltd	India	INR	91,00,000	20,62,52,156	21,55,25,329	1,73,173	-	21,19,64,628	-	(1,19,786)	10,815	(1,30,601)	-
Bhushan Steel (Orissa) Ltd	India	INR	5,00,000	(7,147)	5,25,795	32,942	-	-	-	14,228	4,397	9,831	-
Bhushan Steel (South) Ltd	India	INR	1,05,00,000	28,98,53,137	30,13,29,641	9,76,504	11,23,765	-	-	(1,25,082)	4,260	(1,29,342)	-
Bhushan Steel Madhya Bharat Ltd	India	INR	5,00,000	(7,493)	5,25,604	33,097	-	-	-	14,728	4,552	10,176	-
Bhushan Capital & Credit Services Pvt. Ltd.	India	INR	20,30,00,000	63,78,36,014	84,14,99,842	6,63,828	-	83,25,96,143	-	(4,25,284)	38,951	(4,64,235)	-
Jawahar Credit & Holdings Pvt. Ltd.	India	INR	21,80,00,000	77,69,26,083	99,56,26,451	7,00,368	-	99,28,99,921	-	(7,37,085)	83,430	(8,20,515)	-
Paragon Securities Pvt. Ltd.	India	INR	35,15,240	13,07,72,572	17,16,38,442	3,73,50,630	-	9,81,95,395	-	(2,11,839)	6,180	(2,18,019)	-
Parakeet Finvest Pvt.Ltd.	India	INR	35,15,240	13,19,07,043	13,55,35,144	1,12,861	-	13,05,22,050	-	9,41,662	2,78,862	6,62,800	-
Perpetual Securities Pvt. Ltd.	India	INR	70,30,470	25,88,36,884	26,61,25,165	2,57,811	-	23,31,71,850	-	11,81,477	3,53,225	8,28,252	-
Marsh Capital Services Pvt. Ltd.	India	INR	3,515,240	13,34,71,260	13,71,83,693	1,97,193	-	10,99,24,645	-	7,33,091	2,45,155	4,87,936	-
Bhushan Steel (Australia) PTY Ltd.	Australia	AUD	1,51,76,41,733	(7,66,84,165)	1,44,12,73,198	3,15,630	16,61,34,604	68,45,37,775	-	(5,80,42,923)	-	(5,80,42,923)	-
Bowen Energy Ltd.	Australia	AUD	89,00,04,188	*14,32,78,622	1,52,12,87,759	48,80,04,949	1,26,55,76,332	58,14,799	-	(2,26,56,587)	-	(2,26,56,587)	-
Bowen Coal PTY Ltd.	Australia	AUD	92	*14,52,542	14,52,634	-	14,52,529	-	-	-	-	-	-
Bowen Consolidated PTY Ltd.	Australia	AUD	138	*20	158	-	-	-	-	-	-	-	-
Kondor Holdings PTY Ltd.	Australia	AUD	92	*2,63,091	2,63,183	-	-	-	-	-	-	-	-
Golden Country Resources (Australia) PTY Ltd.	Australia	AUD	4,70,334	*4,84,342	9,54,676	-	9,54,676	-	-	-	-	-	-

\* Includes Foreign Currency Translation Reserve

Notes: Exchange Rate As on 31.03.2012 of AUD 1 = ₹52.605

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR (FINANCE)

Sd/-  
**PANKAJ KUMAR**  
HEAD (ACCOUNTS)

Sd/-  
**O. P. DAVRA**  
COMPANY SECRETARY



# AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

**The Board of Directors of  
BHUSHAN STEEL LIMITED**

We have audited the attached Consolidated Balance Sheet of **BHUSHAN STEEL LIMITED** (the Company), its subsidiaries, associates and joint venture (collectively referred to as "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. Financial Statements of foreign subsidiary namely Bhushan Steel (Australia) Pty Ltd., audited by us, have been prepared for the purpose of compliance with the provisions of section 211 and 212 of the Companies Act, 1956. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have relied on the unaudited consolidated/standalone financial statements of two foreign subsidiaries, namely Bowen Energy Limited (Australia ) and Bhushan Steel Global FZE, whose consolidated/standalone financial statements reflect total assets of ₹15234.20 Lacs and ₹3598.01 Lacs as at 31st March, 2012 and as at 7th May, 2011, total (expenditure)/revenue of (₹226.64 Lacs) and ₹1832.08 Lacs, and cash inflow/(outflows) amounting to ₹2082.26 Lacs and (₹351.36 Lacs) for the year/period ended at 31st March, 2012, and as at 7th May, 2011, respectively and on the unaudited financial statements of an associate, namely Angul Sukinda Railway Limited, wherein the Group's share of profit aggregates ₹NIL and unaudited financial statements of a joint venture, namely Andal East Coal Company Pvt. Ltd., whose financial statements reflect total assets of ₹1722.35 Lacs as at 31st March, 2012, total (expenditure) of (₹2.54 Lacs) and cash inflows amounting to ₹54.47 Lacs for the year ended at 31st March, 2012. These unaudited financial statements / consolidated financial statements have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiaries, associates and joint venture is based solely on such unaudited financial statements / consolidated financial statements prepared by the management.
2. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS)-21, Consolidated Financial Statements (AS)-23, Accounting for Investments in Associates in Consolidated Financial Statements and (AS)-27, Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid and subject to our comment in Para (1) above , to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2012;
  - b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-

**R.K.MEHRA**

Partner

M. No. 6102

Place: New Delhi

Dated: 31st July , 2012

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

	NOTE	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	12841.44	11115.77
Reserves and Surplus	3	744431.14	579729.79
		<b>757272.58</b>	<b>590845.56</b>
<b>Preference Share Application Money Pending Allotment (Refer Note 31)</b>			
		38301.00	-
<b>Minority Interest</b>			
		8915.65	2062.50
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	1552878.02	1096934.45
Deferred Tax Liabilities (Net)	5	103881.63	69831.59
Other Long Term Liabilities	6	150610.02	62051.07
		<b>1807369.67</b>	<b>1228817.11</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	428778.23	447414.82
Trade Payables	8	99681.31	102597.00
Other Current Liabilities	9	226614.93	156000.20
Short-Term Provisions	10	5484.82	4842.71
		<b>760559.29</b>	<b>710854.73</b>
<b>Total</b>		<b>3372418.19</b>	<b>2532579.90</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
	11		
Tangible Assets		1573273.52	1256603.27
Intangible Assets		118.01	60.25
Capital Work in Progress		921726.42	544143.33
		<b>2495117.95</b>	<b>1800806.85</b>
Non-Current Investments	12	34807.95	12738.73
Long-Term Loans and Advances	13	285216.44	279651.19
Other Non-Current Assets	14	1937.54	35.00
		<b>321961.93</b>	<b>292424.92</b>
<b>Current Assets</b>			
Current Investments	15	2527.76	2531.25
Inventories	16	331142.61	318617.88
Trade Receivables	17	122037.63	49004.21
Cash and Bank Balances	18	37231.88	4680.37
Short-Term Loans and Advances	19	62398.43	64514.42
		<b>555338.31</b>	<b>439348.13</b>
<b>Total</b>		<b>3372418.19</b>	<b>2532579.90</b>
<b>Significant Accounting Policies</b>			
	1		
<b>Other Notes on Financial Statements</b>			
	28-46		

As per our report of even date attached

For **MEHRA GOEL & CO.**

Chartered Accountants

(Registration No.000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 31st July, 2012

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY

# **CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

(₹ in Lacs)

	NOTE	Year Ended 31.03.2012		Year Ended 31.03.2011	
INCOME					
Gross Revenue from Operations	20	1081240.37		757935.41	
Less: Excise Duty		85122.96	996117.41	57581.78	700353.63
Other Income	21		2354.11		6935.53
TOTAL REVENUE		998471.52		707289.16	
EXPENSES					
Cost of Materials Consumed	22		550674.73		423825.53
Cost of Purchase Goods Traded	23		-		249.24
Change in Inventories of Finished Goods, Work In Progress and Stock-in-Trade	24		(4755.74)		(47673.58)
Employee Benefits Expense	25		14424.26		12375.47
Finance Costs	26		104637.81		44770.74
Depreciation and amortization expense			61993.28		27785.91
Other Expenses	27		136035.90		108385.83
Total Expenses		863010.24		569719.14	
Profit Before Tax		135461.28		137570.02	
Tax Expense					
-Current Tax		27315.28		27421.29	
-MAT Credit Utilised/(Available for Set-off)		(27190.00)		(27242.30)	
-Deferred Tax		34050.04	34175.32	36877.77	37056.76
Profit for the year (before Adjustment for Share of Associates & Minority Interest)		101285.96		100513.26	
Add: Share of Profit/(Loss) of Associates			35.06		230.30
Less: Minority Interest			(162.06)		4.10
Profit for the year (After Adjustment for Share of Associates & Minority Interest)		101483.08		100739.46	
Basic Earning Per Share (₹)		47.38		47.24	
Diluted Earning Per Share (₹)		47.38		47.24	
Nominal Value of Share (₹)		2.00		2.00	
(Refer Note-41)					
Significant Accounting Policies	1				
Other Notes on Financial Statements	28-46				

As per our report of even date attached

For **MEHRA GOEL & CO.**

Chartered Accountants

(Registration No.000517N)

