



BHUSHAN

THE DIVERSE SHADES OF STEEL

BHUSHAN STEEL LIMITED
The Future of Steel

ANNUAL REPORT 2012-13

Forward Looking Statement:

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

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

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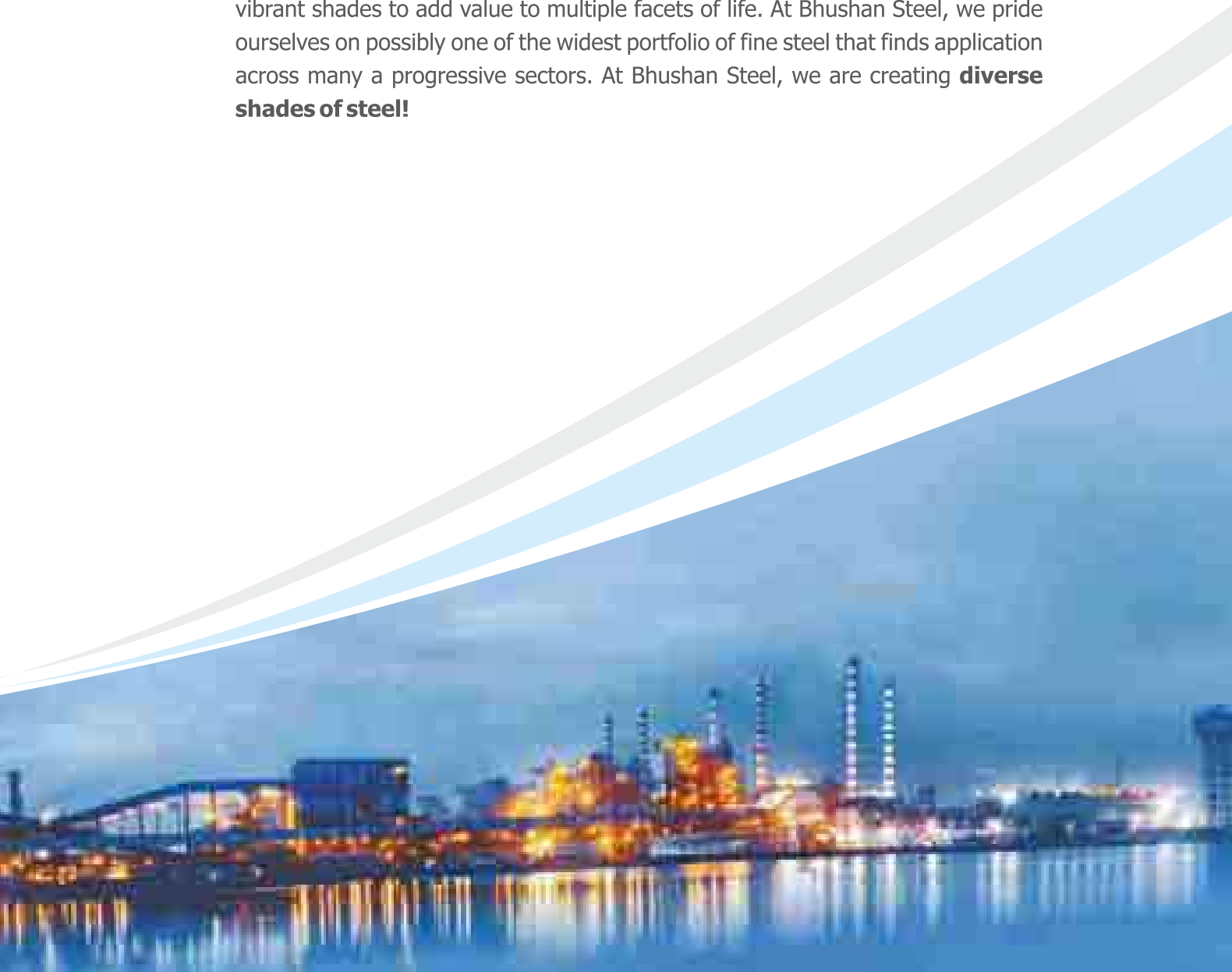
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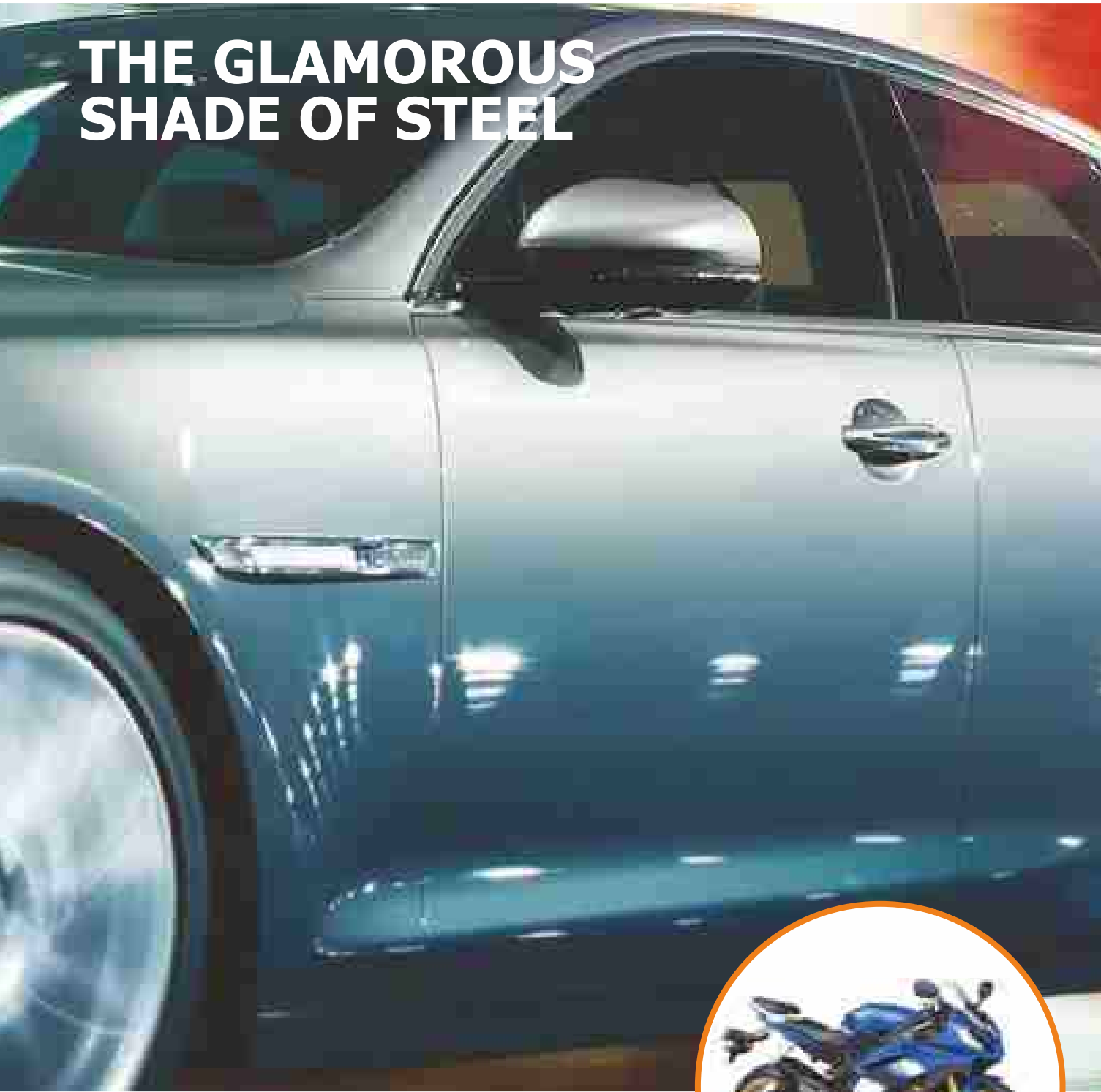
THE DIVERSE SHADES OF STEEL

