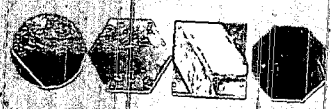
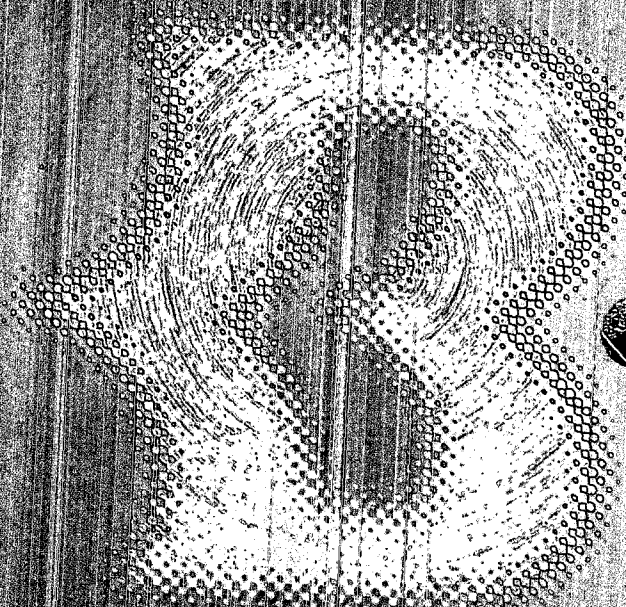


BEEKAY STEEL  
INDUSTRIES LIMITED



ANNUAL REPORT 2004-2005

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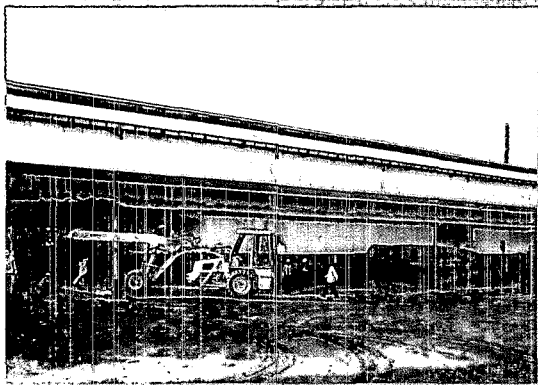
# *the Beekay* group

It has been a long journey that has seen us travel from West Bengal to India with the world firmly in our sights.

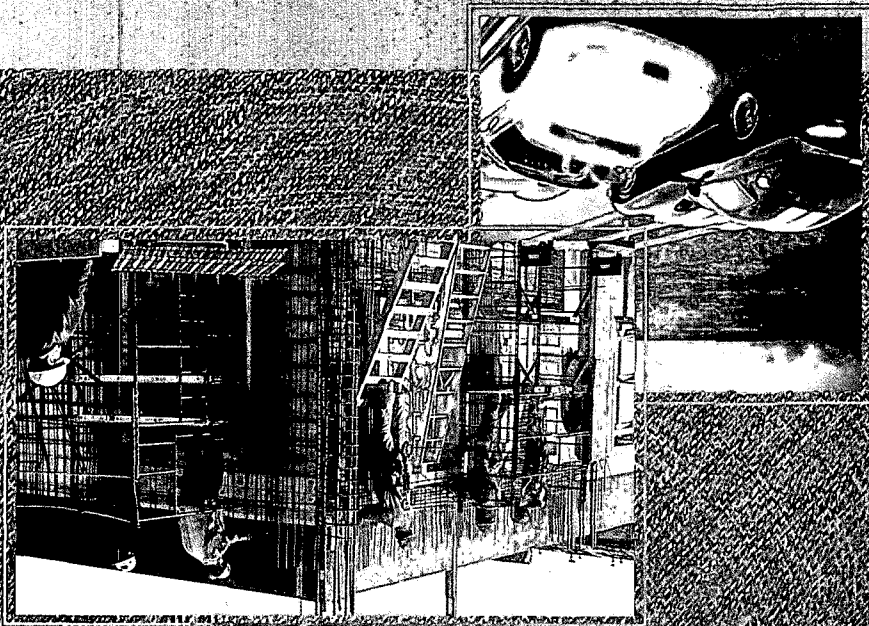
It has been a series of steps that have made us move up the value chain,

poised to emerge as an integrated steel maker.

It has been a constant effort that has enabled us to meet customers' needs and win their trust time after time







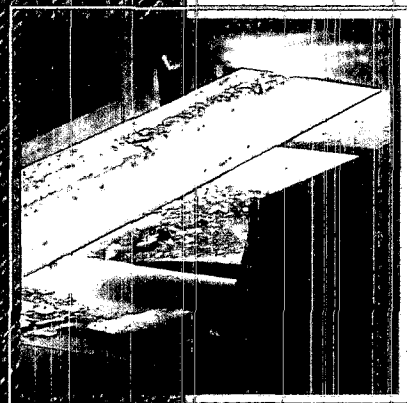
BEERKAY STEEL & TAILORING STEEL

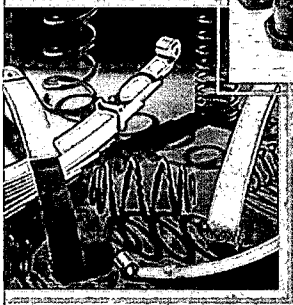
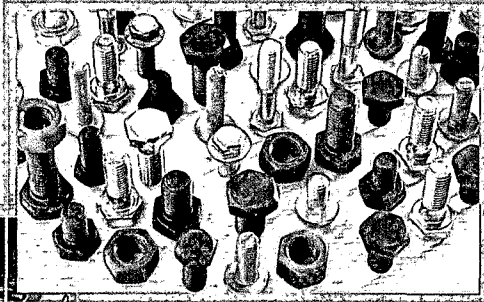


# steel

Beekay Steel Industries is part of the Rs. 500 crore Beekay Group, one of the largest secondary steel manufacturers from Eastern India. We cater to the diverse needs of automobile, engineering, railways, and infrastructure industries, manufacturing a wide mix of tailor-made steel products to customer specifications.

Speciality:  
Made-to-fit  
hot rolled  
bars for  
automobiles  
and  
engineering  
industries





our products tailor made  
for industries

1. Automotive

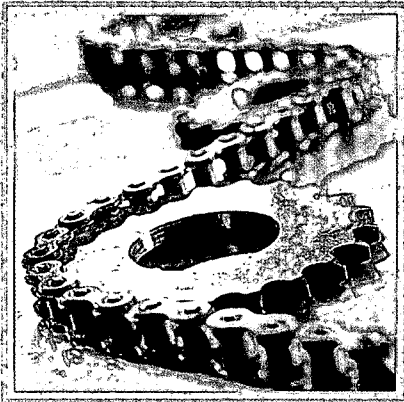
2. Railways

3. Defence

4. General Engineering

5. Infrastructure

6. Construction & Fabrication



7. Agricultural Implements



1 Laminated springs, Starter gears, Axle assemblies, Axle housings, Forged components, Fasteners, Flanges, Bearings

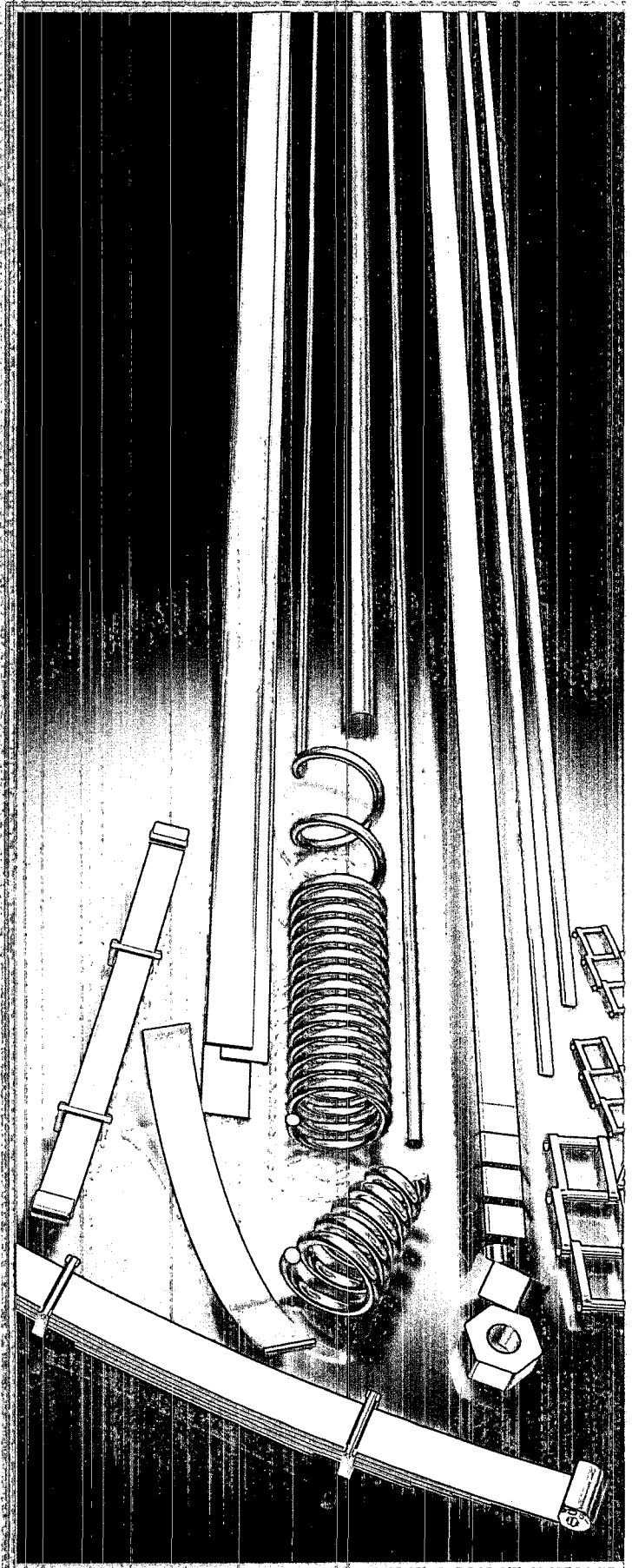
2 Coil springs, Wagon & Coach Components, Fabricated crossings, Track fastenings, Brake assemblies

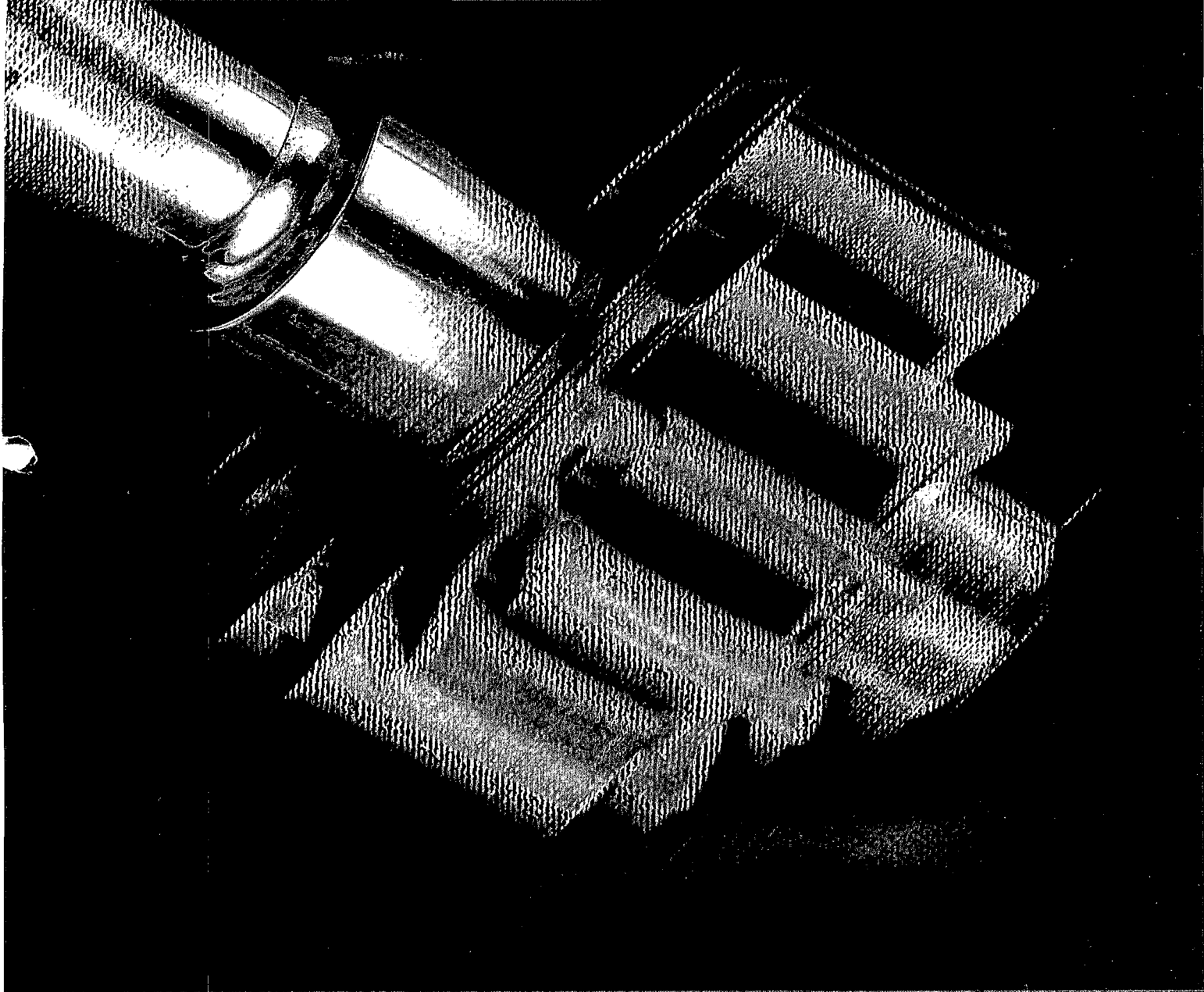
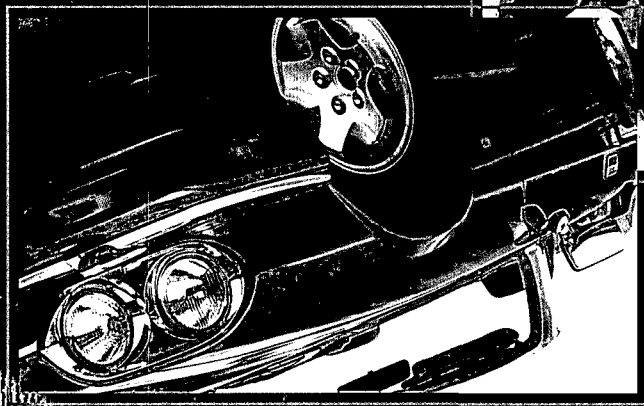
3 Components of Rifles, Tanks, Vehicles & Armaments

4 Textile machinery, Industrial chains & sprockets, Hand tools, Hand pumps, Elevators, Mining, Earthmoving & farm equipments, Paper machinery, Tea processing machinery.

5 Transmission towers, Bridges, Industrial sheds, Scaffolding material

7 Hoes, Crowbars, Pick Axes, Showels, Hammers, Beaters & Mattocks





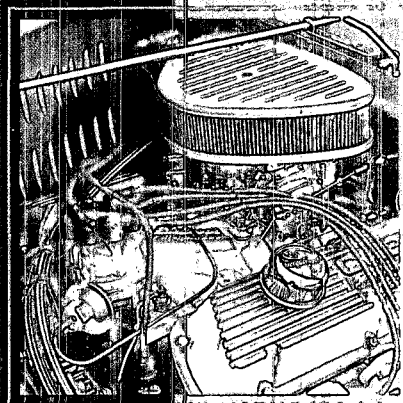
BEKAV STEEL I TAILORING STEEL



# *back in* fashion

After a decade of struggle, the steel industry has once again regained its position as an economic growth driver. Since 2003 there has been an unprecedented demand boom. Demand from diversified client sectors such as automobile, engineering, railways and infrastructure is buoyant and expected to remain so in the foreseeable future. With established capacities, a national marketing network and aggressive growth plans, the steel industry, national and international, is roaring ahead.

"Entrepreneurs, such as the Beekay Group, have also shown extreme pragmatism and foresight in the selection of technology."