Sd/-

**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-

**B. B. SINGAL**  
CHAIRMAN

Sd/-

**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Sd/-

**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-

**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-

**O. P. DAVRA**  
COMPANY  
SECRETARY

Place: New Delhi

Dated: 31st July, 2012

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extraordinary items and share of profit of Associates</b>	<b>135461.28</b>	<b>137570.02</b>
Adjustments for :		
Depreciation	61993.28	27785.91
Provisions (Retirement Benefits)	3.37	427.35
Interest & Financial Charges	104637.81	44770.74
Interest/Dividend Income on Investments	(261.36)	(462.75)
Interest Income ( Others)	(983.98)	(1781.16)
Profit on Sale of Investments	(108.31)	(156.76)
Diminution in value of investment written back	11.01	(15.55)
Loss / (Profit) on Sale of Fixed Assets	(960.09)	(154.64)
Provision for Doubtful Debts	21.28	204.32
Loss/(Gain) on Exchange Rate Change	27538.91	191891.92
<b>Operating Profit Before Working Capital Changes</b>	<b>327353.20</b>	<b>211181.19</b>
Adjustments for :		
Increase(-) / Decrease in Inventories	(12524.73)	(121071.60)
Increase(-) / Decrease in Other Receivables	(75397.05)	25951.20
Increase(-) / Decrease in Loans & Advances	23740.74	(10561.45)
Increase / Decrease(-) in Trade Payables	37139.62	(27041.42)
<b>Cash Flow from Operating Activities</b>	<b>300311.78</b>	<b>126624.23</b>
Direct Tax Paid (Net of Refund)	(26373.01)	(27204.36)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>273938.77</b>	<b>99419.87</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(470371.96)	(567761.59)
Sale of Fixed Assets	1379.11	190.28
Acquisition of Shares in Subsidiary / Joint Venture (FCTR)	(916.56)	-
Purchase of Investments	(53962.72)	(36079.14)
Acquisition/ Purchase of Shares in Subsidiary	8133.58	508.57
Share of Profit of Associates	35.06	-
Sale of Investments	31994.29	50630.18
Interest Income	1242.73	2400.15
Dividend Income	2.61	45.70
<b>Net Cash Used In Investing Activities (B)</b>	<b>(482463.86)</b>	<b>(550065.85)</b>

(₹in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest & Financial Charges Paid	(263050.75)	(161496.23)
Proceeds From Cash Credit From Banks (Net)	88161.71	27768.44
Proceeds From Other Borrowings	315926.32	485229.77
Proceeds From Share / Share Application Money/Redemption (Net)	93354.86	87509.00
Proceeds From Share Application Money of Minority Shareholders	7015.21	229.88
Premium Paid on Redemption of Preference Shares	(1245.89)	-
Capital Subsidy	6030.15	4120.46
Dividend Paid	(2980.17)	(945.05)
Dividend Tax Paid	(232.30)	(180.22)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>242979.14</b>	<b>442236.05</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>34454.05</b>	<b>(8409.93)</b>
Opening Balances of Cash and Cash Equivalents	4715.37	13125.30
Closing Balances of Cash and Cash Equivalents	39169.42	4715.37

Note:- Cash and Cash equivalents include ₹22.98 Lacs (Previous Year ₹820.72 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company

As per our report of even date attached

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 31st July, 2012

Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY



## NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

### A) PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements relate to Bhushan Steel Ltd ("the Company") and its subsidiary companies, associates and joint ventures. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiaries and joint venture company have been combined on a Line-by-Line basis by adding together like items of assets, liabilities, income & expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.
- ii. In case of foreign subsidiary, being integrated foreign operations, revenue items are consolidated at the exchange rate prevailing at the date of the transaction. Foreign currency monetary items are converted at rates prevailing at the end of the year. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the transaction date. Non-Monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Any exchange difference arising on consolidation is recognized in the Statement of Profit and Loss.
- iii. In case of foreign subsidiaries, being non integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.
- iv. The excess of cost of the Company of its investments in the subsidiary companies over its share of the equity of the
- ix. The following subsidiary companies are considered in the preparation of consolidated financial statements:

subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as "Goodwill" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investments, is in excess of cost of investment of the Company, it is recognized as "Capital Reserves" and shown under the head "Reserves and Surplus", in the consolidated financial statements.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

- v. In the case of Associates, investment in Associates is accounted for using equity method in accordance with Accounting Standard (AS)-23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- vi. The difference between the cost of investment in the Associates and the net assets at the time of acquisition of shares in the Associate is identified in the Financial Statements as Goodwill or Capital Reserve as the case may be.
- vii. Interest in Joint venture have been accounted by using the proportionate consolidation method as per Accounting Standards (AS)-27 on "Financial Reporting of Interest in Joint Ventures" notified by Companies (Accounting Standards) rules, 2006.
- viii. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

Name of the Company	Country of Incorporation	% age of Voting Power either directly or through Subsidiaries as at 31st March, 2012
Bhushan Steel Bengal Ltd (Incorporated on 27th April, 2010)	India	100.00
Parakeet Finvest Pvt Limited (from 25th January, 2012)	India	91.17
Marsh Capital Services Pvt Limited (from 25th January, 2012)	India	91.17
Paragon Securities Pvt Limited (from 25th January, 2012)	India	91.17
Perpetual Securities Pvt Limited (from 25th January, 2012)	India	91.17
Jawahar Credit & Holdings Private Limited (from 29th February, 2012)	India	79.36
Bhushan Capital & Credit Services Private Limited (from 29th February, 2012)	India	85.22
Bhushan Steel (Orissa) Ltd (Incorporated on 27th April, 2010)	India	100.00
Bhushan Steel (South) Ltd (Incorporated on 27th April, 2010)	India	100.00
Bhushan Steel Madhya Bharat Ltd (Incorporated on 27th April, 2010)	India	100.00
Bhushan Steel Global FZE (Upto 7th May, 2011)	U.A.E.	100.00
Bhushan Steel (Australia) PTY Ltd.	Australia	84.87
- Bowen Energy Ltd. (from 28th July, 2009) **	Australia	89.81
- Kondor Holdings PTY Ltd. *	Australia	100.00
- Bowen Coal PTY Ltd. *	Australia	100.00
- Bowen Consolidated PTY Ltd. *	Australia	100.00
- Capricorn Metals Ltd. * (Deregistered w.e.f. 4th April, 2011)	Australia	100.00
- Capricorn Resources (Australia) Ltd. * (Deregistered w.e.f. 4th April, 2011)	Australia	100.00
- Golden Country Resources (Australia) PTY Ltd. *	Australia	100.00

\* Subsidiaries of Bowen Energy Ltd. . \*\* Subsidiary of Bhushan Steel (Australia) PTY Ltd.

- x. The Joint Venture Company considered in the Consolidated Financial Statements is :-

Name of the Company	Country of Incorporation	Proportion of Own-erships Interest
Andal East Coal Company Pvt. Ltd.  (Incorporated on 22nd September, 2009)	India	33.33%

- xi. The Associate Companies considered in the Consolidated Financial Statements are:-

Name of the Company	Country of Incorporation	Proportion of Own-erships Interest
Bhushan Energy Ltd.	India	29.64%
Angul Sukinda Railway Ltd.	India	Pending Allotment

- xii. The financial statements of the subsidiary, associate and joint venture companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2012.

**B) INVESTMENTS OTHER THAN IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES HAVE BEEN ACCOUNTED AS PER ACCOUNTING STANDARD (AS)-13, ON "ACCOUNTING FOR INVESTMENTS".**

**C) OTHER SIGNIFICANT ACCOUNTING POLICIES:**

**I) PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in compliance to the requirements of the Companies Act 1956, applicable Accounting Standards and the requirements of Part-I & II of Schedule-VI (revised).

**II) BASIS OF PREPARATION**

The financial statements have been prepared on historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956 as adopted consistently by the Company, except for defined benefit pension/ other funds obligations that have been measured at fair value. The carrying value of certain monetary items denominated in foreign currency is translated at the exchange rates applicable on the date of Balance Sheet.

**III) USE OF ESTIMATES**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**IV) REVENUE/EXPENDITURE RECOGNITION**

Revenue is recognized when it can be reliably measured and when all significant risks and rewards/ownership are transferred

to the customer. Sales are inclusive of sales during trial run, excise duty, customs duty. Exports sales are net of ocean freight, insurance and discount.

Dividend is recognized when company's' right to receive payment is established. Interest income is recognized on accrual basis in the income statement.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.

**V) EXTRAORDINARY ITEMS**

Extraordinary items are those income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise, and, therefore, are not expected to recur frequently or regularly.

**VI) EXCEPTIONAL ITEMS**

Exceptional items are those items of income and expense arising from ordinary activities, or of such size, nature or incidence that requires separate disclosure to explain the performance of the enterprise.

**VII) FIXED ASSETS**

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat/cenvat, less accumulated depreciation and include directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. The replacement of such spares is charged to revenue.

Capital expenditure on assets not owned by the company with exclusive right to use is reflected in capital work-in-progress till the period of completion and thereafter in Fixed Assets.

**VIII) ASSETS IN THE COURSE OF CONSTRUCTION**

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of fixed assets. Costs associated with the commissioning of an asset are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

**IX) INTANGIBLE ASSETS**

In accordance with Accounting Standard (AS)-26, relating to intangible assets, all costs incurred on technical know how/ license fee relating to production process are charged to revenue in the year of incurrence. Technical know how/license

fee relating to process design/plants/facilities are capitalized at the time of capitalization of the said plant/facility and amortized over a period of three years.

#### **X) IMPAIRMENT OF ASSETS**

Carrying amount of cash generating units/Fixed Assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The excess of carrying value of the asset over the recoverable amount is charged as an impairment loss to the Statement of Profit and Loss.

#### **XI) DEPRECIATION**

Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except :

- a) Cold Rolling Plant situated at Sahibabad acquired prior to 1st April, 1996, Galvanizing Plant, Power Plant acquired before 1st April, 2002 including addition or, extension forming integral part of above plants on which depreciation is provided on written down value method.
- b) Plant situated at Khopoli (Maharashtra) on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

On incremental / decremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation has been provided as aforesaid over the residual life of the respective plants.

Capital expenditure on assets not owned by the company with exclusive right to use is amortized over a period of five years from the year in which the relevant assets have been completed and available for use. In other cases these are amortised in the year in which expenditure is incurred.