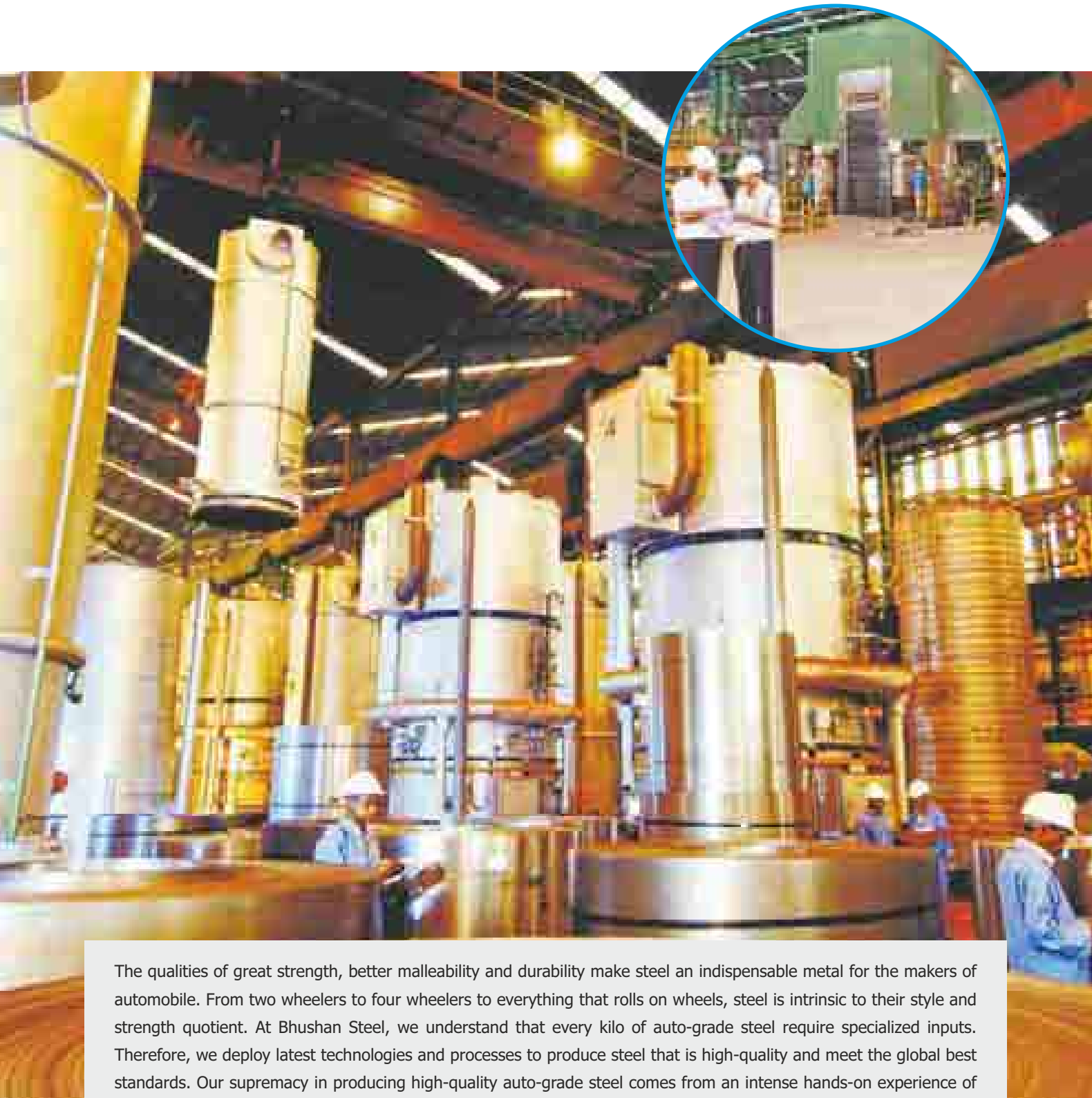
Steel, a barometer of socioeconomic growth, has a major influence in our lives. Being a vital ingredient of progressive living and society, it takes various forms to enhance life. Steel is the backbone of all large civic infrastructures such as roads, rail, ports, airports, schools, hospitals and modern marketplaces. Steel adds durability to household consumer durables such as refrigerators, washing machines, ovens and microwaves. Steel brings strength and style in automobiles such as cars, buses and metro coaches. Not surprising, steel surrounds and enables our lives 24x7.