# international

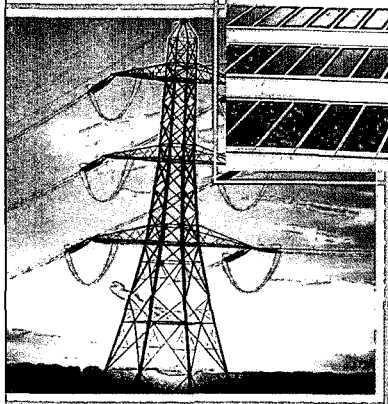
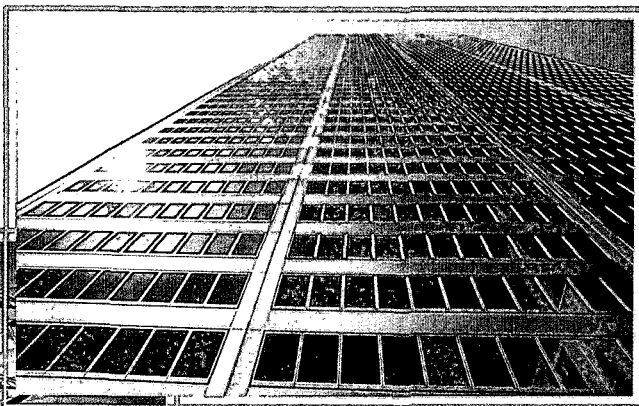
Global steel demand is rising on the back of accelerated infrastructure activity in China, CIS and India, housing boom in USA, and white goods

resurgence in Europe.

During the recent decade-long recession, the industry has consolidated in terms of ownership as well

as mothballing of inefficient capacities.

Internationally steel prices are expected to continue firming up. The key factors are:





China is consuming steel like never before with infrastructure investments

such as Three Gorges project on Yangtze as well as part of its build up to the Beijing Olympics in 2008 and the Shanghai Expo in 2010.

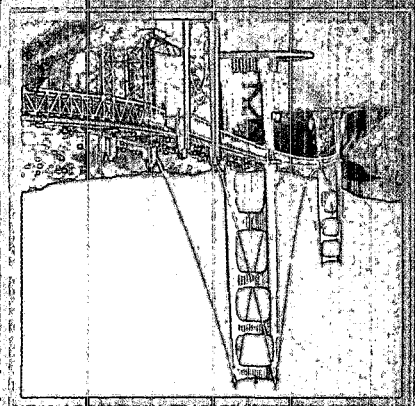
USA has repealed the safeguard measures on import of steel since December 2003.

Iraq reconstruction work is expected to fuel further demand for steel over the next three years.

Russia and other CIS nations are also witnessing strong internal demand.

European and Asian countries are

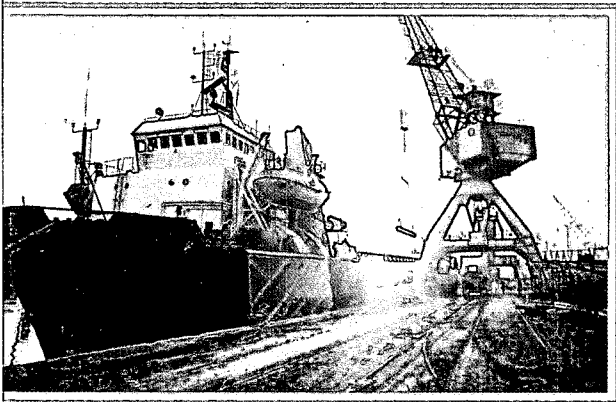
witnessing an economic upturn with rising infrastructure automobile and white goods demand.



# india

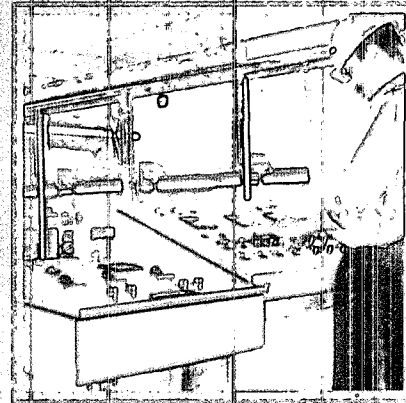
According to experts, Indian steel is entering the same growth phase that countries in Europe and United States experienced in the last quarter of the 20th century. The

government estimates consumption of steel will jump by over 50% to 60 million ton by 2010, and to 100 million tons by 2018, largely from infrastructure-related expenditure and increased consumption from sectors like consumer durables and automobiles.

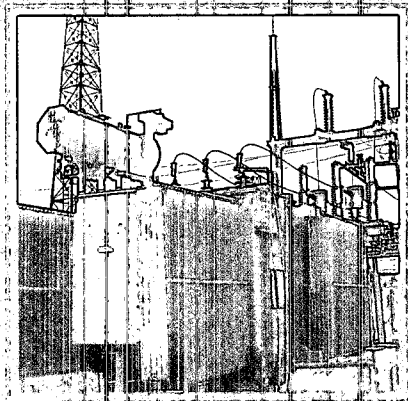


On the production side, ever since the industry was deregulated and decontrolled in the early 1990s Indian steel has seen the large additions to capacity as well as widespread forward and backward linkages with the rest of the economy.

The India Advantage of rich raw material resources such as iron ore and coal, a legacy of rich experience in the science of steel making, and low labour costs, is finally translating into global competitiveness. Entrepreneurs, such as the Beekay Group, have also shown extreme pragmatism and foresight in the selection of technology. As a result, the Indian steel industry today can boast of some of the latest in the state-of-the art technologies in use worldwide.



Buoyed by surging demand and rising prices – and a consequent surge in profits at almost all big Indian steel makers, the steel industry is investing nearly \$30 billion to

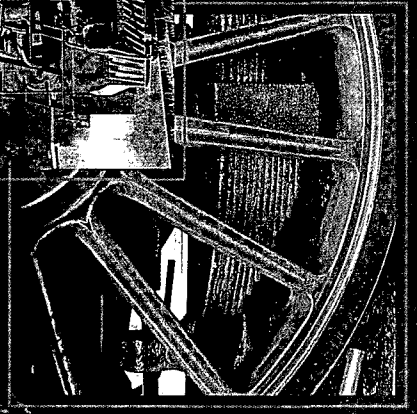
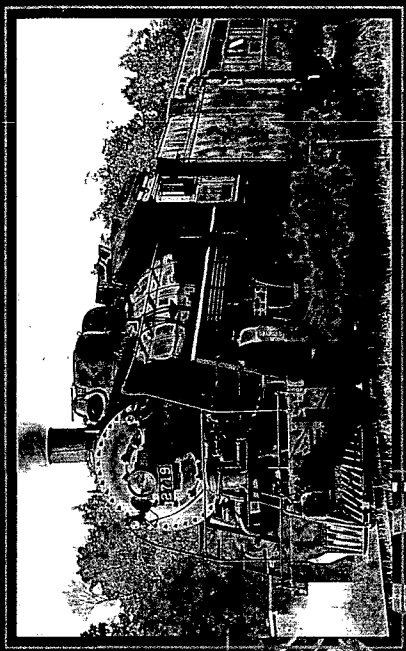
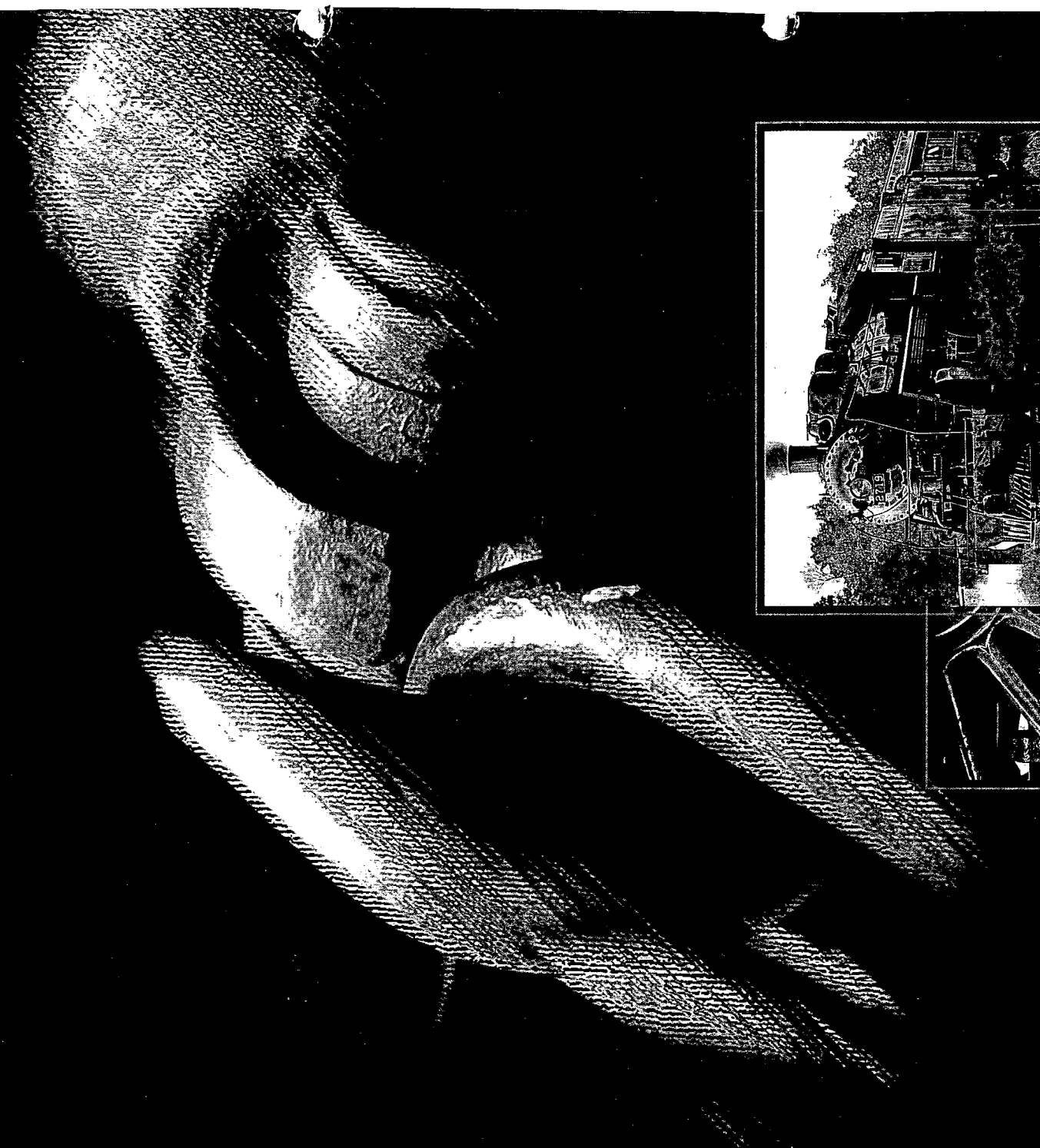


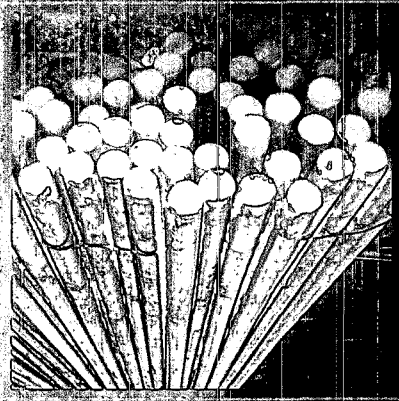
expand capacities on the subcontinent. India, which created 35 million tons of steel making capacity in about a century, plans to put up 65 million tons of fresh capacity in the next 15 years. Attracted by the country's potential, steel makers from China, Korea and Australia have started

looking at India. With 8 % GDP growth projected for the coming years, steel makers in India can afford to dream big.



B E K A Y S T E E L | T A I L O R I N G S T E E L



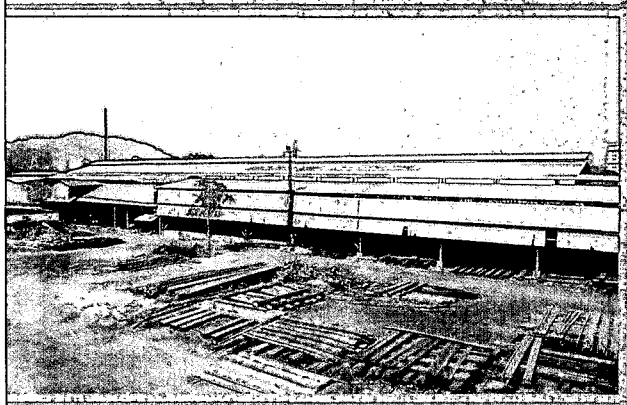


Demand:  
More than  
800  
customers  
are happy  
to pay  
premium  
prices for  
the Beekay  
stamp of  
quality

With manufacturing bases in Kolkata, Vizag, Chennai and Jamshepur, and an integrated complex coming up at Barbil, Orissa, the Beekay Group is well suited to meet the needs of customers. An array of products, backed by 50 years of service experience and a multi-city office and warehouse network, ensures a formidable marketing mix that stretches across the nation. No wonder the Beekay label fetches premium prices.

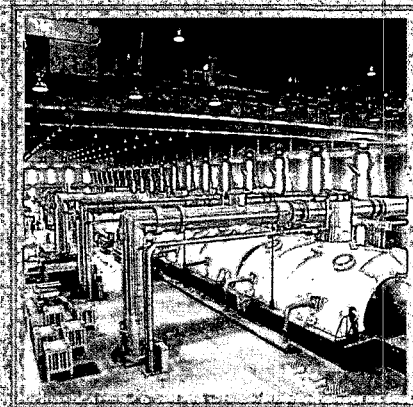
*the Beekay*  
label

The Beekay Group has been in the business of steel since 1955.



The manufacturing operations started in Kolkata more than a quarter century ago. We became one of the biggest suppliers of the Indian Railways, particularly for wagon spring flats and

fishplates. Soon recognized as quality producers, the Group rapidly won over prestigious clients including the Indian Defence Industry, Tata Group, Hindustan Motors, TVS Group, Lakshmi Group, etc.





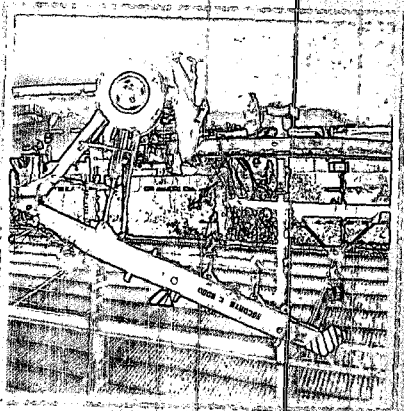
Today, Beckay's hot rolled products  
find markets across a range of  
industries.

We produce sections and profiles of various dimensions  
and specifications, including bright bars. Few secondary

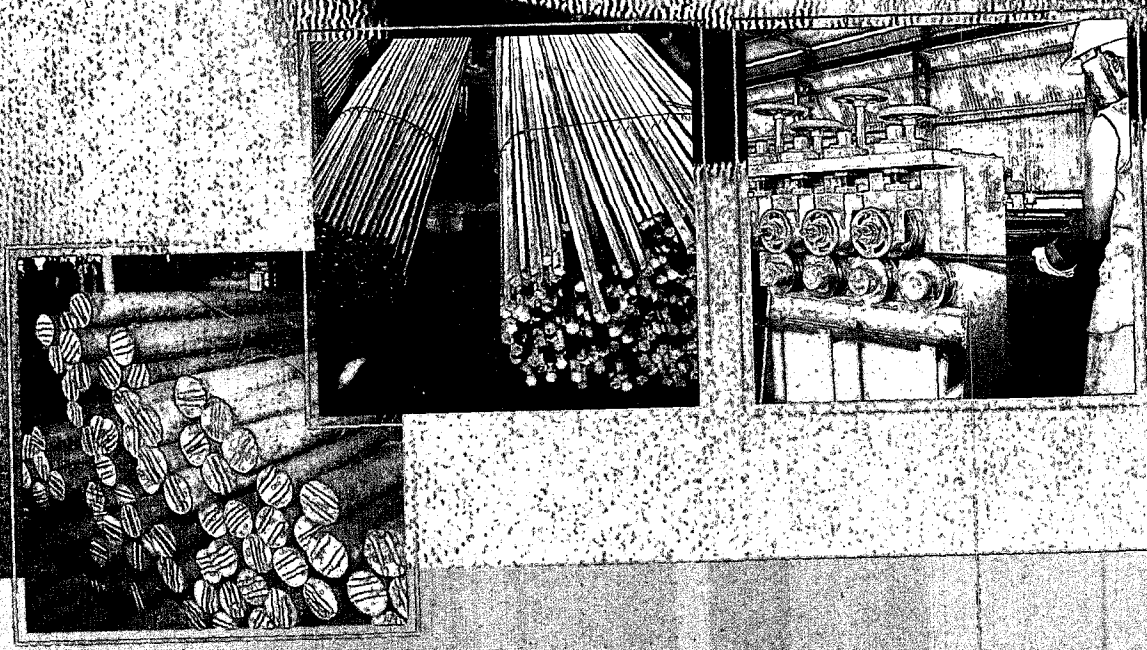
steel producers can match our range.

experience, service or quality. We supply  
to over 800 customers, most of whom

have relied on us for  
years.