Premium on leasehold land is amortized over the period of lease except on leasehold land acquired on lease of ninety years or more. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing ₹5000/- or less are depreciated in full in the year of purchase.

#### **XII) INVENTORIES**

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence.

Cost is determined on the following basis:.

Raw Material is recorded at cost on a first-in-first-out (FIFO) basis;

Finished goods and work-in-progress are valued at raw material cost + cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition. By products and scrap are valued at net realizable value.

Excise duty on closing stock of finished goods and scrap is accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

#### **XIII) INVESTMENTS**

Investments are classified into Current and Non-current investments. Current investments are stated at lower of cost or market value/fair value. Non Current investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

#### **XIV) FOREIGN EXCHANGE TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currency outstanding at the year end are translated at exchange rate applicable on the date of Balance Sheet. Non-monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in cases of long term monetary items, where these relate to the acquisition of depreciable fixed assets, are adjusted to the carrying cost of such assets and in other cases are amortized over the period of such long term monetary item or 31st March, 2013, whichever is earlier.

#### **XV) BORROWING COST**

Exchange difference on foreign currency borrowings relating to acquisition or construction of qualifying assets are included in the costs of those assets when they are recorded as adjustment to interest costs on those foreign currency borrowings. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **XVI) MODVAT / CENVAT / VAT**

Modvat / Cenvat / Vat claimed on capital goods is credited to Assets / Capital work in progress account. Modvat/Cenvat/Vat on purchase of raw materials and other materials are deducted from the cost of such materials.

#### **XVII) CLAIMS**

Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance.

#### **XVIII) EMPLOYEE BENEFITS**

Short term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long term employee benefits (which are payable after the end of twelve months from end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

Company's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare fund are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contribution.

The cost of providing leave encashment and gratuity, defined benefit plans, are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. The leave encashment and gratuity benefit obligations recognized in the balance sheet represent the present value of the obligations as reduced by the fair value of Plan Assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

#### **XIX) TAX EXPENSE**

Provision for current income tax is made after taking credit for allowance and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

Minimum Alternate Tax (MAT) paid in accordance with the Income Tax Act, 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset.

In accordance with the Accounting Standard (AS)-22 "Accounting for Taxes on Income", the Deferred tax liability for timing differences between the book and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax Assets arising from temporary timing differences

are recognized to the extent there is virtual certainty that the assets can be realized in future.

#### **XX) LEASES**

Assets acquired under finance lease from 01.04.2001 are capitalized at the lower of their fair value or the present value of the minimum lease payments.

#### **XXI) DERIVATIVE FINANCIAL INSTRUMENTS**

In respect of the financial derivative contracts the premium/ interest paid and profit / loss on settlement is charged to Statement of Profit and Loss. The contracts entered into are marked to market at the year end and the resultant profit / loss is charged to Statement of Profit and Loss except where these relate to long term monetary items attributable to depreciable fixed assets in which case it is adjusted to the cost of fixed assets.

#### **XXII) PROVISION AND CONTINGENT LIABILITY**

Show cause notices issued by various government authorities are not considered as obligation. Where the demand notices are raised, the show cause notice, disputed by the company, is classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

#### **XXIII) CONTINGENCIES & COMMITMENTS**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, these are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements, although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the financial position or profitability.

## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE -2 SHARE CAPITAL</b>		
<b>Authorised</b>		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
1,45,00,000 (Previous Year 70,00,000) Preference Shares of ₹100/- Each	14500.00	7000.00
	<b>22500.00</b>	<b>15000.00</b>
<b>Issued</b>		
21,64,48,000 (Previous Year 21,64,48,000) Equity Shares of ₹2/- Each	4328.96	4328.96
77,95,267 (Previous Year 51,68,600) 10% Non Convertible Redeemable Cumulative Preference Shares of ₹100/- each	7795.27	5168.60
3,99,000 (Previous Year 9,00,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	399.00	900.00
4,00,000 (Previous Year 8,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	800.00
	<b>12923.23</b>	<b>11197.56</b>
<b>Subscribed</b>		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4247.17	4247.17
77,95,267 (Previous Year 51,68,600) 10% Non Convertible Redeemable Cumulative Preference Shares of ₹100/- each	7795.27	5168.60
3,99,000 (Previous Year 9,00,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	399.00	900.00
4,00,000 (Previous Year 8,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	800.00
	<b>12841.44</b>	<b>11115.77</b>
<b>Paid-Up</b>		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4247.17	4247.17
77,95,267 (Previous Year 51,68,600) 10% Non Convertible Redeemable Cumulative Preference Shares of ₹100/- each	7795.27	5168.60
3,99,000 (Previous Year 9,00,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	399.00	900.00
4,00,000 (Previous Year 8,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	800.00
	<b>12841.44</b>	<b>11115.77</b>



Detail of Shareholders holding more than 5% shares :

Name of Shareholders	As at 31st March,2012		As at 31st March,2011	
	No. of Shares	% Held	No. of Shares	% Held
<b>(A) Equity Shareholders</b>				
1. Shri Brij Bhushan Singal	41558130	19.57%	41558130	19.57%
2. Shri Neeraj Singal	65988640	31.07%	46902055	22.09%
3. Smt Archana Mittal	12491075	5.88%	12491075	5.88%
4. Bhushan Infrastructure Pvt. Ltd.	26534916	12.50%	-	-
<b>(B) Preference Shareholders</b>				
1. Bhushan Energy Limited	1200000	13.96%	-	-
2. Bhushan Finance Limited	840000	9.77%	-	-
3. Robust Transportation Limited	531567	6.19%	-	-
4. Shri Neeraj Singal	434400	5.05%	833400	12.13%
5. ICICI Bank Limited	-	-	900000	13.10%
6. IL&FS Securities Ltd.	-	-	800000	11.65%
7. Shri Brij Bhushan Singal	-	-	500100	7.28%

Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31st March,2012		As at 31st March,2011	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
<b>(A) Equity Shares</b>				
At the beginning of the year	212358310	4247.17	212358310	4247.17
Add : Shares Issued	-	-	-	-
Less: Shares Cancelled	-	-	-	-
At the end of the year	212358310	4247.17	212358310	4247.17
<b>(B) Preference Shares(Non Convertible Cumulative Redeemable Preference Shares)</b>				
<b>10% Preference Shares</b>				
At the beginning of the year	5168600	5168.60	3668300	3668.30
Add : Shares Issued	2626667	2626.67	1500300	1500.30
Less: Shares Redeemed	-	-	-	-
At the end of the year	7795267	7795.27	5168600	5168.60
<b>4% Preference Shares</b>				
At the beginning of the year	900000	900.00	-	-
Add : Shares Issued	-	-	900000	900.00
Less: Shares Redeemed	501000	501.00	-	-
At the end of the year	399000	399.00	900000	900.00
<b>25% Preference Shares</b>				
At the beginning of the year	800000	800.00	-	-
Add : Shares Issued	-	-	800000	800.00
Less: Shares Redeemed	400000	400.00	-	-
At the end of the year	400000	400.00	800000	800.00

The holders of Equity Shares has one vote for each equity shares held by them. The registered holders of Equity Shares are entitled to dividend declared from time to time. The Preference Shareholders are entitled to pro-rata dividend in preference over Equity Shareholders . The dividend is cumulative at the rate specified against each category .

The premium on redemption of preference shares to the extent of premium received on issue will be adjusted against the security premium account and any premium paid over the above said amount shall be paid out of current appropriation / General Reserve.

The Preference Share are not convertible in Equity and are redeemable at the option of the company. (Refer Note-30)

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-3 RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve:</b>		
At Commencement of the year	6592.49	2428.70
Add : Addition during the year (Refer Note 42)	6030.15	4120.46
Add : On Consolidation of Subsidiaries (Net)	8073.99	43.33
	<b>20696.63</b>	<b>6592.49</b>
<b>Debenture Redemption Reserve :</b>		
At Commencement of the year	11875.00	7400.00
Add : Transferred from surplus	8475.00	5475.00
	20350.00	12875.00
Less : Transferred to Surplus / General Reserve	1000.00	1000.00
	<b>19350.00</b>	<b>11875.00</b>
<b>Special Reserve:</b>		
At Commencement of the year	-	-
Add : On Consolidation of Subsidiaries	59.59	-
Add : Transferred from surplus	-	-
	<b>59.59</b>	<b>-</b>
<b>Foreign Currency Translation Reserve:</b>		
At Commencement of the year	843.63	360.66
Add : Adjustment for Translation of non-integral Foreign operation	(916.56)	482.97
	<b>(72.93)</b>	<b>843.63</b>
<b>Securities Premium Account:</b>		
At Commencement of the year	216123.26	131814.56
Add : Addition during the Year	64873.34	84308.70
Add : On Consolidation of Subsidiaries	10078.85	-
Less: Utilised for Redemption of Preference Shares	21624.00	-
	<b>269451.45</b>	<b>216123.26</b>
<b>General Reserve:</b>		
At Commencement of the year	343600.00	242400.00
Add : Transferred from Surplus	90000.00	101200.00
Add : Transferred From Debenture Redemption Reserve	1000.00	-
	<b>434600.00</b>	<b>343600.00</b>
<b>Surplus:</b>		
Opening Balance	695.41	7295.18
Add : Net Profit for the Current Year	101483.08	100739.46
	<b>102178.49</b>	<b>108034.64</b>
<b>Less : Appropriations :</b>		
Release from Debenture Redemption Reserve	-	(1000.00)
Proposed Dividend on Equity shares	1061.79	1061.79
Proposed Dividend on Preference Shares	4.07	370.14
Provision For Dividend Tax	172.91	232.30
Interim Dividend	750.50	-
Dividend Tax Paid on Interim Dividend	121.93	-
Transferred to Debenture Redemption Reserve	8475.00	5475.00
Transferred to General Reserve	90000.00	101200.00
Premium Paid on Redemption of Preference Shares	1245.89	-
<b>Net Surplus</b>	<b>346.40</b>	<b>695.41</b>
	<b>744431.14</b>	<b>579729.79</b>