As one of India's leading value-added high-quality steel maker, we understand its diverse characteristics. We leverage our expertise to give steel its most diverse and vibrant shades to add value to multiple facets of life. At Bhushan Steel, we pride ourselves on possibly one of the widest portfolio of fine steel that finds application across many a progressive sectors. At Bhushan Steel, we are creating **diverse shades of steel!**



THE GLAMOROUS SHADE OF STEEL

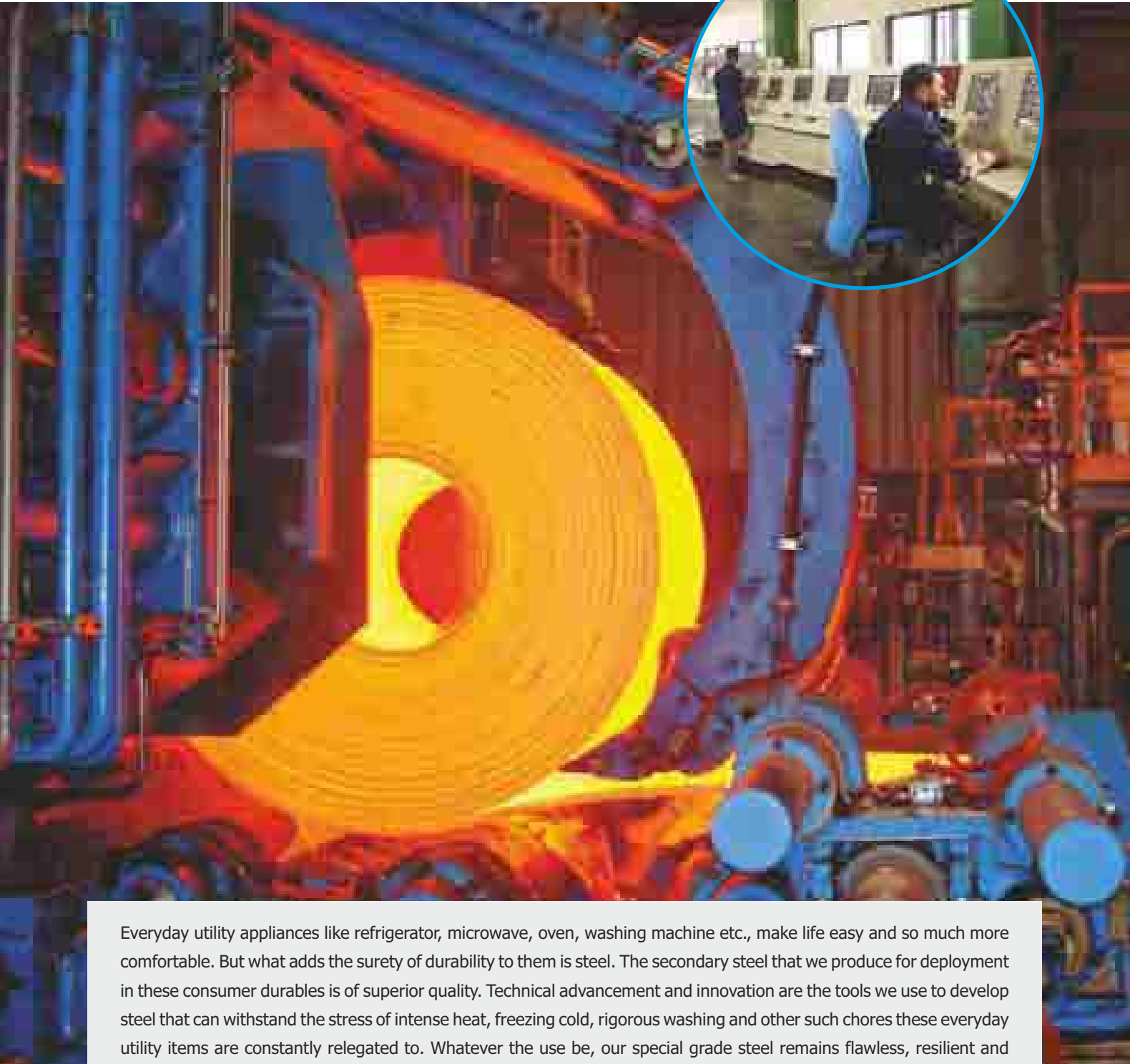




The qualities of great strength, better malleability and durability make steel an indispensable metal for the makers of automobile. From two wheelers to four wheelers to everything that rolls on wheels, steel is intrinsic to their style and strength quotient. At Bhushan Steel, we understand that every kilo of auto-grade steel require specialized inputs. Therefore, we deploy latest technologies and processes to produce steel that is high-quality and meet the global best standards. Our supremacy in producing high-quality auto-grade steel comes from an intense hands-on experience of nearly two and a half decades coupled with close technical collaboration with some globally renowned technology partners. Producing nothing less than best quality steel, we have today become the supplier of choice for leading OEMs across the automobile industry. True, our steel is adding the shade of glamour to the cars, bikes and commercial vehicles of major automotive brands like Maruti Suzuki, Mahindra & Mahindra, Tata Motors and Ashok Leyland among others.