BEEKAY STEEL | TAILORING STEEL



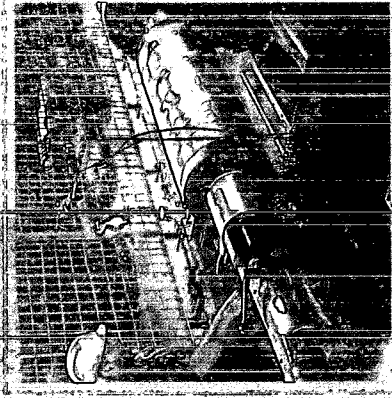




*the designer  
fitting*

Customization is our forte. We produce various sizes, shapes and grades of finished steel bars and sections to cater to the requirements of the automobile, engineering, railways, defence and infrastructure industries. A measure of our strength is that we supply steel to almost all national auto-ancillary makers. Every car on Indian roads carries a bit of Beekay Steel.

Belief:  
Customer  
needs can  
best be met  
by  
maximizing  
production  
flexibility  
and range

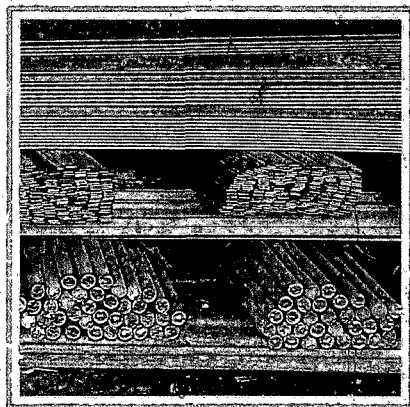




Contrary to popular belief—Steel is not a single product but an infinite possibility of metallurgical expression. The addition of alloys, heating and cooling can make it acquire an array of mechanical properties: strength, ductility, hardness, elasticity... It can be drawn into wires, beaten into sheets, curved into rings or even twisted as desired.

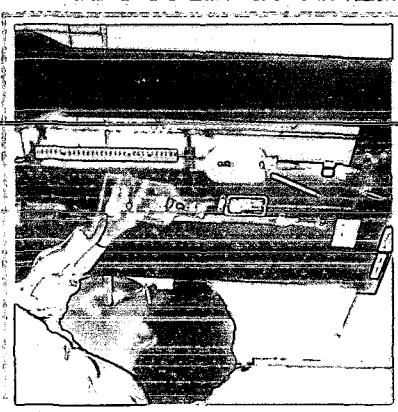
## range

The Beekay Group's chief specialty is in producing hot rolled bars to specifications required for a particular application. We can make the metal bar



in any avatar: rectangles, squares, rounds, hexagons, octagons or tapered. About a quarter of production is bright bars of high finish and precision. Recent expansions have been geared to increase product and dimensional range, not just capacities.

The TMT bar unit at Jamshedpur presently produces exclusively for Tata Steel. A structural mill is scheduled for commissioning within 2006 at Vizag to further expand the product range.

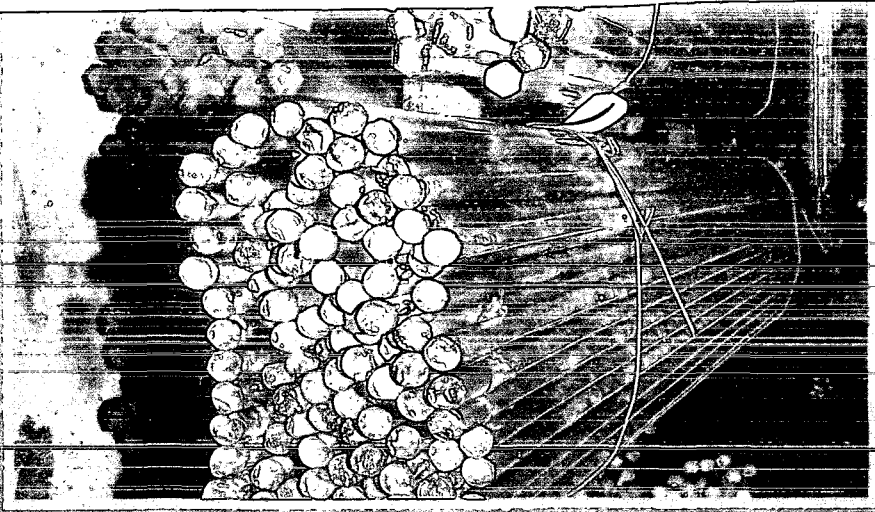


# quality

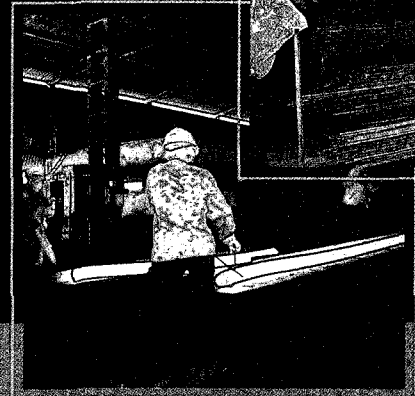
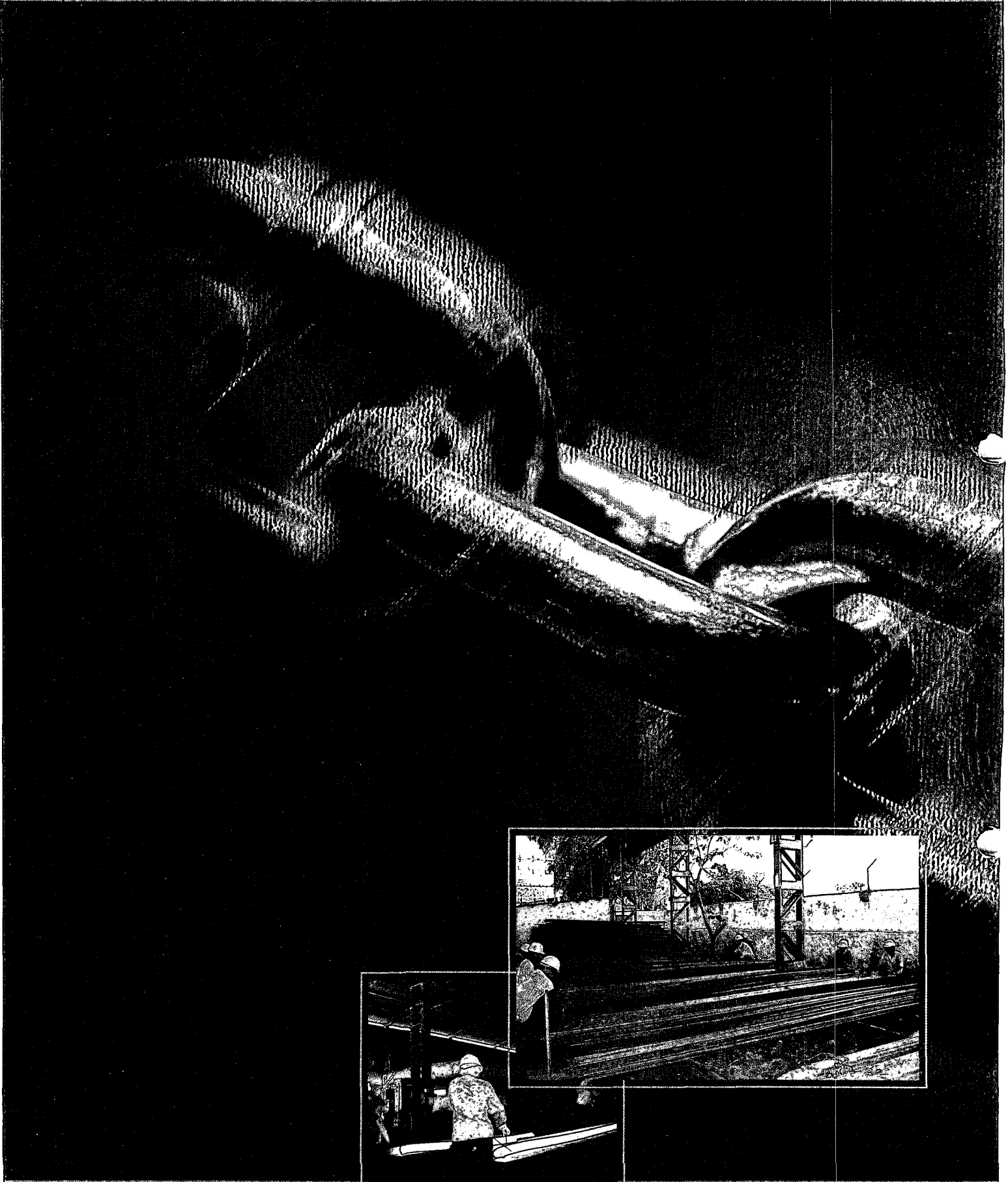
The presence of in-house laboratories and sophisticated testing facilities serves to maintain strict quality control over manufactured goods.

# lot size

The flexibility of Beckey's production process is also reflected in the fact that we cater to both small and large orders. Quality, value for money and on-time delivery is assured irrespective of lot sizes. Our systems are stitched for individual orders.



BEEKAY STEEL I TAILORING STEEL





# *a nationwide fabric*

Apart from cities where the Group has production facilities, we have branches and warehouses in most major cities to bridge the customer and the factory. Customers can discuss requirements and specifications with company experts for special applications, as well as get quick delivery from local warehouses for standard products.

This direct system eliminates the communication gap that can occur in the normal distributor-dealer chain where customers cannot easily get access to the company.

Value: The business of Beekay Group has a presence and will continue to provide a strong value proposition for its customers.



Plot No. 142 - B, Iron Complex Bhaynarpuram  
Vijaywada - 520 012

Vijaywada

J - 347, MIDC Bhosari  
Pune - 411 026

Pune

21/A, A.D. Kothari Godown, Oze Market, Dhankhana  
Mumbai - 400 010

Mumbai

"Rama Towers" 7-1-28/10, Amcempet  
Hyderabad - 500 016

Hyderabad

B - 949, Shasti Nagar  
Delhi - 110 052

Delhi

44, Sadayampoorthy Road, Rannagar  
Coimbatore - 641 009

Coimbatore

234/1C, Venagaram Road, Athipet  
Chennai - 600 058

Chennai

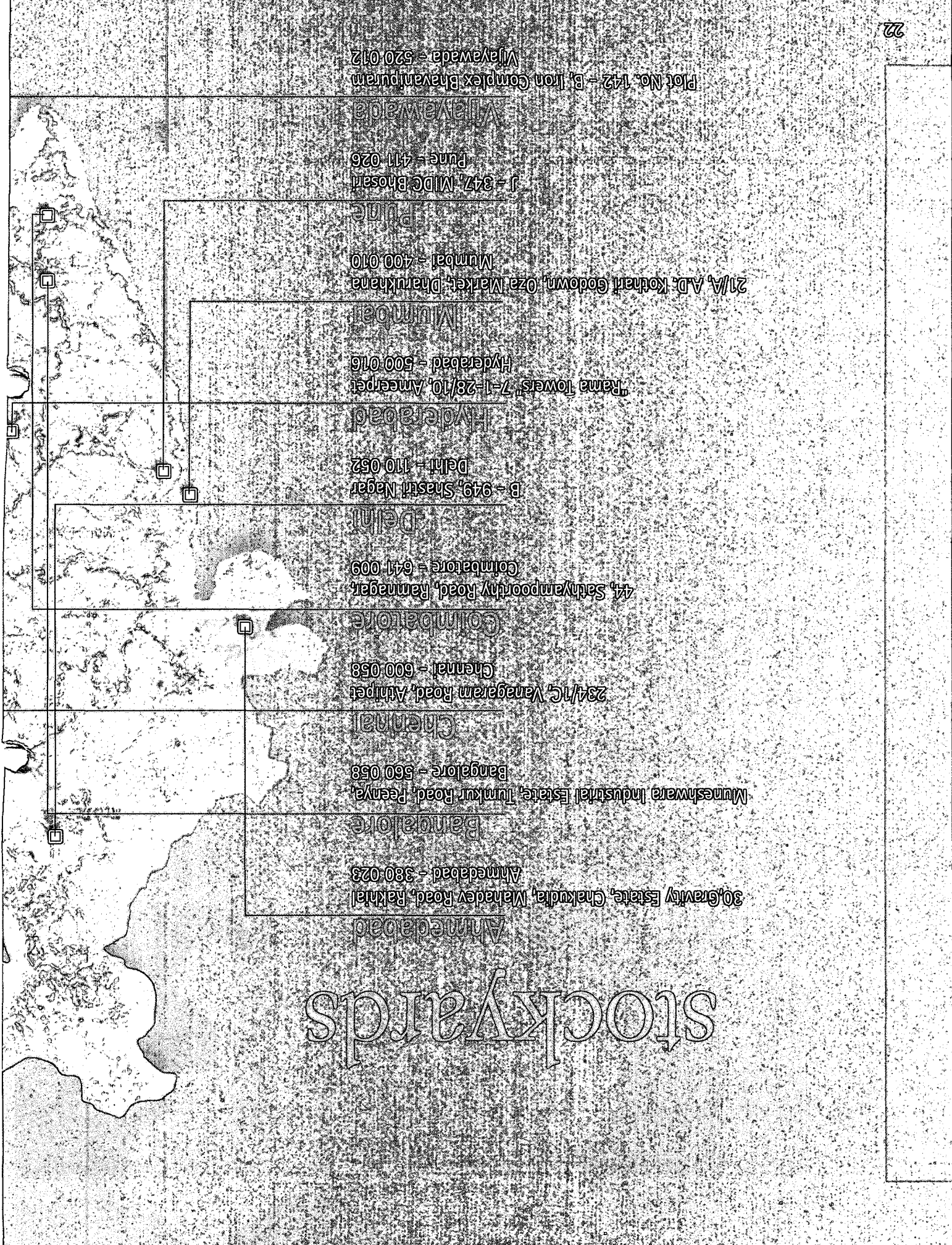
Minneswara Industrial Estate, Tumkur Road, Peenya,  
Bangalore - 560 058

Bangalore

30, Gravity Estate, Chakula, Mahadev Road, Pakhal  
Ahmedabad - 380 023

Ahmedabad

# Stockyards



# production



## Beekay Group

Sagar Estate, 6th floor, 2 N.C. Dutta Sarani  
Kolkata - 700 001

## Beekay Steel Industries Ltd.

- 286 & 287, G.T. Road Salkia, Howrah - 711 106
- Large Scale Sector, Adityapur Industrial Area  
Gamharla, Seraikela - Kharsawan, Jamshepur - 832108

- Plot No.: 19-21 & 24-26, Block E, Autonagar  
Vishakhapatnam - 530012 (Andhra Pradesh)

## Radice Ispat (India) Ltd.

- Plot No. - 194, Survey No. - 272, Vellanki Village  
Anandapuram Mondal Bheemlipatnam, Visakhapatnam
- 10, Kumarvadi Village, Madhuranthagam Taluk  
Kancheepuram, Chengalpet - 60317 (Tamilnadu)

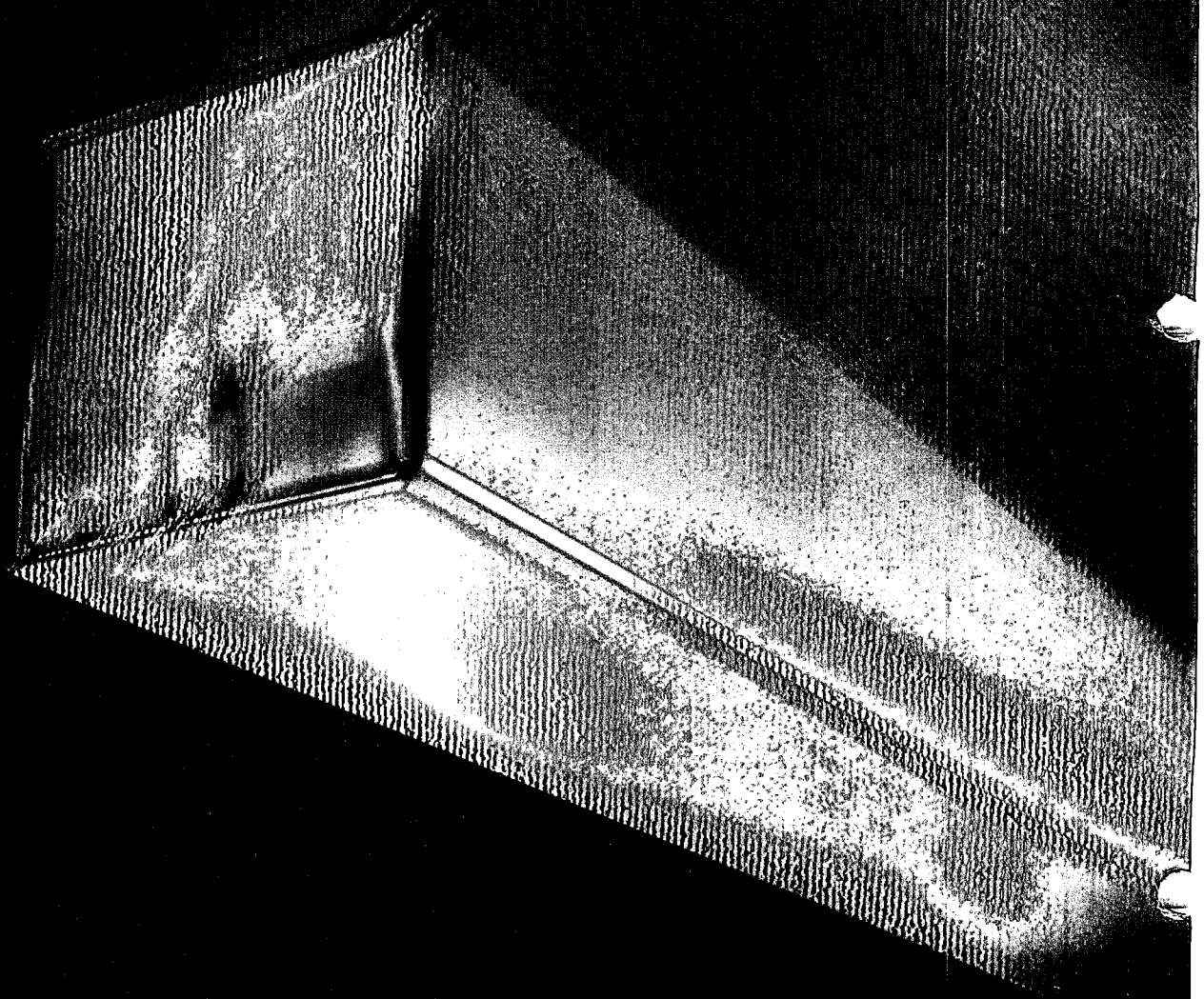
## AKC Steel Industries Ltd.