(₹in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-4 LONG-TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Non Convertible Debentures</b>	99500.00	71500.00
(Foot note no. 1 to 6)		
<b>Term Loan</b>		
1. From Banks		
- Foreign Currency Loans (Foot note no. 7)	632621.94	334410.13
- Rupee Loans (Foot note no. 8)	823026.21	656230.04
2. From Financial Institutions		
- Rupee Loans (Foot note no. 9)	9471.36	12942.80
3. Vehicle Loan From Bank (Foot note no. 10)	27.02	47.25
<b>Total (A)</b>	<b>1564646.53</b>	<b>1075130.22</b>
<b>UNSECURED</b>		
<b>Term Loan</b>		
Foreign Currency Loans		
- From Indian Banks (Foot note no. 11)	16787.10	14773.36
- From Foreign Banks (Foot note no. 12)	123732.97	117412.03
- From Others	1152.45	1376.55
<b>Total (B)</b>	<b>141672.52</b>	<b>133561.94</b>
<b>Total (A+B)</b>	<b>1706319.05</b>	<b>1208692.16</b>
Less: Current Maturity of Long Term Borrowings	153441.03	111757.71
	<b>1552878.02</b>	<b>1096934.45</b>

**Foot Note:**

- (1) 12% Redeemable Non-Convertible 100 Debentures (Subordinate Debt) of ₹100 Lacs each outstanding on 31st March 2012 ₹10000 Lacs (Previous Year 12% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March 2011 ₹10000 Lacs) (subordinate debt) are redeemable at par in one bullet payment at the end of 10th year from the date of allotment i.e 31.03.2008 and are Secured by Subsequent and subservient charge by way of hypothecation on the present and future assets of the company so as to maintain minimum asset coverage of 1.25 times, throughout the currency of the Debentures. Debentures are further secured by pledge of Equity Shares of Bhushan Steel Limited, having market value not less than 1.5 times of loans, held by promoters/ promoter entities, and Personal Guarantee of Shri B.B. Singal and Shri Neeraj Singal.
- (2) 10.50 % Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2011 ₹30000 Lacs) Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e.13.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (3) 10.90 % Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹17500 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2011 ₹17500 Lacs) are redeemable at par in Four equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e.26.08.2010 and are

Secured by first charge on pari passu basis on the fixed assets of the Company.

- (4) 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹10000 Lacs (Previous Year 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March 2011 ₹10000 Lacs) are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 26.03.2007 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (5) 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March 2012 ₹2000 Lacs (Previous Year 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March 2011 ₹4000 Lacs) are redeemable at par in three equal annual installments commencing from 4th year from the date of disbursement i.e.24.04.2006, ₹66.66 Lacs (Previous Year ₹33.33 Lacs) per Debenture have been redeemed and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 11.75 % Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2012 ₹30000 Lacs (Previous Year Nil Debentures outstanding on 31st March 2011 ₹Nil) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e. 02.02.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (7) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories at all the plants (excluding specific charge created on favour of ECA Lenders), ranking pari

passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement,except ₹56695 Lacs (Previous Year ₹ NIL) secured by subsequent & subservient charge on movable assets. out of the above,the ECA Loans of ₹247251 Lacs (Previous Year ₹146366 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors.Out of these, Loans of ₹618520 Lacs (Previous Year ₹329606 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹14102 Lacs (Previous Year ₹4804 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.

- (8) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories at all the plants (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement,except ₹41999 Lacs (Previous Year ₹ 99488 Lacs) secured by subsequent & subservient charge on movable assets.Loans of ₹512796 Lacs (Previous Year ₹433522 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹310230 Lacs (Previous Year ₹222708 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (9) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories at all the plants (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement.Out of these Loans of ₹471 Lacs (Previous Year ₹943 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹9000 Lacs ( Previous Year ₹12000 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (10) Secured by hypothecation of specific assets.
- (11) Guaranteed by the Personal Guarantee of One Promoter Director.
- (12) Out of these Loans of ₹103385 Lacs (Previous Year ₹98820 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹20348 Lacs (Previous Year ₹17808 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.

#### Detail of Repayment and Rate of Interest

- (13) Maturity Profile of Long Term Borrowing (Other than NCDs) are set out as below:

(₹ in Lacs)

	1 year	2-3 Years	Beyond 3 years
Term Loans	151441	340020	1115358

- (14) Domestic Loan sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.00%

(presently 12% p.a.) and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.

- (15) Foreign Currency Loan for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 1.89% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (16) Another Foreign Currency Loan for Phase I & II of Orissa project was sanctioned at interest rate of USD LIBOR + 1.65% (presently 2.49% p.a.) repayable in three annual Installments commencing from 18 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (17) Domestic Loan sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% ( presently 12.50% p.a.) and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (18) Foreign Currency Loan for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% ( Presently 2.946% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (19) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% (Presently 4.703% p.a.) repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (20) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of Euribor+1.75% (Presently 3.28% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (21) Domestic Loan sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest of Base Rate+2.50% (Presently 12.25% p.a.) and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (22) Foreign Currency Loan for Coke Oven 2 of Orissa Project was sanctioned at interest rate of EURIBOR + 4.50% (Presently 5.21% p.a.) repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (23) Other Foreign Currency Loan for Orissa Project was sanctioned at rate of interest of USD LIBOR+3.50% (Presently 3.98% p.a. ) repayable in three annual installments commencing from 48 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (24) Rate of interest of other Term Loans/Foreign Currency Loans are linked with the Base Rate/LIBOR.

(₹in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-5 DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liability</b>		
Fixed Assets	104614.82	70556.70
<b>Total (A)</b>	<b>104614.82</b>	<b>70556.70</b>
<b>Deferred Tax Assets</b>		
Provision of Doubtful Debts	309.56	302.61
Others	423.63	422.50
<b>Total (B)</b>	<b>733.19</b>	<b>725.11</b>
<b>Total (A-B)</b>	<b>103881.63</b>	<b>69831.59</b>
<b>NOTE-6 OTHER LONG TERM LIABILITIES</b>		
Creditors for Capital Goods/ Expenditure	149424.06	62051.07
Others*	1185.96	-
	<b>150610.02</b>	<b>62051.07</b>

\*Others include Insurance claim received , security deposit received and amount hold from contractors

<b>NOTE-7 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>From Banks</b>		
Cash Credit		
- Foreign Currency Loans	103319.40	41909.19
- Rupee Loans ( Foot note no. 1)	66011.07	39259.57
<b>Term Loan</b>		
From Banks		
- Rupee Loans (Foot note no. 2)	115000.08	80099.02
<b>Total (A)</b>	<b>284330.55</b>	<b>161267.78</b>
<b>UNSECURED</b>		
<b>From Bank</b>		
<b>Rupee Loan</b>		
- Term Loan / Commercial Paper (Foot note no. 3)	116793.65	261709.69
<b>Foreign Currency Loans</b>		
- From Indian Banks	27654.03	24437.35
<b>Total (B)</b>	<b>144447.68</b>	<b>286147.04</b>
<b>Total (A+B)</b>	<b>428778.23</b>	<b>447414.82</b>

- Working capital loans are secured by hypothecation of stock & book debts , second charge on company's land,building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- Secured by Subsequent and subservient charge on movable assets of the company. Further Loans of ₹40000 Lacs (Previous Year ₹60099 Lacs ) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹75000 Lacs (Previous Year ₹20000 Lacs) are guaranteed by the personal guarantee of one promoter director.
- Includes Commercial Papers ₹68500 Lacs (Previous Year ₹58500 Lacs) personally guaranteed by two promoter directors and ₹15000 Lacs (Previous Year ₹46000 Lacs) guaranteed by the personal guarantee of two promoter directors and ₹33294 Lacs (Previous Year ₹147210 Lacs) were personally guaranteed by one promoter director.
- ₹27654 Lacs (Previous Year ₹14471 Lacs) guaranteed by the personal guarantee of one promoter director. ₹NIL (Previous Year ₹9966 Lacs) are guaranteed by the personal guarantee of two promoter directors.



	(₹ in Lacs)	
	As at 31.03.2012	As at 31.03.2011
<b>NOTE-8 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	270.59	74.03
Others	99410.72	102522.97
	<b>99681.31</b>	<b>102597.00</b>
The detail of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :		
<b>Particulars</b>		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
<b>NOTE-9 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	153441.03	111757.71
Non Convertible Debenture Application Money	15000.00	-
Interest Accrued but not Due on borrowings	9319.91	4492.13
Interest Accrued and Due on borrowings	7429.66	3156.52
Unclaimed Dividend *	22.98	820.72
Subsidiaries Bill Discounted	-	3160.64
Statutory Dues	6432.24	6518.31
Due to Directors	14.25	6.66
Creditors for Capital Goods / Expenditure	15852.02	22009.18
Other Payables**	19102.84	4078.33
	<b>226614.93</b>	<b>156000.20</b>
* Do not include any amounts, due and outstanding, to be credited to Investors' Education and Protection Fund.		
**Others Payables include credit balances of customers, employees etc.		
<b>NOTE-10 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	1306.19	1302.82
Proposed Dividend	1065.86	1431.93
Tax on Dividend	294.84	232.30
Provision for Tax (Net)	2817.93	1875.66
	<b>5484.82</b>	<b>4842.71</b>