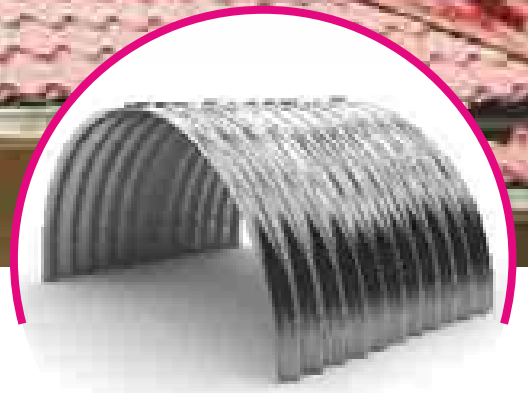
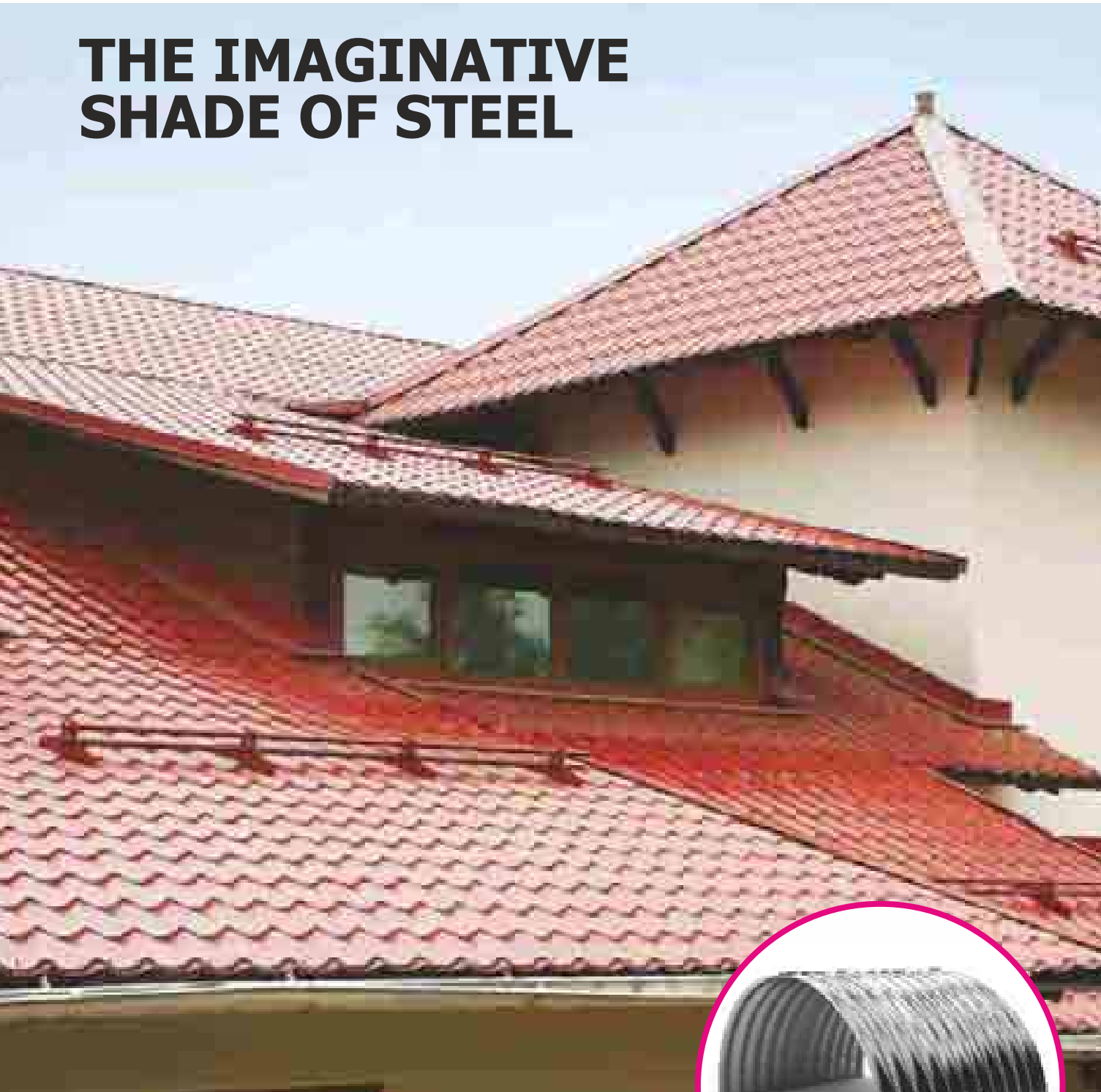
THE ELEGANT SHADE OF STEEL





Everyday utility appliances like refrigerator, microwave, oven, washing machine etc., make life easy and so much more comfortable. But what adds the surety of durability to them is steel. The secondary steel that we produce for deployment in these consumer durables is of superior quality. Technical advancement and innovation are the tools we use to develop steel that can withstand the stress of intense heat, freezing cold, rigorous washing and other such chores these everyday utility items are constantly relegated to. Whatever the use be, our special grade steel remains flawless, resilient and lasting. Our long-standing relationship with consumer goods giants like LG Electronics and Whirlpool is testament to our outstanding performance, experience, ability to provide customized solutions and moreover the superior & unsurpassed quality of our steel.