Malkapuram  
Visakhapatnam - 530 011

## Beekay Steels and Power Ltd.

Village Ullooru, P.O. Nalda, Via Barbil  
Dist Keonjhar, Orissa

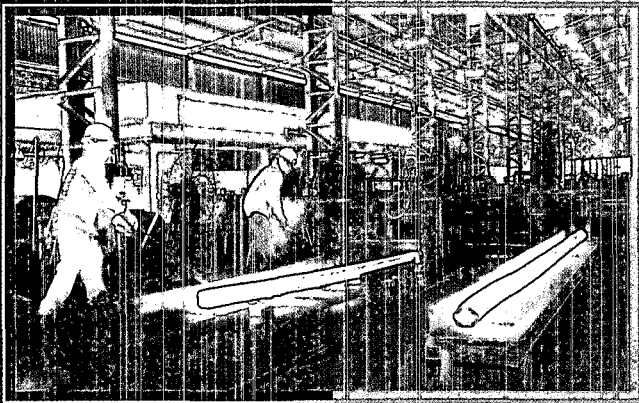
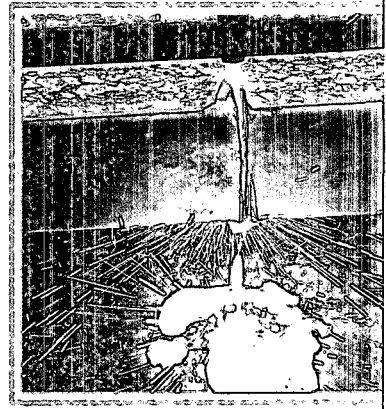




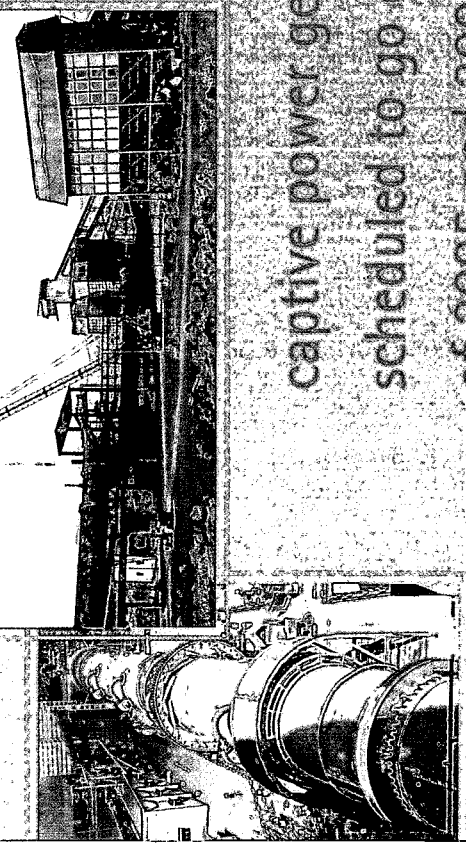
Ambition: Be present near every engineering center in India and establish a significant presence abroad

## group dimensions

The Beekay Group comprises several companies located in West Bengal, Jharkhand, Orissa, Andhra Pradesh, and Tamil Nadu, which together exceed a turnover of Rs. 500 crores. Initially the group started operations at Kolkata and Jamshedpur to take advantage of raw material resources at West Bengal, Jharkhand and Orissa. Plants were subsequently established in Chennai and Vizag to serve the growing markets in the southern states, and are now being expanded in capacity and range to meet the growing demand.



Recently, the Beekay group has established a green-field project: an integrated steel plant at Barbil, Orissa. It is a backward-integration project, which has successfully been producing sponge iron / DRI since September 2004.



Subsequent phases i.e. steel making and captive power generation are scheduled to go on-stream by end of 2005 and 2006 respectively.



## group companies

Beekay Steel Industries Ltd.  
 Radice Ispat (India) Ltd.  
 AKC Steel Industries Ltd.  
 Beekay Steels and Power Ltd.  
 Venkatesh Steels & Alloys Pvt. Ltd.



## production facilities

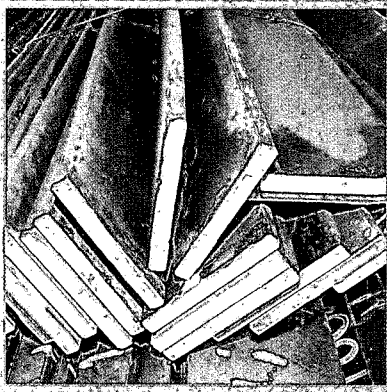
Facilities	Capacity	Location
Hot Rolled Sections	70,000 MT	Howrah
	90,000 MT	Vizag
	80,000 MT	Chennai
TMT Bars	2,00,000 MT	Jamshedpur
Sponge Iron	1,20,000 MT	Barbil, Orissa
Billets	1,00,000 MT	Barbil, Orissa
Bright Bars	12,000 MT	Vizag
	18,000 MT	Chennai
Power (CPP)	12 MW	Barbil, Orissa

# products

- Hot Rolled Steel Sections: Flats, Rounds, Squares, Hexagonals, Octagonals & Trapezium
- TMT Bars
- Bright Bars
- Special Profiles
- Sponge Iron
- Structurals: Angles, Channels, Joists & Beams
- Billets

As per IS, EN, DIN, AISI/SAE, JIS and other International Grades. On approved lists of R.D.S.O, D.G.S & D, BIS

# capacities



Hot Rolled Sections	-	2,40,000 mtpa
TMT Bars	-	2,00,000 mtpa
Sponge Iron	-	1,20,000 mtpa
Billets	-	1,00,000 mtpa
Bright Bars	-	30,000 mtpa
Power (CPP)	-	12 MW

## the master plan

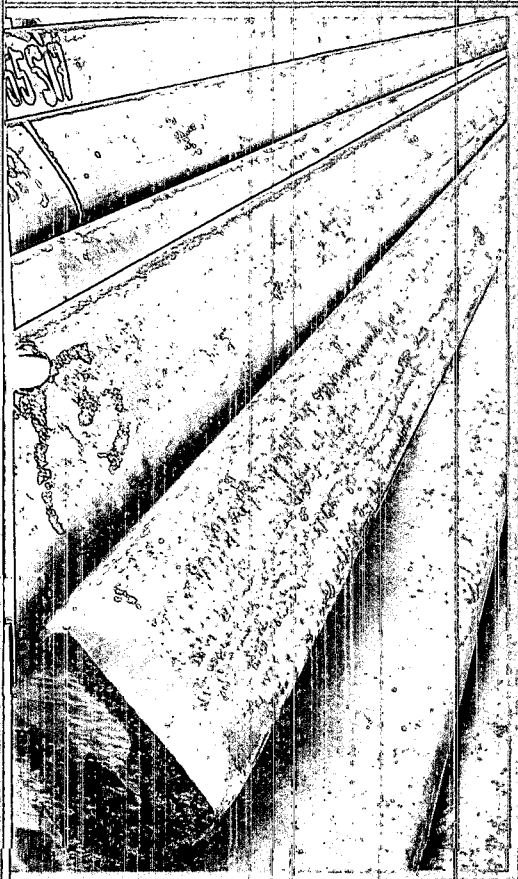
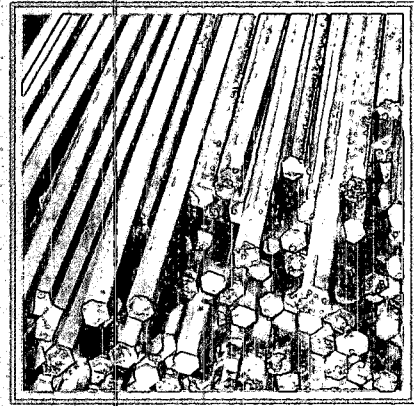
In view of the buoyant market and growing reputation the Beekay Group has embarked on a major expansion drive to enable truly integrated production capabilities and achieve a quantum change in scale and range.

The largest initiative is Beekay Steels And Power Ltd.: the Groups' first joint venture project. The proposed integrated steel plant of 0.28 million tones capacity steel plant will produce billets for captive consumption of group companies. The complex will also have its own captive power plant to recycle waste heat for uninterrupted production. An MOU for the project has been signed with the Orissa Government.

Vishakapatnam, already an important manufacturing center for the Group will soon see the addition of a forging unit for value addition to its steel, a structural mill for expanding the product range and a merchant bar mill dedicated especially for the automobile sector.

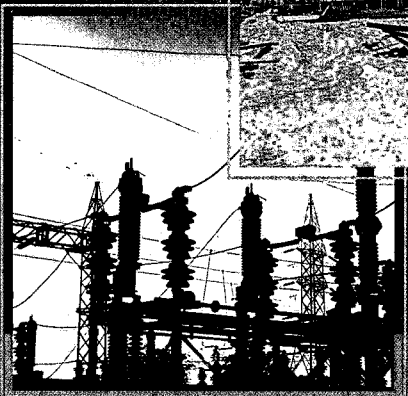
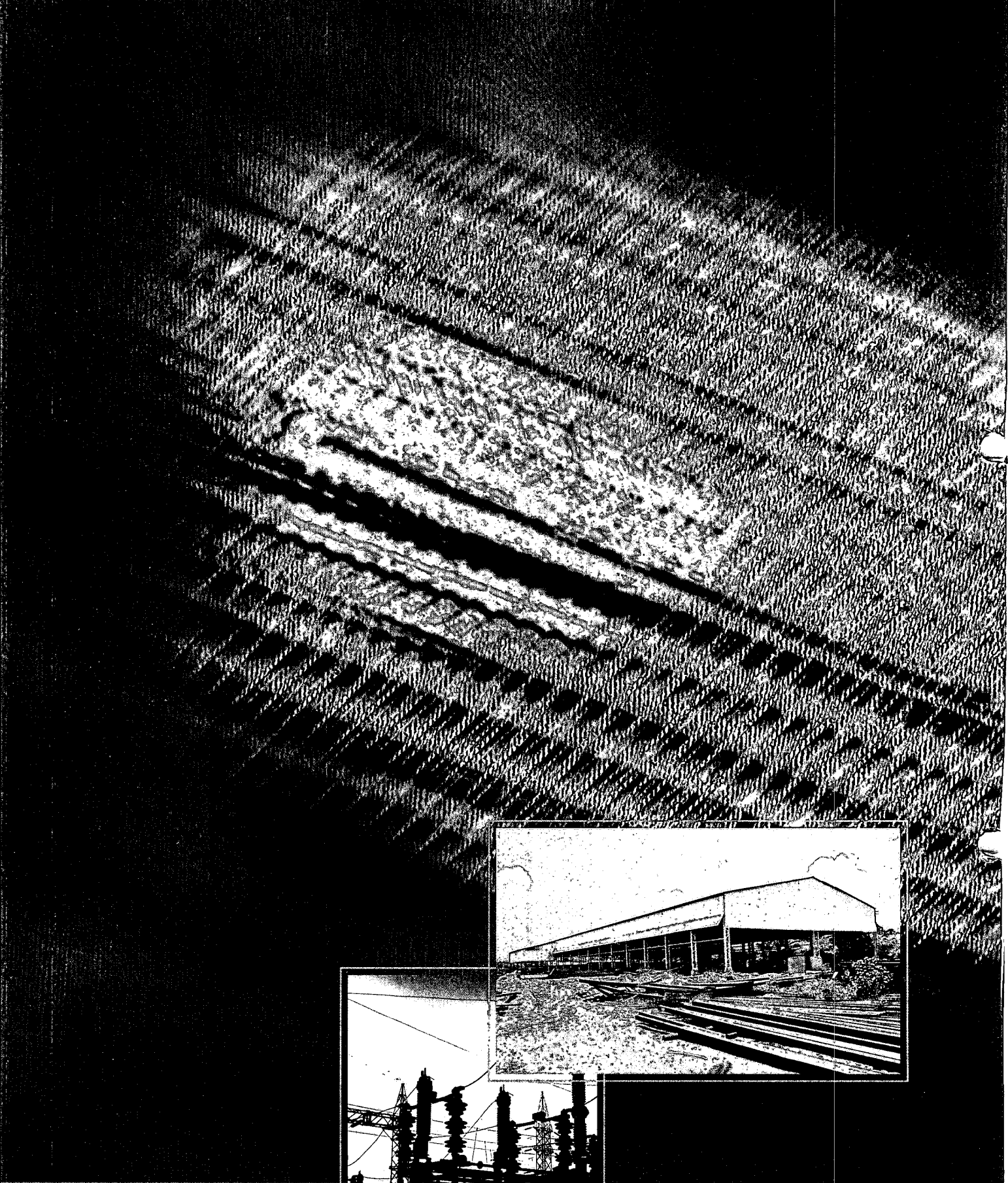
In marketing, the Group plans to further augment its pan-Indian strengths, setting up offices and stockyards in more cities. An export drive has already commenced to make a mark in overseas markets.

As a result, the Beekay Group will soon be one of the few completely integrated secondary steel makers.





BEEKAY STEEL I TAILORING STEEL



# *measures of the year*

Several notable achievements marked the Beekay Group's growth trail in the year 2004-05. This includes new mills, capacity expansions, quality and system improvements — and financial rewards of the increased scale and efficiency

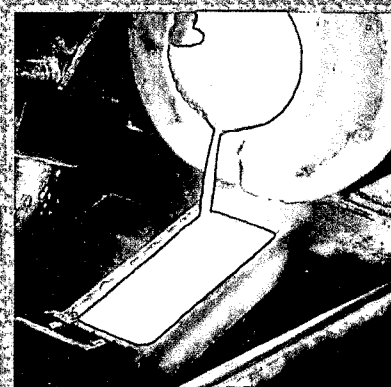
Vision:  
Command  
all aspects  
of steel  
making to  
deliver right  
quality  
products at  
the right  
price and  
time.





# production & expansions

- Manufacturing in Barbil unit commenced. Designed to produce DRI, Billets & Power, the unit went on stream in September 2004.



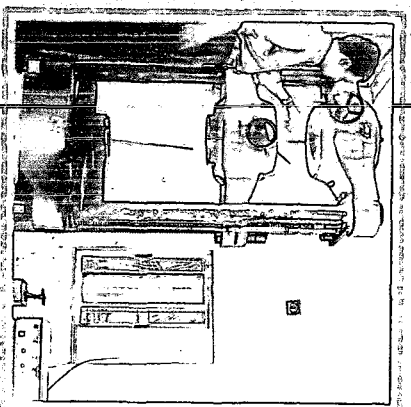
- Bright Bar unit commissioned at Vizag.

- Work on the new structural mill and steel melting shop project at Vizag initiated successfully.

- Capacity expansions at Chengalpet and Vizag, improved product mix and overall productivity.

- Jamshedpur unit achieved new production milestone turning out 1,00,000 MTPA of TMT Bars, a 50% jump compared to financial year 2003-04.