## NOTE-11 FIXED ASSETS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	Cost as at 01.04.11	Addition During the Year	Sale During the Year	Adjustment During the Year	Cost as at 31.03.12	As at 01.04.11	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.12	As at 31.03.12	As at 31.03.11
<b>Tangible Assets</b>												
Freehold Land	16726.55	3440.68	22.17	-	20145.06	-	-	-	-	-	20145.06	16726.55
Leasehold Land	9154.50	5017.24	-	-	14171.74	145.94	21.26	-	-	167.20	14004.54	9008.56
Building	264651.50	118699.12	502.07	34801.39	417649.94	15053.24	6893.06	136.52	1665.89	20143.89	397506.05	249598.26
Railway Siding	20874.62	-	-	-	20874.62	486.90	991.55	-	-	1478.45	19396.17	20387.72
Plant & Equipment	1119570.26	162927.41	864.73	53666.86	1335299.80	162635.62	55805.29	857.78	475.49	217107.64	1118192.16	956934.64
Furniture & Fixtures	1430.69	151.58	-	(4.07)	1578.20	842.85	92.63	-	0.66	934.82	643.38	587.84
Vehicles	5123.09	508.63	102.11	(27.11)	5502.50	2243.25	454.51	77.76	1.06	2618.94	2883.56	2879.84
Office Equipments	729.31	71.22	-	(0.72)	799.81	249.45	48.48	-	0.72	297.21	502.60	479.86
<b>Tangible Assets Total (A)</b>	<b>1438260.52</b>	<b>290815.88</b>	<b>1491.08</b>	<b>88436.35</b>	<b>1816021.67</b>	<b>181657.25</b>	<b>64306.78</b>	<b>1072.06</b>	<b>2143.82</b>	<b>242748.15</b>	<b>1573273.52</b>	<b>1256603.27</b>
<b>Intangible Assets</b>												
Computer Software	484.65	98.85	-	-	583.50	424.40	41.09	-	-	465.49	118.01	60.25
Assets Not Owned by Company	3731.21	-	-	-	3731.21	3731.21	-	-	-	3731.21	-	-
<b>Intangible Assets Total (B)</b>	<b>4215.86</b>	<b>98.85</b>	<b>-</b>	<b>-</b>	<b>4314.71</b>	<b>4155.61</b>	<b>41.09</b>	<b>-</b>	<b>-</b>	<b>4196.70</b>	<b>118.01</b>	<b>60.25</b>
<b>TOTAL (A+B)</b>	<b>1442476.38</b>	<b>290914.73</b>	<b>1491.08</b>	<b>88436.35</b>	<b>1820336.38</b>	<b>185812.86</b>	<b>64347.87</b>	<b>1072.06</b>	<b>2143.82</b>	<b>246944.85</b>	<b>1573391.53</b>	<b>1256663.52</b>
Previous Year	368596.55	899288.99	782.38	175373.22	1442476.38	160657.64	29635.96	746.74	3734.00	185812.86		
Capital Work in Progress											921726.42	544143.33
[Includes Pre-operative expenses]												
											<b>2495117.95</b>	<b>1800806.85</b>

Notes:

1. Certain Buildings Under Possession of the Company are pending registration in the name of the Company.
2. No write off has been done for lease hold land acquired on lease of 90 years and more.
3. Depreciation for the year includes ₹2354.59 Lacs (Previous Year ₹1850.05 Lacs) charged to Capital Work In Progress.
4. 'Adjustment during the year includes addition of ₹90613.55 Lacs (Previous Year ₹179107.22 Lacs) on account of borrowing cost / exchange fluctuation and deduction of ₹2141.50 Lacs (Previous Year ₹3734 Lacs) on account of depreciation capitalised and adjustment on account of disposal of subsidiary.

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-12 NON CURRENT INVESTMENTS</b>		
<b>(Long-Term, Fully Paid-up)</b>		
<b>In Equity Shares</b>		
<b>Non Trade, Quoted</b>		
<b>Tata Steel Ltd.</b>		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
<b>Sequent Scientific Ltd.</b>		
62,000 (Previous Year 62,000 ) Equity Shares of ₹10/- each	43.58	43.58
<b>Rocklands Rich Fields Ltd.</b>		
2,000 (Previous Year 2,000) Ordinary Shares of AUD 0.20 each	0.21	0.21
<b>Ankur Commercial Ltd.</b>		
3,00,000 (Previous Year Nil) Equity Shares of ₹10/- each	9.16	-
<b>Nageshwar Investment Ltd.</b>		
6,95,000 (Previous Year Nil) Equity Shares of ₹10/- each	14.40	-
<b>Asahi Infrastructure and Project Ltd.</b>		
69,953 (Previous Year Nil) Equity Shares of ₹10/- each	56.58	-
	<b>182.01</b>	<b>101.87</b>
<b>In Preference Shares</b>		
<b>Non Trade, Quoted</b>		
<b>Essar Steel Ltd.</b>		
90, 0.01% (Previous Year Nil) Redeemable Cumulative Pref Share of ₹10/- each	0.01	-
	<b>0.01</b>	<b>-</b>
<b>In Equity Shares</b>		
<b>Unquoted</b>		
<b>Jawahar Credit &amp; Holdings Private Limited *</b>		
Nil (Previous Year 43,21,871) Equity Shares of ₹ 10/- each	-	940.31
<b>Bhushan Capital &amp; Credit Services Private Limited *</b>		
Nil (Previous Year 43,21,871) Equity Shares of ₹ 10/- each	-	940.31
<b>Bhushan Buildwell Pvt. Ltd.</b>		
4,900 (Previous Year 4,900 ) Equity Shares of ₹ 10/- each	0.49	0.49
<b>Sukhna Steel Pvt. Ltd.</b>		
3,42,000 (Previous Year Nil) Equity Shares of ₹10/- each	37.09	-
<b>Noraza Estates Pvt. Ltd.</b>		
12,000 (Previous Year Nil) Equity Shares of ₹10/- each	173.24	-
<b>Bohea Properties Ltd.</b>		
10,000 (Previous Year Nil) Equity Shares of ₹10/- each	163.40	-
<b>Shriraj Investments &amp; Finance Pvt. Ltd.</b>		
2,20,000 (Previous Year Nil) Equity Shares of ₹10/- each	220.00	-
<b>Aayushi Credit &amp; Capital Pvt. Ltd.</b>		
2,05,000 (Previous Year Nil) Equity Shares of ₹10/- each	205.00	-
<b>Savroli Finvest Ltd.</b>		
7,07,310 (Previous Year Nil) Equity Shares of ₹10/- each	785.90	-
<b>Nifan Finvest Ltd.</b>		
7,12,500 (Previous Year Nil) Equity Shares of ₹10/- each	750.00	-
<b>Meramandali Finvest Ltd.</b>		
3,75,000 (Previous Year Nil) Equity Shares of ₹10/- each	750.00	-
<b>Dhenkanal Finvest Ltd.</b>		
3,50,000 (Previous Year Nil) Equity Shares of ₹10/- each	700.00	-

(₹ in Lacs)

	As at 31.03.2012		As at 31.03.2011	
<b>NOTE-12 NON CURRENT INVESTMENTS (Contd.)</b>				
<b>Tremendous Mining &amp; Minerals Pvt. Ltd.</b>				
25,00,000 (Previous Year Nil) Equity Shares of ₹10/- each	5000.00		-	
<b>Sur Buildcon Pvt. Ltd.</b>				
25,00,000 (Previous Year Nil) Equity Shares of ₹10/- each	5000.00		-	
<b>Trackcasting India Pvt. Ltd.</b>				
10,00,000 (Previous Year Nil) Equity Shares of ₹10/- each	2000.00		-	
<b>Superstar Agency Pvt. Ltd.</b>				
5,40,000 (Previous Year Nil) Equity Shares of ₹10/- each	1350.00		-	
<b>Saraswat Co-operative Bank Ltd.</b>				
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25		0.25	
	<b>17135.37</b>		<b>1881.36</b>	
<b>In Preference Shares</b>				
<b>Unquoted</b>				
<b>Bhushan Infrastructure Pvt. Ltd.</b>				
33,50,000 (Previous Year Nil) 10% Redeemable Non Cumulative Preference Shares of ₹100/- Each	6700.00		-	
	<b>6700.00</b>		<b>-</b>	
<b>TRADE</b>				
<b>Unquoted</b>				
<b>In Associates</b>				
<b>Bhushan Energy Limited</b>				
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹10/- each	10500.00		10500.00	
Add : Share of Post Acquisition Profit	290.56		255.50	
	<b>10790.56</b>	34807.95	<b>10755.50</b>	12738.73
		<b>34807.95</b>		<b>12738.73</b>
* Became Subsidiary during the year				
<b>Aggregate Value of</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Quoted Investment	182.02	186.69	101.87	134.64
Unquoted Investment	34625.93	-	12636.86	-

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-13 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances For Capital Goods	175728.31	209849.74
Security Deposits	10036.75	6035.26
Advances for Non Current Investments	1000.00	1000.00
Inter Corporate Deposits (Including Interest Accrued)	7094.99	7923.80
Loans to Employees	380.11	421.04
MAT Recoverable	54432.30	27242.30
Excise Duty Recoverable / Service Tax Recoverable	16923.01	15874.46
Other Advances *	19620.97	11304.59
	<b>285216.44</b>	<b>279651.19</b>

\*Other Advances Include Advance Recoverable from Sales Tax Department etc.