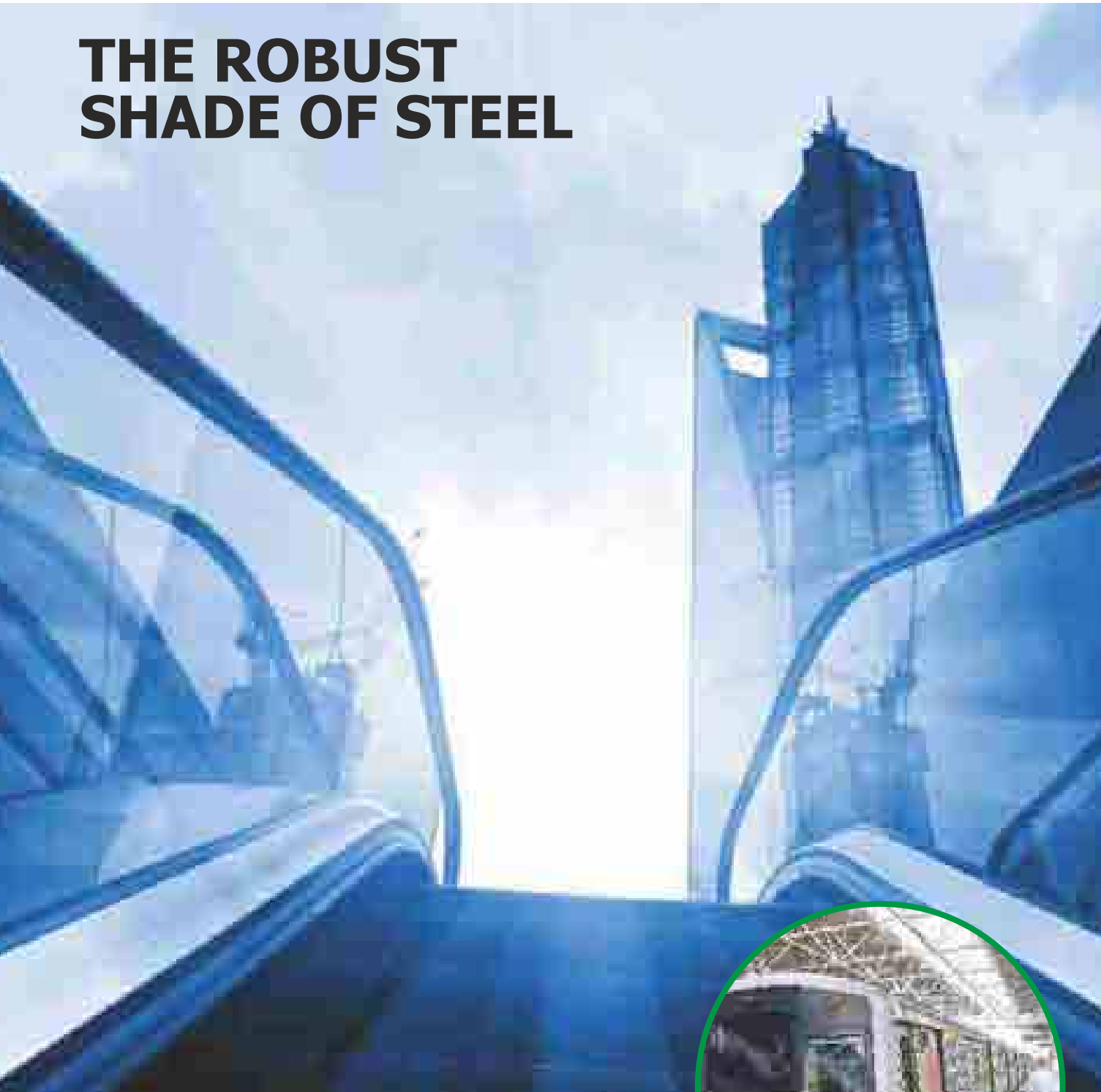
THE IMAGINATIVE SHADE OF STEEL





Owning a house of one's own is the ultimate dream of every individual. But what would make it last for generations is the use of quality steel products. At Bhushan Steel, we are committed to manufacture steel that is not only high in quality but can also stand the test of time. The high chromium content of our steel makes it resistant to corrosion. Meaning the years of wear and tear a house goes through, our roofing solutions will strongly face them and yet stand unbeatable in value, efficiency and economy. Our pre-coated steel, roofing sheets and galvanized coils have been used in many a housing, commercial and retail spaces across the country. The delighted customers and the superlative aesthetic appeal of the end products are often the result of the imagination we apply while developing our wide range of products for the infrastructure industry, which include colour coated sheets, galume, ERW pipes, wire rods, drawn tubes and tempered steel strips among others.

THE ROBUST SHADE OF STEEL

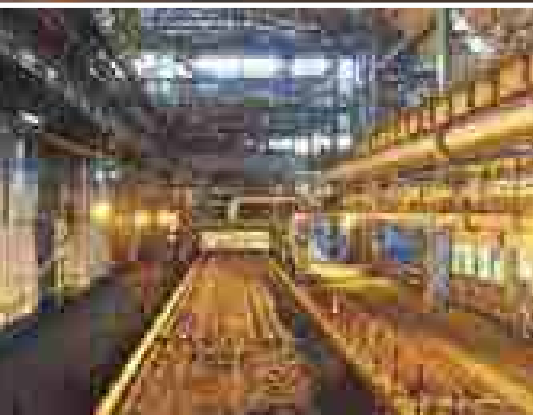




As a core ingredient in construction, steel has come a long way over the last two centuries. While ancient infrastructure marvels like the Eiffel Tower in Paris and Howrah Bridge over Hooghly River in Kolkata sing laurels to the amazing capabilities of this ingenious building material; steel has taken center stage in development of modern infrastructure. The robustness, the definitive grip, stability and the flexibility it adds to structures ranging from highways, roads, bridges, flyovers to pre-engineered buildings (PEB) etc., remains unmatched. With the trend of PEBs fast catching up, the demand for our steel is expected to accelerate in the coming years. With the bridging of infrastructure deficit over coming years, India's per capita steel consumption is poised to steadily grow. Our primary as well as secondary steel manufacturing capacities are rightly placed to maximize from the future growth opportunities in domestic as well as exports markets.