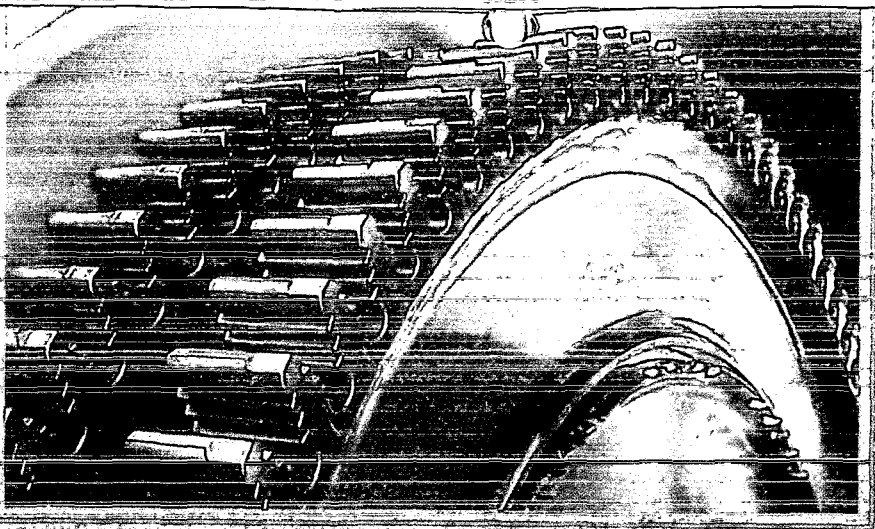


# quality & environment

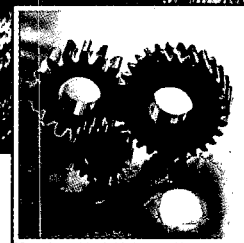
- ISO 9001:2000 for Quality Management System at units in Jamshedpur, Vizag & Chennai. Certificates awarded by Indian Register Quality Systems.
- ISO 14001 certification process started for Environment Management Systems at various units.

# management & finance

- MBS-Avapta, an ERP implementation by Pricewaterhouse Coopers, initiated.
- Improved prices in combination with greater internal efficiency saw a measurable improvement across most financial parameters.
- Reduction of interest cost by 3-4% across all our group companies further boosted profits.
- Products priced at a premium in comparison to other secondary steel producers.



Beekay Steel  
Industries Ltd.  
Annual Report Section  
2004-2005



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. B.L.Bansal	Chairman Emeritus
Mr. Suresh Chand Bansal	Chairman cum Managing Director
Mr. Mukesh Chand Bansal	Director
Mr. Vikas Bansal	Executive Director
Mr. Gautam Bansal	Whole time Director
Mr. B.C.Nokari	Director
Mr. A.K.Sikdar	Director

### BANKERS

Allahabad Bank, Bank of Baroda  
State Bank of India, HDFC Bank Ltd.

### REGISTERED OFFICE

Sagar Estate, 6th Floor  
2, N.C Dutta Sarani, Kolkata-700001  
Tel: 033-22130628 / 0629, 22300639  
Fax: 033-22105640 / 5641  
E-mail: [contact@beekaysteel.com](mailto:contact@beekaysteel.com)  
Web: [www.beekaysteel.com](http://www.beekaysteel.com)

### WORKS

Howrah  
286 & 287 G.T Road, Salkia, Howrah-711106  
Tel: 033-26558982 / 6426, Fax: 033-26552603

Jamshedpur  
Large Scale Sector, Adityapur Industrial Area,  
Gamharia, Seraikela-Kharsawan  
Jharkhand - 832 108  
Tel: 0657-3091699 Email: [beekayjsr@sify.com](mailto:beekayjsr@sify.com)

Vishakhapatnam  
Plot No.: 19-21 & 24-26, Block - E  
Autonagar, Vishakhapatnam - 530 012, Tel: 0891 -5539029

### BRANCHES

Chennai, Mumbai, Bangalore, Delhi, Hyderabad,  
Ahmedabad, Pune, Coimbatore & Visakhapatnam

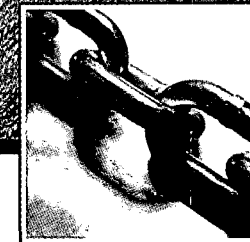
### AUDITORS

Rustagi & Associates Chartered Accountants  
59, Bentick Street, Kolkata-7000 69

### REGISTRARS & SHARE TRANSFER AGENTS

Maheswari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata-700001





## Notice to the Shareholders

### BEEKAY STEEL INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF BEEKAY STEEL INDUSTRIES LIMITED will be held at the Registered Office of the Company at 2.N.C.Dutta Sarani, Kolkata - 700 001 on Saturday, the 24th September, 2005 at 11.30 A.M. for the transaction of the following business:-

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2005, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri B.L.Bansal who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri A.K.Sikdar who retires by rotation and is eligible for reappointment.
4. To appoint auditors and to authorize the Board of Directors to fix their remuneration M/s. Rustagi & Associates, Chartered Accountants retire at this meeting and are eligible for reappointment.

Kolkata, August 29, 2005

Registered Office:

Sagar Estate, 6th Floor

2, N.C Dutta Sarani

Kolkata- 700 001

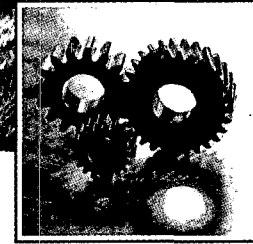
On behalf of the board

Suresh Chand Bansal

Chairman cum Managing Director

#### NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. The Company's Registrar and Transfer agents for its Share Registry Work are Maheswari Datamatics Private Limited having their office premises at 6, Mangoe Lane, 2nd Floor, Kolkata-700001.
4. The Register of Members and Transfer Books of the Company will be closed from 19th September, 2005 to 24th September, 2005 (both days inclusive)
5. The Members are requested to
  - a) Bring their Copy of the Annual Report with them of the Annual General Meeting.
  - b) Notify immediately the change of address, if any, to the Company's Registered Office, quoting their folio number(s)
6. Pursuant to the notification of the SEBI, the Shares of the Company are to be compulsorily traded in Demat mode w.e.f 19th June 2002. Members may, therefore, convert their equity Holdings of the Company into Demat mode by opening the Demat accounts with Depository Participants who are as agents to the depositories viz. NSDL and CDSL. The Company has been allotted the ISIN No. INE213D01015. However, members may continue to hold the shares of the Company in physical form at their option but for trading the same on the Stock Exchanges conversion into Demat mode is compulsory.



## A YEAR TO CHEER

It has been a year to cheer: when turnover leapt by more than a third while net profits nearly doubled.

### DIRECTORS' REPORT

Your Directors have the pleasure of presenting the 24th Annual Report of your company together with the audited accounts for the year ended 31st March 2005.

#### Key Financials

	(Rs in lacs)	
	Year ended 31.03.2005	Year ended 31.03.2004
Sales/Income from Operations	15365.18	11442.28
Profit before interest, depreciation and tax	1185.59	940.33
Interest	141.82	183.11
Depreciation	177.48	214.99
Profit before taxation	866.29	542.23
Provision for tax-Current tax	85.25	41.80
Provision for tax- Deferred tax	96.78	135.09
Profit for the year	684.26	365.34
Adjustments	(1.80)	(1.97)
Balance of profit for previous year	0.77	0.40
Balance available for appropriation	683.23	363.77
<b>THE APPROPRIATIONS:</b>		
Transfer to General Reserve	400.00	363.00
Balance of Profit carried over	283.23	0.77
	<u>683.23</u>	<u>363.77</u>

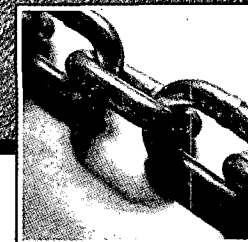
#### Operations

#### SHARE CAPITAL

The paid up capital of the Company as at 31st March 2005 is Rs. 201.07 lacs and the net worth stands at Rs. 2361.04 lacs.

#### DIVIDEND

No dividends were declared or recommended by the board during the year.



## PERFORMANCE REVIEW

Your Company has registered an all-round improvement in its operations during the year under review as compared to the last year. As compared to the previous year, turnover has increased by more than one-third (34.28%) from Rs.11,442.28 lacs to Rs.15,365.18 lacs in 2004-05. EBIDTA has grown by more than a quarter (26.08%) from Rs.940.34 lacs in 2003-04 to Rs.1185.60 lacs in 2004-05. Consequently cash profits have risen by nearly half (48.69%) from Rs.578.36 lacs to Rs.859.95 lacs. Profits After Tax have registered a spectacular 87.30% growth to jump from Rs.365.34 lacs in 2003-04 to 684.28 lacs in 2004-05.

### REVENUE

Your Company recorded a healthy growth of 32.10% in revenue (net sales) during 2004-05. This was matched by an increase of 46.84% in production over the previous year.

### EXPENSES

Prudent cost cutting measures and enhanced energy savings have enabled the Company to curtail its expenses in respect of electricity, employee cost, interest cost.

#### Proportion of Total Cost (%)

Expenses	2003-04	2004-05
Electricity Cost	3.87	3.23
Employee Cost	0.82	0.74
Interest Cost	1.99	1.11

### Margins

Your Company's focus on productivity and technology utilization finds reflection in the marked improvement in all margins. The cash margin showed 48.72% increase and retained earnings rocketed by 87.82%.

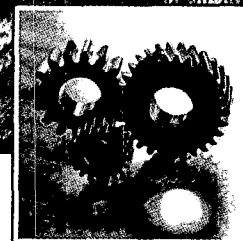
### Own Funds

The Networth of your Company increased from Rs.1678.58 lacs in 2003-04 to Rs.2361.04 lacs in 2004-05 on account of significant rise in retained earnings. As a result, the book value of the Company increased from Rs.84.26 in 2003-04 to Rs.118.54 in 2004-05.

### Loan Funds and Cost

Loans (own + borrowed funds) comprise a significant part of the Company's total capital employed. Due to enhanced internal accruals, its share in the capital employed has gone down by 11.73% from Rs.1841.68 lacs in 2003-04 to Rs.1547.13 lacs in 2004-05.





Better fiscal management resulted in a decrease in interest cost by 22.55% from Rs.183.10 lacs in 2003-04 to Rs.141.82 lacs in 2004-05. This was mainly due to reduction in interest rate on C/Credit facility, which was achieved after aggressive negotiation with the bankers and repayment of significant part of unsecured loans.

Interest coverage has improved from 5.14 in 2003-04 to 8.36 in 2004-05.

#### **Debt Equity Ratio**

Due to reduction in the shares of borrowed funds in the composition of total capital employed, the debt equity ratio has decreased to 0.66: 1 in 2004-05 from 1.10: 1 in 2003-04 in another measure of corporate health.

#### **Capital Employed**

Your Company's capital employed increased by 12.27% from Rs.3949.65 lacs in 2003-04 to Rs.4434.34 lacs in 2004-05. This was mainly on account of improved retained earnings.

#### **Return on Capital Employed**

The return on capital employed increased to 28.98% in 2004-05 from 21.76% in 2003-04 through higher sales and improved margins.

#### **Working Capital**

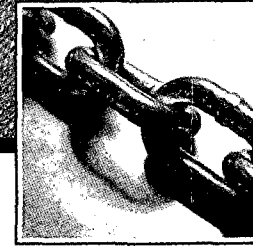
The working capital is the core fund, which depends on the levels of inventory and the receivables. With a rising sales graph and consequent inventory buildup, the receivables have also gone up. The combined effect of this is the increased share of working capital in the total capital employed. This has increased from 21.17% in 2003-04 to 27.23% in 2004-05.

#### **Production**

The Jamshedpur unit achieved a new production milestone, turning out 1,00,000 MTPA of TMT Bars. Overall there was a 50% jump in production at Jamshedpur compared to financial year 2003-04. Improved demand and prices, in combination with greater internal efficiency, saw a measurable improvement across most financial parameters. Your company continued to command a price premium in comparison to other secondary steel producers. Reduction of interest cost by 3-4% further boosted profits.

#### **Future Outlook**

The last few years have seen the industry scale new peaks in almost all spheres. Internal demand has been buoyed by increasing infrastructure, housing and automotive demand. The most spectacular achievement has, however, been recorded in exports as global demand has steadily risen along with prices. The favourable trends have been reflected in the improved profitability of most steel makers. From a highly protected inward-looking industry of the pre-liberalization years Indian steel has matured into a modern, globally integrated industry in an astonishingly short span of time. The long-term uptrend with rising international demand is expected to continue in the foreseeable future. The markets that your company caters to are expected to enjoy above-average growth. The construction sector is booming on the back of frenzied housing and infrastructure development. Engineering and automobile industries too are doing well.



A large part of your company's business is based on conversion job-work at Jamshedpur. The use of current technology and engineering strengths enables it to achieve optimum production at low cost. This, coupled with the reputation of quality, gives the confidence that your company will be able to stay ahead of the competition during the coming years.

#### **Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i. that in the preparation of annual accounts for the year ended March 31, 2005 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent Judgments and estimates have been so as to give a true view of the state of affairs of the Company as at March 31, 2005 and the profit of the Company for the year ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;

#### **Compliance Certificate**

Compliance Certificate, as required under Section 383A of the Companies Act, 1956 has been issued by Shri Santosh Kumar Tibrewalla, Practicing Company Secretary is enclosed marked as Annexure-1, which forms part of this report.

#### **Environment Management**

Beekay's plants comply with all norms set by authorities in managing the environment and reducing pollution in the areas where it operates. As a socially responsible corporate citizen your company has also embarked on an ISO 14001 certification program to attain world class environment management systems and processes.

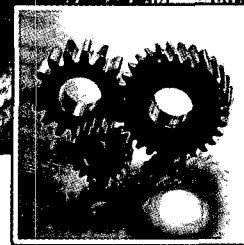
#### **Corporate Governance**

Your company is conscious that business run on principles of fairness, transparency and accountability goes a long way in fostering a healthy relationship among stakeholders and customers. The conviction is that systems and actions must be dovetailed to enhance performance and maximize shareholder value in the long run.

However, as per Clause 49 of the listing agreement relating to Corporate Governance, the relevant schedules as prescribed by SEBI are not applicable to your company.

#### **Directors**

In accordance with the Company's Articles of Association Shri B. L Bansal and Shri A.K Sikdar retire by rotation on the forth coming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors approves their re- appointment.



### **PARTICULARS OF EMPLOYEES**

Information in accordance with the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, as amended. Your Directors report that there was no employee who was in receipt of remuneration of Rs.24,00,000/- or more per annum, if employed throughout the year, or Rs. 2,00,000/- or more per month, if employed for a part of the year.

### **INDUSTRIAL RELATIONS**

During the year under review, industrial relations at all units of the company continued to be cordial and peaceful.

### **AUDITORS**

M/s. Rustagi & Associates., Chartered Accountants, Kolkata retire as Auditors of the company at the ensuing Annual General Meeting and have given their consent for re-appointment.

### **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

The information required under 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 with respect to conservation of energy, technology and Foreign Exchange earnings/ outgo is appended hereto and form part of this Report.

### **STOCK EXCHANGE LISTINGS**

The Equity Shares of the Company are listed on the Stock Exchanges at Kolkata and Kanpur. The Company confirms that it has paid annual listing fees due to all the above Stock Exchanges for the year 2004-2005.

### **DEMATERIALISATION OF EQUITY SHARES**

The Agreements entered into by the Company with the two depositories viz., National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) for dematerialization of shares is in force and the Company's shares are in dematerialized mode under ISIN No. INE 213D01015. In view of the significant benefits that accrue on dematerialization of securities, members may avail the facility.

### **ACKNOWLEDGEMENT**

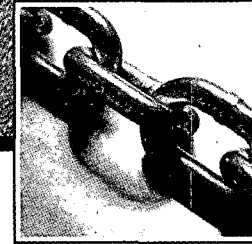
Your Directors wish to place on record appreciation and sincere cooperation received from the various departments of the Central and State Governments, Financial Institutions, Bankers, Customers, Dealers, Suppliers and Investors. Your Directors further express their gratitude for the invaluable contribution made by people at all levels in the organisation towards the growth of your Company.

Kolkata, August 29, 2005  
Registered Office:  
Sagar Estate, 6th Floor  
2, N.C Dutta Sarani  
Kolkata- 700 001

On behalf of the board

Suresh Chand Bansal  
Chairman cum Managing Director





## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in manufacture and sale of Hot Rolled Steel Bars & Rods. It also works as a conversion agent for Tata Steel and thus operates in the Iron and Steel industry, which is considered as a core sector in the Indian Economy.

The industrial sector registered a strong growth during the year, primarily due to the growth by the manufacturing sectors of 8.9%, compared to 6.9% in the previous year. , During the year under review the Indian Steel industry has witnessed a big portfolio in the global industry. Domestic steel production and apparent steel consumption increased by 3.9% and 7.0% respectively. Over the previous year, demand in the domestic market was very strong with stable growth in the automobile, engineering and construction sectors.

The management firmly believes that the integrated steel business, specially steel bars & rods, bright bars, TMT bars and its international activities have potential for profitable growth. For long term profitability the key issues are cost efficiency, operational excellence and dynamic marketing.

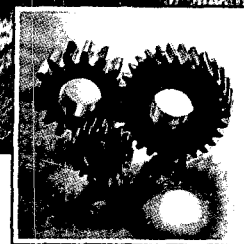
The Company continued its rigorous cost reduction exercises through implementing cost control measures, enhancement of capacity utilization, improvement of operational efficiencies altering the product mix for maximizing share of value added products and targeting niche markets.

### OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

1. As the Company's selling network is widely spread throughout the India, there is an opportunity of increasing the market share.
2. The buoyant market proves an opportunity to modernize manufacturing facilities, which not only facilitates further efficiency and reduction in process costs but also increases volume of production.
3. The Company enjoys a location advantage over primary steel producers like SAIL and TATA Steel. Being closer to the market, your Company's products are cheaper than that of primary players.
4. The global addition to the new steel capacities is envisaged to increase in the coming years. This leads to lower operating cost and higher margins.
5. The Company is conscious of the fact that steel is subject to cyclical risks and future competition from the prospective domestic producers of Iron and Steel Rods and Bars. It is therefore constantly upgrading its technology to maintain a competitive advantage.
6. The Company's business consists of single product line viz., manufacture of Iron and Steel Rods & Bars, which is engineering and construction major goods. The financial health of the Company will be affected by adverse changes in the industry. Your Company is looking at both forward integration and backward integration and will take steps to minimize the risks.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company's business predominantly comprises manufacture of Iron and Steel Rods & Bars. The operations of the Company during the year under review were normal actual production during the year including conversion jobs as 1,15,791 MT as against 78,857 MT in the previous year.



## OUTLOOK

The Outlook, in the years ahead appears to be positive for the Steel Industry. Globally, the average capacity utilization of steel has increased significantly during the year and the volume of world steel trade increased by 4.4% and reached a new record level at 263 million tones in 2004. However, the continued thrust of the Central Government on housing and infrastructure developments along with opening of real estate sector for foreign direct investment is expected to sustain healthy growth of steel demand.

Your Company will therefore continue its focus on achieving cost leadership through focused cost optimization, value engineering, improved efficiency measures like producing of quality products and introducing new performance enhancing products and countrywide connectivity of all customers in construction, engineering and automobile sectors.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems commensurate with the size and nature of its business. Internal control systems are supplemented by internal audits carried out by outside independent qualified auditors. The management also regularly reviews the operational efficiencies, utilization of fiscal resources and compliance with laws so as to ensure optimum utilization of resources, achieve better efficiencies and comply with the laws of land.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECTIVE TO OPERATIONAL PERFORMANCE

The financial statements for the year under review have been prepared on a going concern basis and in compliance with provisions of the Companies Act, 1956 and by following the generally accepted accounting policies in India and the applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

During the current year the Institute of Chartered Accountants of India made Accounting Standards AS 28 on 'Impairment of Assets' and AS 29 on 'Provisions, Contingent Liabilities & Contingent Assets' mandatory. The Company has complied with the requirements of the Standards in the Compilation of accounts of the year.

The operational performance vis-à-vis financial performance is as under:-

Indicator	Year 2004-05	Year 2003-04	Increase/ (Decrease)%
In Volume terms (MTs)			
Production (Incl. Conversion)	115791	78857	46.84
Sales	44415	42518	4.46
In Value terms (Rs. In lacs)			
Gross Sales (Incl. Conversion)	15365.18	11442.28	34.28
Operating Profit before Interest and Depreciation	1185.59	940.33	26.08
Interest	141.42	183.11	(22.77)
Depreciation	177.48	214.99	(17.45)
Net Profit before tax	866.29	542.23	59.76
Income tax provisions	182.03	176.89	2.90
Net Profit	684.26	365.34	87.29



### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS.

The Company has a strong and dedicated workforce. The relation between the management and the workforce is cordial. The employees are imparted training and are encouraged to participate in the decision making process. The management acknowledges the contributions made by each employee at all levels and records its appreciation for the cooperation extended.

### CAUTIONARY STATEMENT

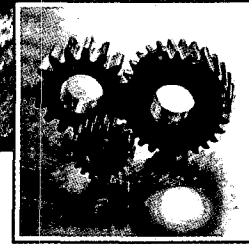
Statements in the Management Discussion and Analysis describing the Company's objectives. Projections, estimates, expectations may be "forward-looking- statements" within the meaning of applicable securities laws and regulation. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

### ANNEXURE-A

Form for disclosure of particulars with respect to conservation of energy:

	Amount in Rupees	
	Current Year	Previous Year
<b>A. Power &amp; Fuel Consumption</b>		
1. (a) Purchased units	94,51,440	74,23,896
Total Amounts	4,13,32,121	3,57,06,056
Rate / Unit	4.37	4.81
(b) Own Generation Through Diesel Generation units	34,556	28,315
Units per liters of Diesel oil	31.45	28.32
Through steam Turbine / Generator	nil	nil
2. Furnace Oil		
Quantity (K. Ltr)	4,551	3,180
Total Amount	5,13,82,895	3,34,24,529
Average Rate	11,290.46	10,510.86
<b>B. Consumption per Unit of Production</b>		
Productions: Iron & Steel Material Steel Bars & Rods	1,15,791	78,857
Steel Ingots Units (MT)	nil	nil
Electricity (K W)	81.62	94.14
Furnace Oil (K L)	0.04	0.04
<b>C. Foreign Exchange</b>		
Earnings	nil	nil
Outgo	4,41,403	nil





## AUDITOR'S REPORT

To The Member of  
BEEKAY STEEL INDUSTRIES LIMITED

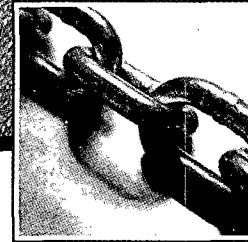
1. We have audited the attached Balance Sheet of BEEKAY STEEL INDUSTRIES LIMITED, as at 31st March, 2005 the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) 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;
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with the this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the Directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2005 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - vi) 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;
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2005;
    - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - c) In the case of the Cash Flow Statement of Cash Flows for the year ended on that date.

For RUSTAGI & ASSOCIATES  
Chartered Accountants

(S.K.RUSTAGI)  
Partner

Mem.No.51860

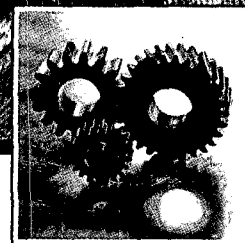
59, Bentinck Street, Kolkata - 700 069.  
Date: 29th August, 2005



## ANNEXURE TO THE AUDITOR'S REPORT

With reference to the Annexure referred to in Paragraph 3 of the report of the Auditors to the Members of BEEKAY STEEL INDUSTRIES LIMITED for the year ended 31st March, 2005. We report that :

- i) (a) The Company has maintained proper records showing full particulars, including, quantitative details and situation of Fixed Assets.
  - (b) In our opinion the Fixed Assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its business. No material discrepancies between book records and the physical inventory were noticed.
  - (c) Fixed Assets disposed off during the year are insignificant so therefore going concern assumption do not affect.
- ii) (a) The stock of inventory has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) Company has maintained proper records of inventory. In our opinion and according to the information and explanations given to us, the maintenance of records for inventory is adequate to the size of Company and nature of business.
- iii) (a) According to the information and explanations given to us, the Company has not granted any Loans, Secured or Unsecured, to Companies, Firms or other parties which are covered by Section 301 of the Companies Act,1956.
  - (b) According to the information and explanations given to us, the Company has not taken any Loans, Secured or Unsecured, to Companies, Firms or other parties which are covered by Section 301 of the Companies Act,1956.
- iv) In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory including components, equipment, other assets and for the sale of goods. In our opinion there is no continuous failure to correct major weaknesses in internal control.
- v) (a). In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register in pursuance of Section 301 of Act, have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any public, deposits during the year (as per provision of 58A/58AA of Acceptance of Deposit Rules, 1975).
- vii) In our opinion the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- viii) According to the information & explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act,1956 for any of the products of the Company.
- ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, there were no undisputed amounts payable in respect of income tax, wealth tax, custom duty, excise duty, cess, service tax investor education and protection fund, employee state



insurance and other materials statutory dues applicable to it which have remained outstanding as at 31st March, 2005 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, the details of Statutory dues of Sales tax, Excise Duty and Annual minimum guarantee which have not deposited on account of dispute are given below:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount Involved (Rs.)
Sales Tax	2001-2002	Deputy Comm., Kolkata	307,860
Excise Duty	1998-1999	Hon'ble High Court, Kolkata	831,204
... Do ...	2001-2002	Jt. Commissioner of Central	1,544,046
... Do ...	2002-2003	Excise, Jamshedpur	276,757
... Do ...	2003-2004	Comm. Central Excise	94,185
... Do ...	1998 - 1999	(Appeal), Kolkata	1,151,547
Service Tax	1997-1999	Comm. Central Excise (Appeal), Patna	15,103

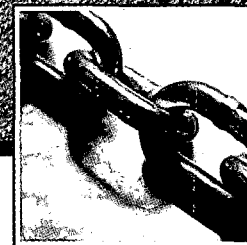
- x) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of Security by way of pledge of shares, debentures and other securities.
- xi) The Company has not accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year and in the financial year immediately preceding financial year.
- xii) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institution, bank and also Company have no outstanding debentures for repayment to debenture holders
- xiii) The Company is not a chitfund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order 2004 are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities and debentures and other investments. Therefore, the provision of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by any others from a bank or financial institution.
- xvi) In our opinion and according to the information explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us, the Company has not used any short term funds to pay-off long term investment and vice-versa.
- xviii) According to the information and explanations given to us, the Company has not preferential allotted shares to parties or Companies covered under section 301 of Companies Act, 1956 at a price which is prejudicial to the interest of the Company.
- xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- xx) During the period covered our Audit Report the Company has not raised any money by way of a Public issue.
- xxi) According to the information and explanations given to us, no frauds on the Company has been noticed or reported during the course of our Audit.

For RUSTAGI & ASSOCIATES  
Chartered Accountants

(S.K.RUSTAGI)  
Partner  
Mem.No.51860

59, Bentinck Street, Kolkata - 700 069.  
Date: 29th August, 2005





## BALANCE SHEET as at 31st March, 2005

Currency: in thousands of Indian Rupees except share data

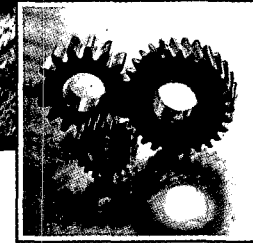
	Schedule	31.03.2005	31.03.2004
<b>I. SOURCE OF FUNDS</b>			
Shareholders' Fund			
Share Capital	1	20,106,650	20,106,650
Reserve & Surplus	2	215,997,277	147,750,996
		<b>236,103,927</b>	<b>167,857,646</b>
Loan Funds			
Secured Loans	3	64,169,440	72,087,341
Unsecured Loans	4	90,543,610	112,081,167
		<b>154,713,050</b>	<b>184,168,508</b>
Deferred Tax Liability		52,616,719	42,938,506
		<b>443,433,696</b>	<b>394,964,660</b>
<b>II. APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	5	481,843,502	469,780,659
Less : Depreciation		181,718,807	167,537,010
Net Block		300,124,695	302,243,649
Capital Work-in-Progress		1,425,157	4,704,520
		<b>301,549,852</b>	<b>306,948,169</b>
<b>INVESTMENTS</b>	6	21,032,040	4,321,000
Current Assets, Loans & Advances			
Inventories	7	68,792,473	53,773,309
Sundry Debtors	8	179,675,801	160,502,232
Cash & Bank Balance	9	7,287,010	10,324,271
Loans & Advances	10	90,123,841	41,456,945
		<b>345,879,125</b>	<b>266,056,757</b>
Less : Current Liabilities & Provision			
Current Liabilities	11	210,667,517	176,601,081
Provisions	12	14,472,655	5,860,272
		<b>225,140,172</b>	<b>182,461,353</b>
Net Current Assets		120,738,953	83,595,404
Miscellaneous Expenditure	13	112,851	100,087
(To the extent not written off or adjusted)		<b>443,433,696</b>	<b>394,964,660</b>
ACCOUNTING POLICIES	19		
NOTES ON ACCOUNTS	20		

For RUSTAGI & ASSOCIATES  
Chartered Accountants  
S.K.RUSTAGI - Partner

59, Bentick Street, Kolkata - 700 069.  
Date: 29 th August,2005

On behalf of the board

Suresh Chand Bansal  
Chairman cum Managing Director



## PROFIT & LOSS ACCOUNT for the year ended 31st March, 2005

Currency: in thousands of Indian Rupees except share data

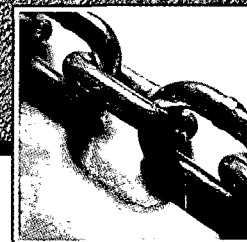
	Schedule	31.03.2005	31.03.2004
<b>I. INCOME.</b>			
Sales		1,149,084,650	894,851,125
Conversion Charges		387,433,390	249,376,574
		<b>1,536,518,040</b>	<b>1,144,227,699</b>
Less:Excise Duty		189,539,188	124,548,739
		<b>1,346,978,852</b>	<b>1,019,678,960</b>
Other Income	14	1,491,607	1,910,641
Accretion/(Decretion) in Stock	15	15,471,131	(46,704,093)
		<b>1,363,941,590</b>	<b>974,885,508</b>
<b>II. EXPENDITURE</b>			
Purchase		1,015,698,350	727,790,771
Manufacturing Expenses	16	146,121,894	95,056,791
Personel Expenses	17	9,422,364	7,558,040
Administrative, Selling & Other Expenses	18	74,138,913	50,446,270
Interest		14,181,686	18,310,776
Depreciation		17,748,441	21,499,362
		<b>1,277,311,648</b>	<b>920,662,010</b>
<b>III. NET PROFIT BEFORE TAXATION</b>		<b>86,629,942</b>	<b>54,223,498</b>
Provision for Taxation			
Current Tax		8,525,000	4,180,000
Deferred Tax		9,678,213	13,509,302
		<b>68,426,729</b>	<b>36,534,196</b>
Add: Prior year's Adjustments		(180,448)	(197,396)
		<b>68,246,281</b>	<b>36,336,800</b>
Add: Balance brought forward from last year		77,090	40,290
		<b>68,323,371</b>	<b>36,377,090</b>
Balance Transfer to General Reserve		40,000,000	36,300,000
Balance Carried over to Balance Sheet		<b>28,323,371</b>	<b>77,090</b>
Earning per Share (Basic / Diluted)		34.35	18.34
ACCOUNTING POLICIES	19		
NOTES ON ACCOUNTS	20		

For RUSTAGI & ASSOCIATES  
Chartered Accountants  
S.K.RUSTAGI - Partner

59, Bentick Street, Kolkata - 700 069.  
Date: 29 th August,2005

On behalf of the board

Suresh Chand Bansal  
Chairman cum Managing Director

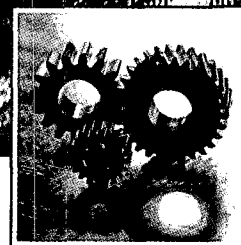


## SCHEDULES FORMING PART OF THE BALANCE SHEET as at 31st March, 2005

Currency: in thousands of Indian Rupees except share data

	31.03.2005	31.03.2004
<b>1. SHARE CAPITAL</b>		
<b>Authorised:</b>		
22,00,000 Equity Shares of Rs.10/- each	22,000,000	22,000,000
30,000 Preference Shares of Rs.100/- each	3,000,000	3,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
<b>Issued, Subscribed &amp; Paid up:</b>		
19,91,740 Equity Shares of Rs.10/- each fully paid up	19,917,400	19,917,400
200 Equity Shares of Rs. 10/- each partly paid up	2000	
Less: Allotment Money in arrear	1,500	500
	<u>19,917,900</u>	<u>19,917,900</u>
Add: Forefeited Shares	188,750	188,750
	<u>20,106,650</u>	<u>20,106,650</u>
<b>2. RESERVE &amp; SURPLUS</b>		
Capital Reserve	441,106	441,106
Share Premium Account:	95,832,800	95,832,800
General Reserve:		
As per last account	51,400,000	15,100,000
Transfer from Profit & Loss Account	40,000,000	36,300,000
	<u>91,400,000</u>	<u>51,400,000</u>
Profit & Loss Account	28,323,371	77,090
	<u>215,997,277</u>	<u>147,750,996</u>
<b>3. SECURED LOANS</b>		
<b>A. Term Loans</b>		
I) From Financial Institution		
Industrial Development Bank of India		2,000,000
II) From Banks		
Allahabad Bank	9,234,222	15,382,195
Bank of Baroda	1,501,758	3,055,370
	<u>10,735,980</u>	<u>18,437,565</u>
(Secured by Pari Passu charge on fixed assets and current assets of the Company both present and future)		
III) From Banks		
(Against hypothecation of Vehicles)	2,006,511	907,401
	<u>2,006,511</u>	<u>907,401</u>