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE : 14 OTHER NON CURRENT ASSETS</b>		
<b>Cash and Bank Balances</b>		
Non Current Fixed Deposits (Refer Note-18)	1937.54	35.00
	<b>1937.54</b>	<b>35.00</b>
<b>NOTE : 15 CURRENT INVESTMENTS</b>		
<b>QUOTED (FULLY PAID)</b>		
<b>Vector Resources Ltd.</b>		
8,55,000 (Previous Year 8,55,000) shares of AUD 0.20 each and 3,12,500 (Previous year 3,12,500) options	52.76	56.25
<b>UNQUOTED (FULLY PAID)</b>		
<b>Indusind Bank Limited</b>		
250 (Previous Year 250) Redeemable Non Convertible Bonds of ₹10,00,000/- each	2475.00	2475.00
	<b>2527.76</b>	<b>2531.25</b>

Aggregate Value of	As at 31.03.2012		As at 31.03.2011	
	Book Value	Market Value	Book Value	Market Value
Quoted Investment	52.76	52.76	56.25	56.25
Unquoted Investment	2475.00	-	2475.00	-

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-16 INVENTORIES</b>		
(At Lower of Cost and Net Realisable Value)		
Raw Material	70748.98	121630.00
Raw Material In Transit	116020.13	52793.54
Finished Goods	60256.59	79467.67
Finished Goods In Transit	5211.91	1606.14
Work-in-Progress	58917.65	38490.26
Stores	18873.76	23450.34
Others	1113.59	1179.93
	<b>331142.61</b>	<b>318617.88</b>
<b>NOTE-17 TRADE RECEIVABLES</b>		
(Unsecured )		
More than Six Months		
- Considered Good	2209.59	5809.34
- Considered Doubtful	953.97	932.69
	<b>3163.56</b>	<b>6742.03</b>
Less: Provision	953.97	932.69
	<b>2209.59</b>	<b>5809.34</b>
Others - Considered Good	119828.04	43194.87
	<b>122037.63</b>	<b>49004.21</b>



(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-18 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- In Current Account	10847.86	3284.16
- In Unpaid Dividend Account	23.06	820.80
Fixed Deposits having maturity period within 3 months*	25525.59	509.86
Cheques on hand	80.00	-
Cash on Hand	68.32	65.55
<b>Others</b>		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	1937.54	35.00
- 3 to 12 Months *	687.05	-
	<b>39169.42</b>	<b>4715.37</b>
Less : Non Current Fixed Deposits	1937.54	35.00
	<b>37231.88</b>	<b>4680.37</b>
*(Including interest accrued but not due )		
*{Including ₹1942.42 Lacs (Previous Year ₹8.57 Lacs) under bank lien}		
<b>NOTE-19 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans to Employees	923.79	648.74
Security Deposits	59.66	279.24
Balance with Excise Department	206.77	15.72
Excise Duty / Service Tax Recoverable	20166.69	27488.42
Other Advances *	41041.52	36082.30
	<b>62398.43</b>	<b>64514.42</b>
*Other advances include amount recoverable from Sales Tax Department etc.		
<b>NOTE-20 REVENUE FROM OPERATIONS</b>		
<b>Sales of Products</b>	1047443.81	733460.36
<b>Other Operating Revenues</b>		
Other Sale	26939.25	21194.47
Export Incentives	6857.31	3280.58
	<b>1081240.37</b>	<b>757935.41</b>

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-21 OTHER INCOME</b>		
Profit on Sale of Non Trade Current Investments	1.87	-
Profit on Sale of Non Trade Long term Investments	106.44	156.76
Interest Earned*		
- From Long Term Investments	258.75	417.05
- From Bank on FDRs	123.69	6.01
- From Others	860.29	1775.15
	1242.73	2198.21
Dividend:		
- From Long Term Non-Trade Investments	2.61	45.70
Profit on Sale of Fixed Assets (Net)	960.09	154.64
Exchange Fluctuation (Net)	-	4276.56
Diminution in the value of Investment Written Back	-	15.55
Miscellaneous Income	40.37	88.11
	<b>2354.11</b>	<b>6935.53</b>

\*Including Income Tax Deducted at Source ₹239.72 Lacs (Previous Year ₹153.91 Lacs) and Excluding interest earned of ₹ 428.89 Lac (Previous Year ₹48.03 Lacs) transferred to Projects

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE-22 COST OF RAW MATERIAL CONSUMED</b>		
Cost of Raw Material Consumed	554694.03	427688.65
Less : Cost of Raw Material Transferred to Project / Internal Use	4019.30	3863.12
	<b>550674.73</b>	<b>423825.53</b>
<b>NOTE-23 COST OF PURCHASE GOODS TRADED</b>		
Cost of Purchase Goods Traded	-	249.24
	<b>-</b>	<b>249.24</b>
<b>NOTE-24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>Inventories (at Close)</b>		
Finished Goods	65468.50	81073.81
Work-in-Progress	58917.65	38490.26
Others	1113.59	1179.93
	<b>125499.74</b>	<b>120744.00</b>
<b>Inventories (at Beginning)</b>		
Finished Goods	81073.81	41054.65
Work-in-Progress	38490.26	31335.83
Others	1179.93	679.94
	<b>120744.00</b>	<b>73070.42</b>
	<b>(4755.74)</b>	<b>(47673.58)</b>

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
<b>NOTE NO- 25 EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages & Bonus	26243.72	21620.19
Contribution to P.F. and Other Funds	578.16	414.64
Staff Benefits	395.32	337.02
	<b>27217.20</b>	<b>22371.85</b>
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses	12792.94	9996.38
	<b>14424.26</b>	<b>12375.47</b>
<b>NOTE-26 FINANCE COSTS</b>		
Interest Expenses	196925.47	134826.53
Other Financial Cost	27038.61	19347.11
Applicable loss on foreign currency transactions and translation	48187.59	9202.91
	<b>272151.67</b>	<b>163376.55</b>
Less: Borrowing cost transferred to Project Under Commissioning / Trial Run	167513.86	118605.81
	<b>104637.81</b>	<b>44770.74</b>
<b>NOTE-27 OTHER EXPENSES</b>		
Stores Consumed	22041.63	20020.59
Packing Material Consumed	3577.32	2839.79
Power & Fuel	70474.15	52202.52
Repairs & Maintenance		
- Plant & Machinery	1982.73	2035.78
- Buildings	105.17	122.52
Exchange Fluctuation (Net)	11317.79	-
Excise Duty #	(3295.55)	5665.20
Rates & Taxes	2169.82	1392.16
Administrative Expenses	51921.14	37551.79
Legal & Professional Expenses	1580.19	1920.36
Rent	557.86	479.99
Insurance	1000.58	1166.37
Auditors' Remuneration	139.11	91.81
Dimuniation in the value of investment	11.01	-
Selling & Distribution Expenses	26071.38	22161.38
Commission to Selling Agents	459.41	554.34
Provision for Doubtful Debts	21.28	204.32
	<b>190135.02</b>	<b>148408.92</b>
Less: Transferred to Project under Commissioning		
Pre-operative Expenses / Trial Run Expenses (Net)	54099.12	40023.09
	<b>136035.90</b>	<b>108385.83</b>

# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of finished goods.

	₹ in Lacs)	
	Current Year	Previous Year
<b>NOTE - 28</b>		
<b>1. Contingent Liabilities in respect of :</b>		
(a) Sales Tax	3927.93	0.75
(b) Excise Duty/Service Tax	25400.98	17573.31
(c) Entry Tax	10858.85	5654.41
(d) Income Tax	804.21	-
(e) Bills Discounted	12508.43	18647.66
(f) Others	1867.85	-

## 2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹591626.59 Lacs ( Previous Year ₹572893.35 Lacs) (Net of Advances).

## 3. Other Commitment

- Outstanding guarantees issued by the banks ₹21036.75 Lacs (Previous Year ₹78354.15 Lacs) counter guaranteed by the company including letter of credits issued.
- The Company has given undertaking to M/s Bhushan Energy Limited, associate company, to provide the necessary fund required to acquire Equity Shares of M/s Orissa Sponge Iron and Steel Limited on open offer upto the limit of ₹ 21960 Lacs, by subscribing to the share capital of the company.

## NOTE : 29

There is no present obligation arising from past events requiring provision in accordance with the guiding principle as enunciated in Accounting Standard (AS)-29, as it is not probable that an outflow of resources embodying economic benefit will be required.

## NOTE : 30

- 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal instalments at the end of 3rd and 4th year i.e. on 4/03/2015 and 04/03/2016 respectively.
- 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the current year on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012.
- 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the current year on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-2011 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares .

- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively.
- 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the previous year on private placement basis. The preference shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e 28th March, 2011 in such trenches as stipulated in the subscription agreement.
- 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the previous year on private placement basis. The Preference Shares shall be redeemed at an amount in INR , such that the subscribers get yield of 11.7% per annum on the amount outstanding within 36 Months from the date of allotment, i.e 29th March, 2011 in such trenches as stipulated in the subscription agreement.

## NOTE – 31

12767000 10% Non Convertible Preference Shares of ₹100/- each at a Premium of ₹2900 per share will be allotted in financial year 2012-13 against share application money pending allotment as on 31st March 2012 amounting to ₹38301 Lacs.

## NOTE – 32

The Company has during the year commissioned coke oven plant and Large Dia Pipe plant and other ancillary equipments.

## NOTE – 33

Un-audited financial statements of Angul Sukinda Railway Ltd., (Associate), Andar East Coal Company Pvt Ltd., (Joint Venture) and Bowen Energy Ltd & Bhushan Steel Global FZE (Subsidiaries) have been considered for consolidation.

The consolidated financial statement of Bowen Energy Ltd. and its subsidiaries has been consolidated as certified by the management to be in compliance with the applicable Indian Accounting Standards and relevant provisions of the Companies Act, 1956.

## NOTE – 34

The erstwhile directors of the Parakeet Finvest Pvt Limited , Marsh Capital Services Pvt Limited, Paragon Securities Pvt Limited, Perpetual Securities Pvt Limited, Jawahar Credit & Holdings Pvt Limited , Bhushan Capital & Credit Services Pvt Limited had filed petition u/s 111A in the Company Law Board alleging various issues inter alia including transfer of equity shares of Bhushan Steel Limited and non receipt of Dividend. The parties to the petitions settled the disputes amicably and had no claims, rights, title and interest against one another. The petitions filed were withdrawn on 15/11/2011 and accordingly all the transactions under dispute were adjusted in the books of accounts of aforesaid companies.