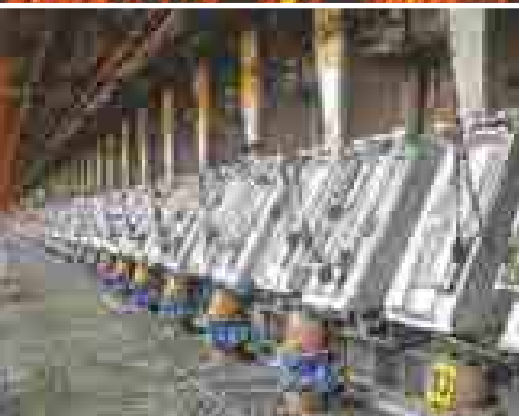
INTEGRATED STEEL & POWER COMPLEX

Completion of the ongoing Phase III expansion at our integrated steel complex at Meramandali, Odisha is a historical milestone in our journey of becoming a vertically integrated steel producer with matching upstream and downstream capacities. Deploying best-in-class technologies, machineries and processes, the facility is poised to set industry benchmarks in product quality and manufacturing. Considering the total installed capacity of 4.7 MnTPA of primary steel, developed over three well defined phases, our integrated steel complex has set a new industry benchmark in terms of construction time as well as capex per tonne of installed capacity in India. Our installed capacity, accordingly, is rising to 4.7 MnTPA from earlier 2.2 MnTPA of primary steel. The facility is equipped to manufacture hot-rolled coils and billets. Key facilities at the unit