**SCHEDULES FORMING PART OF THE BALANCE SHEET** as at 31st March, 2005

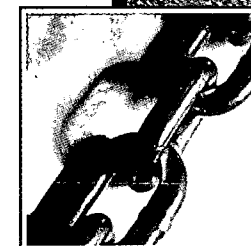
Currency: in thousands of Indian Rupees except share data

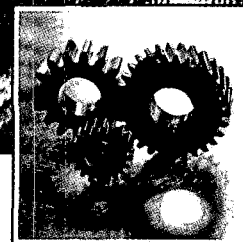
	31.03.2005	31.03.2004
<b>B. Working Capital Loan</b>		
Allahabad Bank	30,903,585	29,169,437
Bank of Baroda	20,523,364	21,572,938
	<u>51,426,949</u>	<u>50,742,375</u>
(Secured by way of hypothecation of stock, book debts and other current assets, present and future and personal guarantee by some Directors) Total (A+B)	<u>64,169,440</u>	<u>72,087,341</u>
<b>4. UNSECURED LOANS</b>		
From Bodies Corporates	67,400,000	83,400,000
Add: Interest Accrued Et Due	23,143,610	28,681,167
	<u>90,543,610</u>	<u>112,081,167</u>
<b>5. FIXED ASSETS (see on next page)</b>		
<b>6. INVESTMENTS - At Cost</b>		
In Government Securities		
National Savings Certificate		1,000
<b>In Equity Shares (Quoted)</b>		
800 Equity Shares of Rs.10/- each fully paid up in Super Forging Et Steels Limited (Market Value Rs.2040/-)	2,040	20,000
6,20,000 Equity Shares of Rs.2/- each fully paid up in AKC Steel Industries Ltd. (Market Value Rs.1240000/-)	1,240,000	-
<b>In Equity Shares (Unquoted)</b>		
4,94,750 (Pre.Year 1,07,500) Equity Shares of Rs.10/- each fully paid up in Beekay Steels and Power Ltd (Company under same Management)	19,790,000	4,300,000
	<u>21,032,040</u>	<u>4,321,000</u>

## SCHEDULES FORMING PART OF THE BALANCE SHEET as at 31st March, 2005

### 5 FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2004	Addition during the year	Sold/Discarded/ Adjustments	As on 31.03.2005	Upto 31.03.2004	For the year	On Assets sold/ discarded/ Adjustments	Total	As on 31.03.2005	As on 31.03.2004
<b>LAND &amp; BUILDING</b>										
LAND	10,857,671	2,003,286	-	12,860,957	-	-	-	0	12,860,957	10,857,671
LEASE HOLD LAND	600,000	-	-	600,000	-	-	-	0	600,000	600,000
BUILDING & SHED	71,317,349	4,860,857	642,100	75,536,106	9,468,946	2,270,147	-	11739093	63,797,013	61,848,403
FLAT	4,970,663	2,098,375	-	7,069,038	573,330	118,099	-	691429	6,377,609	4,397,333
LEASE HOLD FLAT	554,810	-	-	554,810	68,909	9,043	-	77952	476,858	485,901
<b>PLANT &amp; MACHINERY</b>										
MACHINERIES	260,169,947	4,825,550	7,011,029	257,984,468	50,509,080	11,269,681	2,683,330	59095431	198,889,037	209,660,867
TUBEWELL & PUMPS ETC.	545,271	30,458	23,659	552,070	347,759	13,004	3,659	357104	194,966	197,512
ROLLS	98,106,931	5,451,627	1,770,030	101,788,528	95,680,265	2,307,939	-	97988204	3,800,324	2,426,666
FURNITURE & FITTINGS	7,878,785	154,026	31,500	8,001,311	3,856,685	436,046	-	4292731	3,708,580	4,022,100
<b>OFFICE EQUIPMENTS</b>										
COMPUTER	2,807,083	463,744	40,000	3,230,827	1,928,506	379,651	15,000	2293157	937,670	878,577
TYPEWRITER	112,840	-	-	112,840	76,793	3,581	-	80374	32,466	36,047
FRANKING MACHINE	11,183	-	-	11,183	10,295	124	-	10419	764	888
INTERCOM, TELEPHONE, TELEX & PAGER	988,753	78,322	8,940	1,058,135	384,449	43,254	14,482	442,185	615,950	604,304
AIR CONDITIONER, REFRIGERATOR, WATER COOLER ETC.	1,899,615	299,941	-	2,199,556	692,737	94,760	5,402	782095	1,417,461	1,206,878
COPYING MACHINE	130,570	80,000	-	210,570	58,972	7,257	-	66229	144,341	71,598
FAX	366,794	10,500	-	377,294	160,474	17,807	-	178281	199,013	206,320
<b>VEHICLES</b>										
MOTOR CAR	7,655,202	2,759,609	1,578,094	8,836,717	3,321,431	715,826	880,499	3156758	5,679,959	4,333,771
MOTOR CYCLE & SCOOTER	785,274	49,900	-	835,174	384,827	61,038	6,370	452,235	382,939	400,447
CYCLE	21,918	2,000	-	23,918	13,552	1,184	394	15,130	8,788	8,366
<b>TOTAL :</b>	<b>469,780,659</b>	<b>23,168,195</b>	<b>11,105,352</b>	<b>481,843,502</b>	<b>167,537,010</b>	<b>17,748,441</b>	<b>3,609,136</b>	<b>181,718,807</b>	<b>300,124,695</b>	<b>302,243,649</b>
WORK-IN-PROGRESS	-	1,425,157	-	1,425,157	-	-	-	-	1,425,157	-
PREVIOUS YEAR :	426,797,297	49,275,789	6,292,427	469,780,659	146,941,830	21,499,362	904,182	167,537,010	302,243,649	-
WORK-IN-PROGRESS	-	4,704,520	-	-	-	-	-	-	4,704,520	-



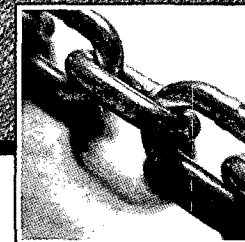


**SCHEDULES FORMING PART OF THE BALANCE SHEET** as at 31st March, 2005

Currency: in thousands of Indian Rupees except share data

	31.03.2005	31.03.2004
<b>7. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Materials	198,967	2,567,828
Finished Goods	56,347,365	48,921,887
Scrap & Cuttings	11,536,602	1,122,088
Stores & Spare Parts	396,856	685,986
Furnace Oil	312,683	475,520
	<u>68,792,473</u>	<u>53,773,309</u>
<b>8. SUNDRY DEBTORS</b>		
(Unsecured considered good)		
Debts Outstanding for a period exceeding Six Months	18,258,454	8,114,600
Other Debts	161,417,347	152,387,632
	<u>179,675,801</u>	<u>160,502,232</u>
<b>9. CASH &amp; BANK BALANCES</b>		
Cash in hand	627,804	508,143
Cash at Bank:		
In Current Accounts	5,292,526	8,294,448
In Fixed Deposit Account	1,242,000	1,247,000
Remittance-in-Transit	124,680	274,680
	<u>7,287,010</u>	<u>10,324,271</u>
<b>10. LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Advance Recoverable in Cash or in kind or for value to be received	62,330,772	21,690,975
Balance with Central Excise	1,694,766	2,157,150
Security & Other Deposits	13,310,975	13,717,719
Advance Payments against Taxes	12,787,328	3,891,101
(Particulars: Value Note No.15 of Schedule 20)		
	<u>90,123,841</u>	<u>41,456,945</u>
<b>11. CURRENT LIABILITIES</b>		
Sundry Creditors	171,768,573	138,478,866
Advance from Customers	11,842,962	17,631,268
Deposit from Dealers	-	10,000,000
Other Liabilities	18,861,210	1,454,780

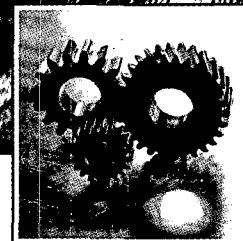




## SCHEDULES FORMING PART OF THE BALANCE SHEET as at 31st March, 2005

Currency: in thousands of Indian Rupees except share data

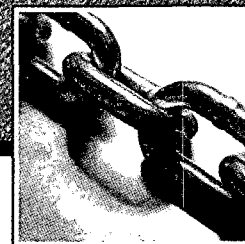
	31.03.2005	31.03.2004
Unpresented Cheques	8,175,997	9,017,392
Unpaid Dividend *	18,775	18,775
	<u>210,617,517</u>	<u>176,601,081</u>
<p>* There are no amounts due an outstanding to be credited to investors' Education &amp; Protection Fund as envisaged in clause(a) to (e) of Sub section 2 of Section 5(c) of the Companies Act, 1956</p>		
<b>12. PROVISIONS</b>		
Provision for Income-tax	12,860,000	4,335,000
Provision for Gratuity	1,612,655	1,525,272
	<u>14,472,655</u>	<u>5,860,272</u>
<b>13. MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Share Issue Expenses	43,945	87,890
Deferred Revenue Expenditure	68,906	12,197
	<u>112,851</u>	<u>100,087</u>



**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT as at 31st March, 2005**

Currency: in thousands of Indian Rupees except share data

	31.03.2005	31.03.2004
<b>14. OTHER INCOME</b>		
Interest	603,216	526,750
Sundry Balance Written Back	188,451	745,942
Miscellaneous Receipt	693,302	837,385
Profit/(Loss) on Sale of Fixed Assets	6,638	(199,436)
	<u>1,491,607</u>	<u>1,910,641</u>
<b>15. ACCRETION/(DECRETION) IN STOCK</b>		
Opening Stock	52,611,803	99,315,896
Closing Stock	68,082,934	52,611,803
	<u>15,471,131</u>	<u>(46,704,093)</u>
<b>16. MANUFACTURING EXPENSES</b>		
Stores Consumed	9,780,633	6,214,199
Wages & Labour Charges	23,797,723	14,145,041
Processing Charges	-	193,748
Power & Fuel	92,715,016	69,130,585
Repairs to Building & Shed	631,726	6,850
Repairs to Machinery	5,808,755	2,218,622
Freight, Carriage & Octroi Charges	10,929,805	1,273,057
Testing & Inspection Charges	97,618	193,289
Machinery Hire Charges	1,829,150	1,416,400
Entry Tax	192,288	-
Royalty on Machinery	339,180	265,000
	<u>146,121,894</u>	<u>95,056,791</u>
<b>17. PERSONEL EXPENSES</b>		
Salary & Bonus	7,099,042	5,917,921
Payment to/Provisions for Management Personnel	1,091,700	424,700
Contribution to Employees provident & Other Funds	659,893	607,745
Workmen and Staff Welfare Expenses	465,654	336,493
Payment to Gratuity	-	130,119
Provision for Gratuity	106,075	141,062
	<u>9,422,364</u>	<u>7,558,040</u>

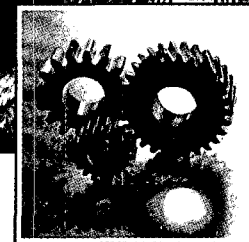


**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT as at 31st March, 2005**

Currency: in thousands of Indian Rupees except share data

	31.03.2005	31.03.2004
<b>18. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Payment to Auditors	120,000	104,350
Internal Audit Fees	-	81,000
Rent	1,412,986	1,422,305
Insurances	2,894,461	350,981
Licence, Rates & Taxes	971,039	420,640
Motor Car Expenses	1,046,918	1,333,504
Security Service Charges	1,207,382	1,132,584
Legal & Professional Service Charges	675,540	499,455
Telephone Charges	1,460,416	1,586,398
Electric Charges	710,381	784,510
Travelling & Conveyance	884,656	597,595
Foreign Tour Expenses	441,403	-
Printing & Stationery	482,538	415,214
Bank Charges, Commission and Other Charges	2,334,379	1,940,930
Donation & Subscription	588,253	45,406
Advertisement	452,497	156,541
Sales Promotion	1,024,218	585,257
Brokerage & Commission	1,621,785	672,770
Sales Tax	30,638,150	23,752,385
Market Fees	10,944	8,361
Transportation Octroi & Other Exp.(Outward)	17,328,362	10,343,816
Bad Debt Written off	4,710,000	1,542,648
Share Issue Expenses Written off	43,945	43,944
Miscellaneous Expenses	3,010,700	2,625,676
Diminution in value of investment	17,960	-
	<u>74,138,913</u>	<u>50,446,270</u>





## SCHEDULES FORMING PART OF THE ACCOUNTS

### 19 SIGNIFICANT ACCOUNTING POLICIES

**1. Accounting Convention:**

The Financial Statements are prepared under the historical cost convention using the accrual method of accounting and in accordance with the provisions of the Companies Act, 1956.

**2. Sales:**

Sales are recognised net of returns and trade discount on despatch of goods to customers and are reflected in the accounts of gross realisable value i.e. inclusive of Excise Duty and Sales Tax.

**3. Excise Duty**

- a) Excise Duty recovered are included in Sale of goods & merchandise.
- b) Excise Duty on Closing Stock of finished products lying at factory premises is not provided for and also not included in the valuation of Inventories.

**4. Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation, and impairment loss. The cost of fixed assets includes inward freight, taxes and other incidental expenses incurred to bring the assets to their working condition for intended use but exclusive of Cenvat wherever claimed.

**5. Depreciation:**

Depreciation is provided at the rate and in the same manner prescribed in Schedule XIV of the Companies Act, 1956.

- a) In respect of assets acquired upto 31st March, 1991, on written down value method.
- b) In respect of assets acquired on or after 1st April, 1991, on straight line method.

**6. Capital Work-in-Progress**

Capital work-in-Progress are carried at cost, comprising direct cost, related incidental expenses attributable thereon.

**7. Inventories:**

- a) Raw Materials and Stores are valued at lower of cost exclusive of excise duty or net realizable value.
- b) Finished Goods and Scraps are valued at lower of Cost of Production or net realizable value after providing for obsolescence and other losses where considered necessary.

**8. Investments:**

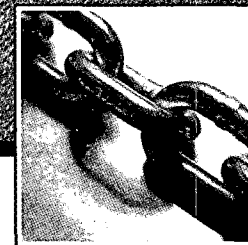
Long term investments are stated at cost less provision for permanent diminution in value of such investment and current investment are stated at lower cost and fair value

**9. Retirement Benefits:**

- a) Liability for Gratuity is ascertained by the management as on the year end every year and provided in accounts accordingly. Payments are accounted for on the basis "Pay-as-You-go" Method on or after the death / retirement of the employees.
- b) Contribution to provident fund and superannuation fund are accounted for on accrual basis with corresponding contribution to recognised funds.

**10. Research & Development:**

Revenue Expenditure on research and development is charged against the Profit of the year in which it is incurred



## SCHEDULES FORMING PART OF THE ACCOUNTS

### 11. Bonus:

Liability for bonus is provided for on estimation basis subject to final settlement made in the following years while making the payment to employees. The Bonus estimates for the financial year has been provided in the accounts as per regular payment made to employees.

### 12. Provision for Income Tax:

Income tax provision comprises of current tax and deferred tax. Current tax provision has been determined after considering all deductions available under Income-tax Act, 1961. Deferred tax is recognised for all timing differences subject to the consideration of prudence applying the tax rates that have been substantively enacted by the balance sheet date.

### 13. Impairment Assets

Impairment is ascertained as each balance sheet date in respect of cash generating units. An impairment loss is recognised wherever the carrying amount of an assets exceeds its recoverable value.

### 14. Miscellaneous Expenditure

Share issue and preliminary expenses are charged to revenue on a deferred basis as per provision of section 35D of Income-tax Act, 1961.

## 20 NOTES ON ACCOUNTS

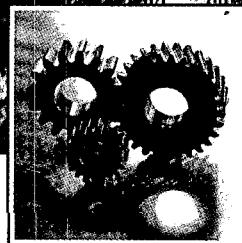
### 1. The Company is contingently liable in respect of :

- i) Guarantee of Rs.62,00,000/- (Previous year Rs.60,00,000/-) issued by Banks in favour of certain parties against which Bank Fixed Deposit Receipts of Rs.12,42,000/- (Previous year Rs.12,47,000/-) are lying lodged with the Banks
- ii) Claims against the Company disputed and not acknowledged as debts in respect of :
  - a) Sales Tax Rs.3,07,860/- (Previous year Rs.4,86,126/-) pending with commissions of sales tax, Kolkata and the matter is now in appeal.
  - b) Central Excise Duty Rs.38,97,739/- (Previous year Rs.8,31,204/-)
  - c) Service Tax Rs.15,103/- (Previous year Rs.Nil) pending with commissions of Central Excise (Appeal), Patna.
- iii) Annual Minimum Guarantee charges of Rs.48,02,065/- (Previous year Rs.48,02,065/-) for supply of electricity at Jamshedpur Works is pending before the Hon'ble High Court at Ranchi. However, Rs.16,50,000/- (Previous year Rs.16,50,000/-) paid as per order of the said High Court have been shown under Loans & Advances.
- iv) Estimated amount of capital contract Rs.1957309/- (Previous Year Rs. Nil)

2. Pending Final Settlement, liability of Bonus Rs.4,62,480/- (Previous year Rs.4,14,993/-) has been taken on estimation basis.