## NOTE – 35

The effect of acquisition and disposal of a subsidiaries on the financial position and the results as included in consolidated financial statements for the year ended on 31st March, 2012 are given below :

	(` in Lacs)	
	Disposal	Acquisition
<b>EQUITY AND LIABILITIES</b>		
Share Capital	111.53	4385.75
Reserves & Surplus	382.03	20697.51
<b>Current Liabilities</b>		
Trade Payables	3093.54	1.23
Other Current Liabilities	10.91	387.38
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed Assets		
Tangible Assets	33.38	-
Non-Current Investments	-	23973.11
Long Term Loan and Advances	90.12	-
<b>Current Assets</b>		
Inventories	1827.27	-
Trade Receivables	1018.39	-
Cash & Bank Balances	628.85	1408.76
Short Term Loan & Advances	-	90.00
<b>INCOME</b>		
Gross Revenue	1799.82	-
Other Income	-	39.59
<b>EXPENSES</b>		
Purchases of Stock in Trade	1650.45	-
Change in Inventories Stock-in-Trade	90.88	-
Employee Benefits Expense	9.42	-
Finance Costs	11.01	6.22
Depreciation and amortization expense	0.33	-
Other Expenses	34.34	18.55
Profit for the Year / Period	3.39	14.82

## NOTE – 36

Bhushan Steel (Australia) Pty Ltd. is 84.87% (Previous Year 100%) subsidiary of Bhushan Steel Ltd. Bhushan Steel (Australia) Pty Ltd. is the holding company of Bowen Energy Ltd., a public quoted Co., listed in Security Exchange in Australia and holds 89.81% (Previous Year 73.60%) equity shares of Bowen Energy Ltd.. Bhushan Steel (Australia) Pty Ltd. has invested the amount in Bowen Energy Ltd. out of the proceeds received from its Holding Company (i.e. Bhushan Steel Limited) which are being utilized by Bowen Energy Ltd. In exploration of mines.

**In Notes to Accounts on the Financial Statements of subsidiary M/s Bowen Energy Ltd.(Australia), following notes have been given involving material items:**

"The Consolidated Entity incurred a loss after tax for the half-year of \$523,766 (30 June 2011: \$796,694) and, as of that date the Consolidated Entity's current liabilities exceeded its current assets by \$8,821,741 (30 June 2011: \$7,409,250). At 31 December 2011 the Consolidated Entity had a deficiency of equity amounting to \$4,612,700 (30 June 2011: \$4,043,124)

The Consolidated Entity received \$5,036,930 after the reporting period as proceeds from a right issue announced in December 2011 and completed in January 2012. These funds are to be used by the Consolidated Entity to fund future operations and exploration activities.

In addition to the aforementioned funds received subsequent to reporting date, the Consolidated Entity has a facility of \$10 million in place with its ultimate parent company, Bhushan Steel Limited from which to drawdown. A letter of support has been received from Bhushan Steel Limited which states that they will continue to support the Consolidated Entity in the event that available funds from the aforementioned rights issue are depleted, and will not call for repayment of their loan until the Consolidated Entity has sufficient funds to do so. The directors believe this is sufficient to ensure the Consolidated Entity can pay their debts as and when they fall due in the ordinary course of business.

The financial report has been prepared on the basis of a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The half-year financial report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due."

The loss shown in Balance Sheet of the Bowen Energy Ltd., Australia as mentioned in the above note, consist mainly expenditure incurred by the Company on exploration activity of its various mines which are still not operational, however, in accordance with generally accepted accounting principles in India, the same has been treated as Capital work in progress.

In the opinion of the parent company's management, the note given by the auditors of Bowen Energy Ltd., Australia is not applicable as loss has been capitalised to CWIP in the consolidated Balance Sheet of Bhushan Steel Ltd as per generally accepted accounting principles in India.

## NOTE-37

**As Per Accounting Standard (AS)-18, the disclosure of transaction with related parties as defined in the Accounting Standard are given below:**

**(I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

**a) Associates**

Angul Sukinda Railway Ltd.  
Bhushan Energy Ltd.

**b) Key Management Personnel**

Shri Neeraj Singal (Vice Chairman & Managing Director)  
Shri Nittin Johari (Whole time Director)  
Shri P.K. Aggarwal (Whole time Director)  
Shri Rahul Sengupta (Whole time Director)



**c) Relatives of Key Management Personnel**

Shri B.B. Singal (Chairman & Father of Vice Chairman & Managing Director)

Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)

**d) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence**

Arshiya International Ltd.

Bhushan Aviation Ltd.

**(II) Transactions Carried out with related parties referred in (I) above, in ordinary course of business:**

(₹ in Lacs)

PARTICULARS		Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	Current Year	-	250.89	32.87	-	283.76
	Previous Year	-	278.36	27.17	-	305.53
Directors Sitting Fees	Current Year	-	-	7.65	-	7.65
	Previous Year	-	-	5.45	-	5.45
Investments in Share Capital/ Share Application Money	Current Year	-	-	-	-	-
	Previous Year	600.00	-	-	-	600.00
Allotment of Shares and Share Application Money Pending Allotment	Current Year	30000.00	23100.00	10200.00	-	63300.00
	Previous Year	-	-	-	-	-
Purchase of Goods/ Services	Current Year	62914.19	-	-	7078.55	69992.74
	Previous Year	40752.46	-	-	7070.84	47823.30
Sales of Goods/ Services	Current Year	3973.42	-	-	-	3973.42
	Previous Year	2166.57	-	-	-	2166.57
Rent Received	Current Year	-	-	-	1.20	1.20
	Previous Year	-	-	-	1.20	1.20
Advance Received for sale of Investment	Current Year	-	-	-	-	-
	Previous Year	1500.00	-	-	-	1500.00
<b>Outstanding</b>						
Receivable	Current Year	-	-	-	-	-
	Previous Year	-	-	-	-	-
Payable	Current Year	3349.21	14.25	-	428.87	3792.33
	Previous Year	847.92	6.66	-	136.04	990.62

Disclosure in Respect of Material Related Party Transactions during the year :

1. Remuneration & Perks include payment to Shri Neeraj Singal ₹106.93 Lacs (Pre. Year ₹90.95 Lacs), Shri P.K Aggarwal ₹35.17 Lacs (Pre. Year ₹45.14 Lacs), Shri Nittin Johari ₹61.25 Lacs (Pre. Year ₹55.77 Lacs), Shri Rahul Sengupta ₹42.70 Lacs (Pre. Year ₹41.98 Lacs), Smt Ritu Singal ₹ 32.87 Lacs (Pre. Year ₹27.17 Lacs), and others ₹4.84 Lacs (Pre. Year ₹44.52 Lacs).
2. Directors sitting fees is paid to Shri B.B.Singal ₹7.65 Lacs (Pre. Year ₹5.45 Lacs)
3. Investment in Share Capital/ Share Application Money include Angul Sukinda Railway Ltd. ₹Nil (Pre. Year ₹600 Lacs).
4. 10% Non redeemable Preference shares have been allotted to Bhushan Energy Ltd ₹30000.00 Lacs (Pre. Year ₹ Nil) and Share Application Money pending Allotment is received from Shri Neeraj Singal ₹23100.00 Lacs (Pre. Year ₹ Nil) and from Shri B.B.Singal ₹10200 Lacs (Pre. Year ₹ Nil).
5. Purchase of Goods/Services is from Arshiya International Ltd. ₹5500.16 Lacs (Pre. Year ₹5217.80 Lacs ), Bhushan Energy Ltd. ₹62914.19 Lacs (Pre. Year ₹40752.46 Lacs ) and Bhushan Aviation Ltd. ₹1578.39 Lacs (Pre.Year ₹1853.04 Lacs).
6. Sale of Goods / Services to Bhushan Energy Ltd. ₹3973.42 Lacs (Pre.Year ₹2166.57 Lacs).
7. Rent Received is from Bhushan Aviation Ltd. ₹1.20 Lacs (Pre.Year ₹1.20 Lacs).
8. Advance received for sale of Investment is from Bhushan Energy Ltd ₹ Nil (Pre. Year ₹ 1500.00 Lacs)

**NOTE – 38**

The Company is engaged in the steel business, which in the context of Accounting Standard(AS)-17, is considered the only primary business segment and its subsidiary M/s Bowen Energy Ltd. has acquired Coal & other Metal Mines which are under exploration and are not under operation hence only one primary business segment has been considered.

Gross Revenue of the Company as per Geographical Segment is as follows:

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	926869.97	633751.16
Outside India	147513.09	120903.67
<b>Total</b>	<b>1074383.06</b>	<b>754654.83</b>

Debtors of the company as per Geographical Segment is as follows:

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	120799.41	47436.92
Outside India	1238.22	1567.29
<b>Total</b>	<b>122037.63</b>	<b>49004.21</b>

The Company has common fixed assets, other assets and liabilities for producing goods for domestic as well as overseas market.

**NOTE – 39**

Fixed Assets include one cold rolling mill established in 1992 damaged in fire accident in the year 1998-99. The amount received from Insurance Company for reinstatement /repair of the mill is included in other liabilities as the matter is still sub-judice. The amount received shall be adjusted on final disposal of the pending suit.

**NOTE – 40**

**Pre-operative Expenses** (In respect of project to be capitalized) :

	(₹ in Lacs)			
	Current Year		Previous Year	
Opening Balance	112488.17		251483.28	
Add: Pre-operative Expenses				
1. Transferred from Statement of Profit and Loss including Trial Run Loss/(Gain)	66892.06		50019.47	
2. Depreciation	2354.59		1850.05	
3. Finance Costs (During Construction and Trial Run)	167513.86	236760.51	118605.81	170475.33
	<b>349248.68</b>		<b>421958.61</b>	
Less : Interest earned during construction period	428.89		48.03	
	<b>348819.79</b>		<b>421910.58</b>	
Less: Capitalised				
- Pre-Operative Expenses [Including Trial Run Loss/(Gain)]	113692.42		305688.41	
- Depreciation	2141.50	115833.92	3734.00	309422.41
<b>TOTAL</b>	<b>232985.87</b>		<b>112488.17</b>	

(₹ in Lacs)

	Current Year	Previous Year
<b>NOTE – 41</b>		
<b>Earning Per Share</b>		
<b>(i) Weighted Average No. of Equity Shares</b>		
Equity Shares at the beginning of the Year	212358310	212358310
<b>(ii) Equity Shares for Calculating Diluted Earning per Share</b>		
Weighted Average No. of Equity Shares	212358310	212358310
<b>(iii) Profit After Tax including Minority interest and share of</b>		
Profit of Associates (₹ in Lacs)	101483.08	100739.46
Less: -Dividend on preference shares (Including Dividend Tax)	877.16	430.19
Profit after Dividend on preference shares	100605.92	100309.27
<b>(iv) Earning Per Share (₹)</b>		
- Basic [(iii)/(i)]	47.38	47.24
- Diluted [(iii)/(ii)]	47.38	47.24

**NOTE – 42**

The Company in respect of Khopoli unit has opted "Deferral Scheme" of sales tax and paid VAT on the basis of Net Present Value (NPV).