3. Balance of Parties' accounts are subject to confirmation & reconciliation.

4. The liability for Gratuity as on 31st March, 2005 has been ascertained as Rs.16,12,655/- (Previous year Rs.15,25,272/-) and provided accordingly. Payment of Rs.Nil (Previous year Rs.1,30,119/-) made during the year has been charged to Accounts.



## SCHEDULES FORMING PART OF THE ACCOUNTS

5. There is no small scale industries to whom the Company owes which are outstanding more than 30 days at the balance sheet date.
6. Excise Duty on Closing Stock amounting Rs.15,42,333/- to be cheque (Previous year Rs.2,14,874/-) on manufactured goods lying in factory premises has not been provided and not included in the valuation of Stock-in-Trade. However, it has no impact on the Profit Et Loss Account.

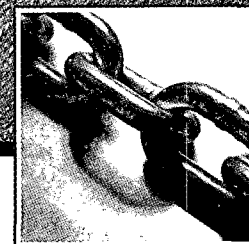
	Current Year Amt.(Rs.)	Previous Year Amt.(Rs.)
<b>7. Payment to Auditors includes</b>		
i) Audit Fees	100,000	78,750
ii) Tax Audit Fees	20,000	10,500
iii) Fees for Taxation Matters	-	10,000
iv) Out of Pocket Expenses	-	5,100
	<u>120,000</u>	<u>104,350</u>
<b>8. Payment to / Provision for Management Personnel</b>		
i) Monthly Remuneration	960,000	360,000
ii) Employee's Contribution to P.F.	115,200	43,200
iii) Meeting Fees	16,500	21,500
iv) Other Benefits (Included in respective heads of account)	293,750	196,250
	<u>1,385,450</u>	<u>620,950</u>

### 9. Segment Report

The Company's operation predominantly comprises one single reportable segment i.e. manufacture and sale of steel rods and bars as per Accounting Standard - 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

10. Transactions with related parties pursuant to Accounting Standard - 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

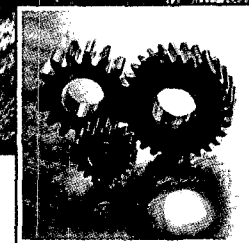
Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction	Amount Outstanding
1. Radice Ispat (I) Ltd.	Associate Company	Sale of Machinery	2,687,313 (228,185)	2,033,800 (1,802,873)
	- do -	Rent/Electricity	76,833 (24,000)	9,209 (20,560)
2. Manav Ispat Ltd.	- do -	Rent	6,000 (6,000)	- (6,000)
3. Manvik Estate (P) Ltd.	- do -	- do -	6,000 (6,000)	- (6,000)



## SCHEDULES FORMING PART OF THE ACCOUNTS

Name of the Party	Nature of Relationship	Nature of Transaction	Amount of Transaction	Amount Outstanding
4. Venkatesh Steel & Alloys P. Ltd.	- do -	- do -	6,000 (6,000)	- (5,000)
		Sale of Machinery	1,151,106 (247,332)	15,528 (247,332)
5. Beekay Associates (P) Ltd.	- do -	Rent & Electric	290,714 (312,540)	365,714 (345,000)
6. Metropolis Estates (P) Ltd.	- do -	- do -	350,829 (369,383)	350,829 (166,211)
7. Beekay International	- do -	Sales	- (3,106,319)	- -
8. Allied Steel Products	Associate Enterprises	Conversion Charges	- -	- (385,571)
9. Bengal Steel Trading Co.	- do -	Sales	- -	- (9,310,852)
10. Emerald Suppliers (P) Ltd.	Associate Company	Rent/Electricity	189,501 (216,680)	398,632 (299,987)
11. Pleasants Holding (P) Ltd.	- do -	Rent & Electric	358,743 (235,284)	358,743 (71,585)
12. B.P. Spring & Engg. (P) Ltd.	- do -	Sale of Machinery	573,710 -	309,000 -
13. Suresh Chand Bansal	Key Management person	Managerial Remuneration	360,000 (120,000)	3,614 (10,750)
14. Mukesh Chand Bansal	- do -	- do -	360,000 (120,000)	25,326 (9,250)
15. Vikas Bansal	- do -	- do -	240,000 (120,000)	13,170 (15,400)
16. Beekay Steel and Power Ltd.	Associate Company	Investment	15,490,000 (4,300,000)	1,914,368 (4,300,000)
		Sale of Assets/ Misc. Items	407,753 (4,368)	407,753 (4,368)
17. AKC Steel Industries Ltd.	- do -	Sale of Assets/ Misc. Items	2,605,115 (4,999,452)	3,613,168 (1,008,053)





## SCHEDULES FORMING PART OF THE ACCOUNTS

### 11. Earning per Share (EPS)

The numerator and denominator used to calculate earnings per share:

	Year Ended 31.03.2005	Year Ended 31.03.2004
Profit attributable to the Equity Shareholders (A)	68,426,729	36,534,196
Basic/Weighted average number of Equity Shares (B)	1,991,940	1,991,940
Face value of Equity Shares	10/-	10/-
Earnings per Shares (Rs.) [(A) / (B)]	34.35	18.34

### 12. Deferred Taxation

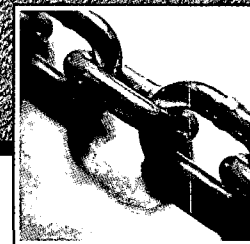
During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

The movement for Deferred Tax is given below:

Particulars	Opening as on 01.04.2004 (Rs.)	Charge during the year (Rs.)	Closing as on 31.03.2005 (Rs.)
Deferred Tax Liability			
Timing difference of Depreciation	42,938,506	9,678,213	52,616,719
Net Deferred Tax Liability	42,938,506	9,678,213	52,616,719

### 13. Additional information pursuant to Part-II of Schedule - VI of the Companies Act, 1956. Particulars in respect of production, consumption, purchases, turnover and stocks.

Description :	Current Year		Previous Year	
	Qty. (M/T)	Value (Rs.)	Qty. (M/T)	Value (Rs.)
a) Licensed Capacity				
i) Steel Bars & Rods	276,000	-	276,000	-
ii) Steel Ingots	50,000	-	50,000	-
b) Installed Capacity				
i) Steel Bars & Rods	276,000	-	276,000	-
ii) Steel Ingots	18,000	-	18,000	-
c) Actual Production				
i) Steel Bars & Rods :				
Own Factory *	1,456	-	3,048	-
ii) Scraps & Cuttings (Arising) **	6,607	-	1,408	-
d) Conversion of parties Materials				
Steel Bars & Rods	114,335	-	75,809	-

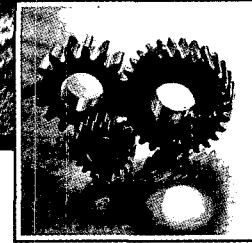


## SCHEDULES FORMING PART OF THE ACCOUNTS

Description :	Current Year		Previous Year	
	Qty. (M/T)	Value (Rs.)	Qty. (M/T)	Value (Rs.)
<b>e) Consumption of Raw Materials</b>				
Ingots & Billets	-	-	-	-
From Outside Purchases ***	-	-	3,173	32,670,377
Stores & Spares Parts	-	9,780,633	-	6,214,199
<b>f) Purchases</b>				
Steel Bars & Rods	36,412	1,015,698,350	34,182	710,785,606
<b>g) Turnover</b>				
Sale of Steel Bars & Rods ****	44,415	1,149,084,650	42,518	894,851,125
Conversion Charges (Parties Materials)	116,856	387,433,390	77,044	249,376,574
		<u>1,536,518,040</u>		<u>1,144,227,699</u>
<b>h) Opening Stock</b>				
i) Steel Bars & Rods	2,544	48,921,887	4,468	71,822,776
ii) Scraps & Cuttings	88	1,122,088	1,015	9,260,080
		<u>50,043,975</u>		<u>81,082,856</u>
<b>i) Closing Stock</b>				
i) Steel Bars & Rods	2,025	56,347,365	2,544	48,921,887
ii) Scraps & Cuttings	1,181	11,536,602	88	1,122,088
		<u>67,883,967</u>		<u>50,043,975</u>
<b>j) Values of Imports on CIF Basis in Respect of Components &amp; Spare Parts</b>	-	-	-	-
<b>k) Expenditure in Foreign Currency Tour Expenses</b>	-	441,403	-	-
	Amt.(Rs.)	(%)	Amt.(Rs.)	(%)
<b>l) Break up of Stores &amp; Spares parts Consumed</b>				
i) Imported	-	-	-	-
ii) Indigenous	9,780,633	100	6,214,199	100
<b>m) Break up of Raw Material Consumed</b>				
i) Imported	-	-	-	-
ii) Indigenous	-	-	32,670,377	100

## Note:

- \* Production includes processed from outside Nil (Previous year 63 M/T) and 1456 M/T (Previous year Nil) arisings from job work.
- \*\* Includes 6607 M/T (Previous year 560 M/T) arisings from job work.
- \*\*\* Includes Nil (Previous year 1310 M/T) arising from job work.
- \*\*\*\* Turnover includes Scrap & End Cuttings of 5514 M/T & Raw Materials of 514 M/T (Previous year Scrap of 2335 M/T & Raw Materials of 1029 M/T).



## SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2005	31.03.2004
<b>14. Particulars of Sundry Debtors</b>		
i) a) Amount due from Companies under the same the same Management Radice Ispat (I) Ltd.	2,168,520	1,802,873
b) Maximum Amount due at any time during the year Radice Ispat (I) Ltd.	2,168,520	1,802,873
ii) Debts due by firms in which some Directors are partners	-	385,571
<b>15. Particulars of Loans &amp; Advances</b>		
Amount due by Private Company in which some Directors are director	-	32,828

16. The figures of the previous year have been regrouped/re-classified to confirm with the figures with the Current year.

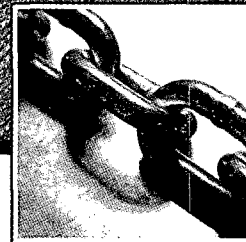
Signatures of Schedule 1 to 20 forming part of Balance Sheet and Profit & Loss Account.

For RUSTAGI & ASSOCIATES  
Chartered Accountants  
S.K.RUSTAGI - Partner

59, Bentick Street, Kolkata - 700 069.  
Date: 29 th August,2005

On behalf of the board

Suresh Chand Bansal  
Chairman cum Managing Director



## SCHEDULES FORMING PART OF THE ACCOUNTS

### III. BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE IV OF COMPANIES ACT, 1956.

<b>I. Registration Details :</b>	
Registration No.	: 33490 of 1981
State Code.	: 21
Balance Sheet Date	: 31.03.2005
<b>II. Capital Raised During the year</b>	
Public Issue	: Nil
Rights Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil
<b>III. Position of Mobilisation and Deployment of Fund :</b>	
(Amount in Rs.)	
Total Assets	: 668,623,868
Total Liability	: 668,623,868
<b>Sources of Funds :</b>	
Paid up Capital	: 20,106,650
Reserve & Surplus	: 215,997,277
Secured Loans	: 64,169,440
Unsecured Loans	: 90,543,610
Deferred Tax Liability	: 52,616,719
<b>Application of Funds :</b>	
Net Fixed Assets	: 300,124,695
Capital Work In Progress	: 1,425,157
Investments	: 21,032,040
Net Current Assets	: 120,738,953
Miscellaneous Expenditure	: 112,851
Accumulated Losses	: -
<b>IV. Performance of the Company :</b>	
(Amount in Rs.)	
Total Income	: 1,363,941,590
Total Expenditure	: 1,277,311,648
Profit Before Tax	: 86,629,942
Profit After Tax	: 68,426,729
Earning Per Share	: 34.35
Dividend Rate (%)	: Nil
<b>V. Generic Names of there principal Products/Services of the Company :</b>	
(As per Monetary terms)	
Item Code No.	: I.T.C. Code Nos.
Iron & Steel Bars & Rods	: 72.13
Iron & Steel Ingots or Other Primary Forms	: 72.06

For RUSTAGI & ASSOCIATES  
Chartered Accountants  
S.K.RUSTAGI - Partner

59, Bentick Street, Kolkata - 700 069.  
Date: 29 th August,2005

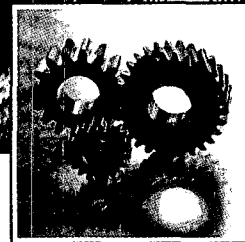
On behalf of the board

Suresh Chand Bansal  
Chairman cum Managing Director





**BEEKAY STEEL INDUSTRIES LTD.**



## **AUDITORS' CERTIFICATE**

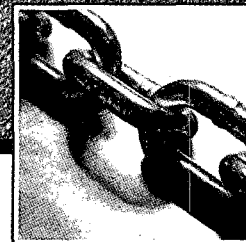
To,  
The Board of Directors,  
**BEEKAY STEEL INDUSTRIES LIMITED**  
2, N.C. Dutta Sarani,  
Kolkata - 700 001

We have examined the attached Cash Flow Statement of **BEEKAY STEEL INDUSTRIES LIMITED** for the year ended 31st March, 2005. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 29th August, 2005 to the members of the Company.

59, Bentinck Street, Kolkata - 700 069.  
Date: 29th August, 2005

For RUSTAGI & ASSOCIATES  
Chartered Accountants

(S.K.RUSTAGI)  
Partner  
Mem.No.51860



## CASH FLOW STATEMENT for the year ended 31st March, 2005

Currency: in Lacs of Indian Rupees except share data

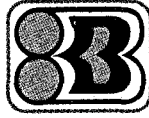
	Current Year	Previous Year
<b>A. NET PROFIT BEFORE TAX AND EXTRA - ORDINARY ITEMS</b>	866.30	542.23
Adjustment for :		
Depreciation	177.48	214.99
Gratuity	(1.06)	(1.41)
Interest Income	(6.03)	(5.27)
Interest Expenses	141.81	183.11
Other Income	(8.82)	(96.15)
Profit / Loss on Sale of Fixed Assets	0.06	1.99
	<b>1,169.74</b>	<b>839.49</b>
<b>Operating Profit before Working Capital Changes</b>		
Decrease / Increase in Trade and other Receivables	(589.45)	(114.80)
Decrease / Increase in Inventories	(150.19)	502.29
Decrease / Increase in Trade Payables	332.79	(369.63)
	<b>762.89</b>	<b>857.35</b>
<b>Cash Generated from Operations</b>		
Interest Paid	(141.81)	(183.11)
Direct Taxes - Refund / (Paid)	(81.33)	(7.11)
<b>Net Cash from Operating Activities</b>	<b>539.75</b>	<b>667.13</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital Work-in-Progress	(198.89)	(539.80)
Sale of Fixed Assets	75.76	53.36
Investment in Shares	(167.29)	(43.00)
Interest Received	6.03	5.27
Other Income	8.82	96.15
<b>Net Cash used in Investing Activities</b>	<b>264.18</b>	<b>239.11</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Loan Funds (Net)	(294.55)	(264.31)
<b>Net Decrease / Increase in Cash &amp; Cash Equivalent</b>		
Opening Cash & Cash Equivalents	(30.37)	(25.20)
Closing Cash and Cash Equivalents	103.24	128.44
	<b>72.87</b>	<b>103.24</b>
<b>Note: Cash and Cash Equivalents at the end of the year</b>		
Cash and Bank Balances	71.63	100.49
Remittances in transit	1.24	2.75
	<b>72.87</b>	<b>103.24</b>

For RUSTAGI & ASSOCIATES  
Chartered Accountants  
S.K.RUSTAGI - Partner

59, Bentick Street, Kolkata - 700 069.  
Date: 29 th August,2005

On behalf of the board

Suresh Chand Bansal  
Chairman cum Managing Director



**BEEKAY STEEL INDUSTRIES LIMITED**

Registered Office : Sagar Estate, 6th Floor  
2, N.C. Dutta Sarani, Kolkata - 700 001

**FORM OF PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of Beekay Steel Industries Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
of failing him of \_\_\_\_\_  
of \_\_\_\_\_

as may/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held on saturday 24th September, 2005 at 11.30 a.m. at Registered office of the Company at "Sagar Estate" 2, N.C. Dutta Sarani, Kolkata - 700 001 and at any adjournment thereof.

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_ 2005  
signed by the said

Affix  
Revenue  
Stamp here

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Note: The proxy be deposited at the Registered Office of the Company "Sagar Estate" 2, N.C. Dutta Sarani, Kolkata - 700 001 not less than 48 hours before the commencement of the meeting.





www.beckaysteel.com

E-mail: [contact@beckaysteel.com](mailto:contact@beckaysteel.com)

Tel: +91-33-2213 0628/0629, 2230 0639, Fax: +91-33-2210 5640/41

Sagar Estate, 6th floor, 2 N.C. Dutta Sarani, Kolkata - 700 001

**BECKAYSTEEL**  
INDUSTRIES LIMITED