Tax difference between the amount payable and amount paid under NPV, amounting to ₹6030.15 Lacs (Pre. Year ₹4120.46 Lacs), being capital receipt, has been credited to Capital reserve.

**NOTE – 43****DERIVATIVES**

- I The company has not entered into any derivatives instruments to hedge the foreign currency contracts. There is no derivative contract outstanding as on the date of the Balance Sheet.
- II The year end foreign currency exposure that have not been hedged by a derivative instrument or otherwise are given below :-

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
<b>a) Amount receivable in Foreign Currency on Account of</b>				
Sale of Goods	24.34	1238.22	35.20	1567.29
Advance against goods	1625.79	82703.76	1614.98	71899.05
<b>b) Amount payable in Foreign Currency on Account of</b>				
Acceptances	3159.38	160717.45	1730.78	77054.18
Bills Discounted	115.95	5898.27	208.03	9261.33
Creditors	325.54	16560.12	1313.67	58484.51
Loans /Interest Payable	17923.29	911757.64	12063.10	537049.02

**NOTE – 44**

As per Accounting Standard (AS) -15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting Standards are given below:-

**A. Defined Contribution Plans:**

Contribution to defined contribution plan, recognized as expenses / pre-operative expenses is as under:

	(₹ in Lacs)	
	Current Year	Previous Year
a) Employer contribution to Provident Fund /Other Funds	578.02	414.50
b) Employer contribution to State Plans	100.23	56.35
i) Employee State Insurance	100.09	56.21
ii) Maharashtra Labour Welfare Fund	0.14	0.14

**B. Defined Benefit Plans:**

a) Leave Encashment/ Compensated Absence.

b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

In accordance with Accounting Standard (AS)-15 (Revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumptions:

	(₹ in Lacs)			
	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
<b>i) Actuarial Assumptions</b>				
Discount Rate (per annum)	8%	8%	8%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	8%	8%
Expected Average remaining working lives of employees (years)	26	26	26	26
<b>ii) Change in the obligation during the year ended 31st March, 2012</b>				
Present value of obligation as at 31st March, 2011	1068.57	816.91	1273.06	987.54
Impact of Transition provision of (AS) -15	-	-	-	-
Interest cost	85.49	65.35	97.62	77.04
Past Service cost	-	-	-	-
Current service cost	281.38	327.66	320.09	226.53
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(180.03)	(294.36)	(105.52)	(49.04)
Actuarial (gain)/ loss on Obligations	(181.02)	153.01	65.11	30.99
Present value of obligation as at 31st March, 2012	1074.39	1068.57	1650.36	1273.06
<b>iii) Change in fair value of plan Assets</b>				
Fair value of Plan Assets as at 31st March, 2011	-	-	1039.43	929.17
Expected return on Plan Assets	-	-	95.18	72.39
Contributions	-	-	401.24	76.84
Benefits Paid	-	-	(105.52)	(49.04)
Actuarial gain/ (loss) on Obligations	-	-	(11.06)	10.07
Fair value of Plan Assets as at 31st March, 2012	-	-	1419.27	1039.43

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
<b>iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets</b>				
Present value of obligation as at 31st March, 2012	1074.39	1068.57	1650.36	1273.06
Fair value of Plan Assets as at 31st March, 2012	-	-	1419.27	1039.43
Funded Status	(1074.39)	(1068.57)	(231.09)	(233.63)
Present value of un-funded obligation as at 31st March, 2012	-	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognized in Balance Sheet	(1074.39)	(1068.57)	(231.09)	(233.63)
<b>v) Expenses recognized/Pre-Operative Expenses in Statement of Profit and Loss</b>				
Current service cost	281.38	327.66	320.09	226.53
Past Service cost	-	-	-	-
Interest cost	85.49	65.35	97.62	77.04
Expected return on Plan Assets	-	-	(95.18)	(72.39)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognized during the year	(181.02)	153.01	76.17	20.92
Total Expense recognized in Statement of Profit and Loss / Pre operative expenses	185.85	546.02	398.70	252.10

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above details do not include expenditure/payables of joint venture amounting to ₹0.71 Lacs (Previous Year ₹0.62 Lacs) provided on accrual basis.

#### NOTE – 45

Figures pertaining to the subsidiary companies and joint ventures have been reclassified where necessary to bring them in line with the company's financial statements.

#### NOTE – 46

Previous Year Figures have been rearranged/regrouped wherever considered necessary.

For **MEHRA GOEL & CO.**  
Chartered Accountants  
(Registration No.000517N)

Sd/-  
**R. K. MEHRA**  
PARTNER  
M. NO.6102

Sd/-  
**B. B. SINGAL**  
CHAIRMAN

Sd/-  
**NEERAJ SINGAL**  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place: New Delhi  
Dated: 31st July, 2012

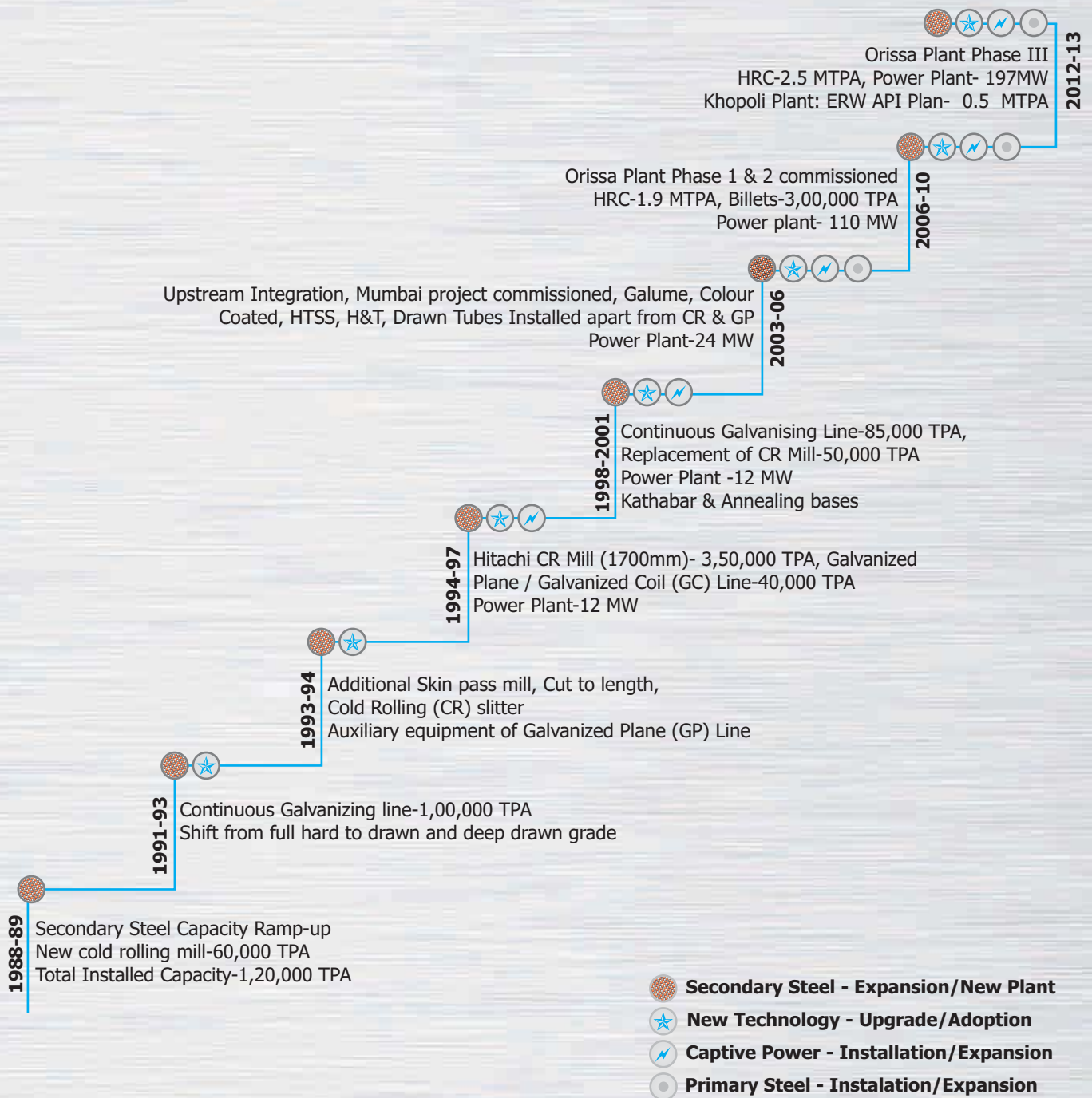
Sd/-  
**PANKAJ KUMAR**  
HEAD  
(ACCOUNTS)

Sd/-  
**NITTIN JOHARI**  
WHOLE TIME DIRECTOR  
(FINANCE)

Sd/-  
**O. P. DAVRA**  
COMPANY  
SECRETARY



# BHUSHAN STEEL MILESTONES





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