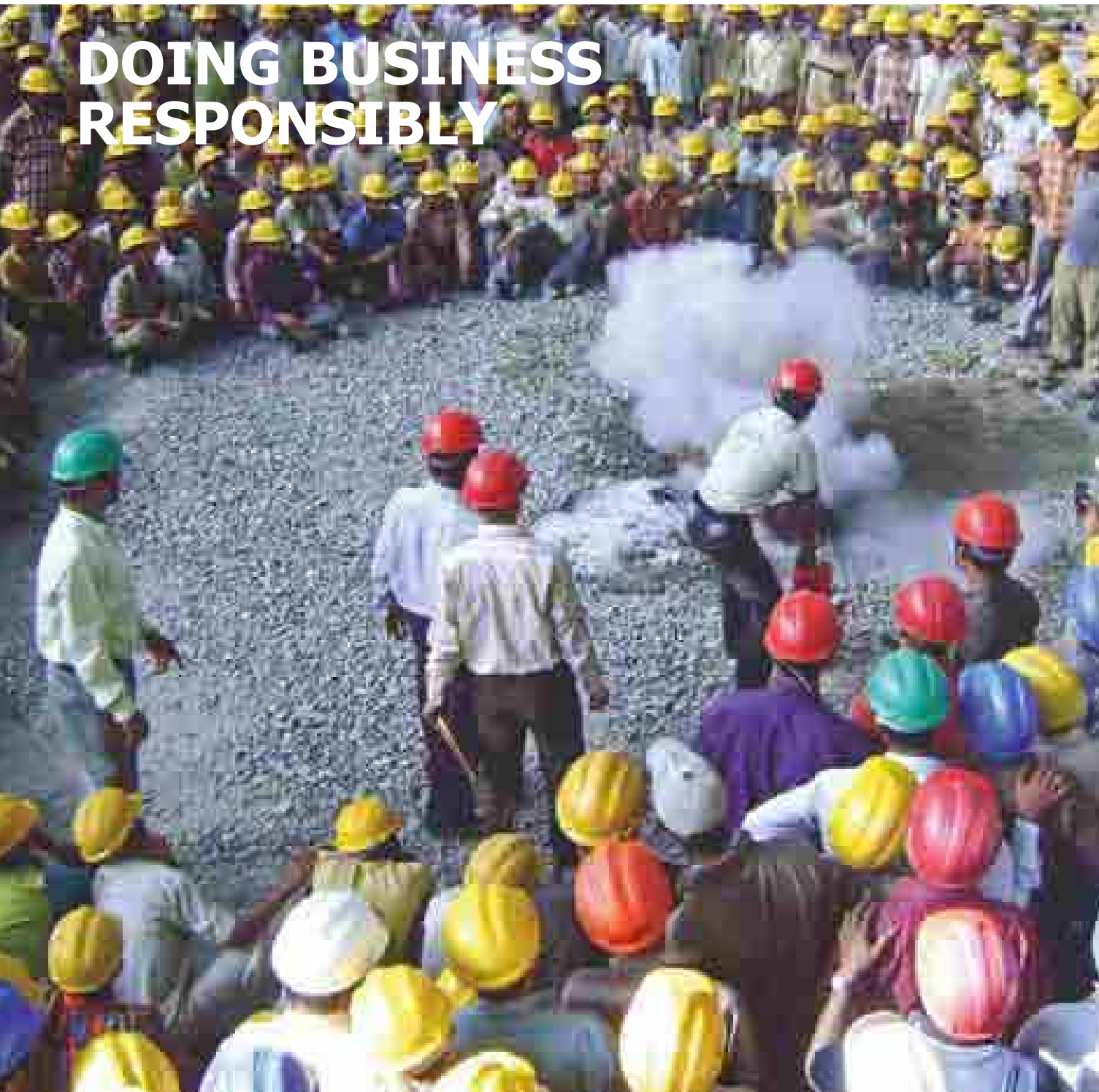


include basic oxygen furnace, blast furnace, pig caster, oxygen plant, coke oven plant, sinter plant and slab caster among others.

The Meramandali plant is strategically located in the iron-ore rich state of Odisha and poised to meet its iron ore requirements from mines located in close proximity. With Paradip port located just 180 Kms away, the facility has easy and fast access to international sea-routes for importing specific raw materials as well as exporting finished products. With this increased installed capacity, we will soon be rolling out enhanced supplies in the steel deficit India. With this momentous feat, we are catapulting ourselves into the bigger league of Indian Steel Industry.



DOING BUSINESS RESPONSIBLY





At Bhushan, working towards a progressive society and environment conservation are intrinsic to our being. Environment, Health and Safety are accorded adequate prominence. We deploy a structured health and safety plan for our employees. We organize health camps for our employees and their families. The benefits of these camps are extended for residents of surrounding villages including those from the underprivileged sections. We have set up a rehabilitation colony at Asanabani. As part of the safety measures taken up by us, we have constituted a central safety committee at apex level and sub-committees at department level to solve any health & safety related problems and develop safe and secure methods of work. We celebrate 'World Safety Day' at our various plant sites from time-to-time in order to create awareness among our employees on safety measures to be taken while working at the plants. We encourage our employee family to remain sensitive to the needs of the environment and to make them more inclined towards the cause of a healthy environment. We also organize 'World Environment Day' where all the employees are encouraged to plant saplings in order to keep the air clean and pollution levels under control. Emission levels at our units are constantly monitored, online, through control rooms.

THIS IS BHUSHAN STEEL

ABOUT US:

Incorporated in 1989, Bhushan Steel is a leading integrated steel & power producer in India with annual revenues of ₹11,800 crore (FY13). Headquartered at New Delhi, India, the company is headed towards an installed capacity of about 7 MnTPA (post completion of phase III) of steel making (4.7 MnTPA of primary and 2.2 MnTPA of secondary) and 840 MW (including Bhushan Energy Limited) of power. Company's all manufacturing facilities are strategically located with respect of proximity to customers, raw material and export infrastructure. While its Sahibabad (U.P.) and Khopoli (Maharashtra) facilities are downstream ones, its integrated steel & power complex at Meramandali (Odisha) has upstream as well as downstream facilities.

The Company's business operations span the entire steel value chain – from iron ore to highest value-added finished steel. Bhushan Steel is a dominant supplier of OEM grade value-added steel to automobile and consumer durable sectors. Besides this the Company's products find application in infrastructure segment too and its products are exported to more than 30 countries across the globe, besides India.

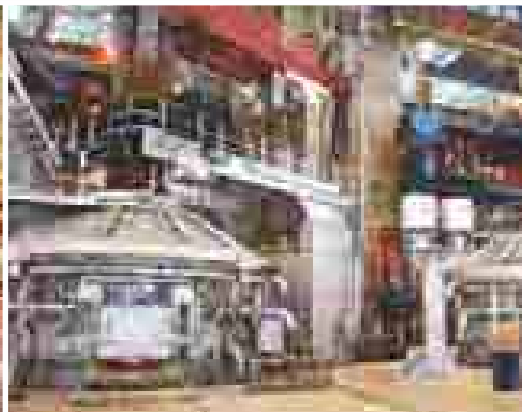
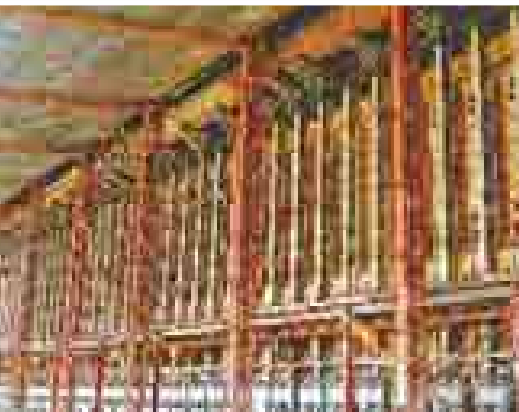
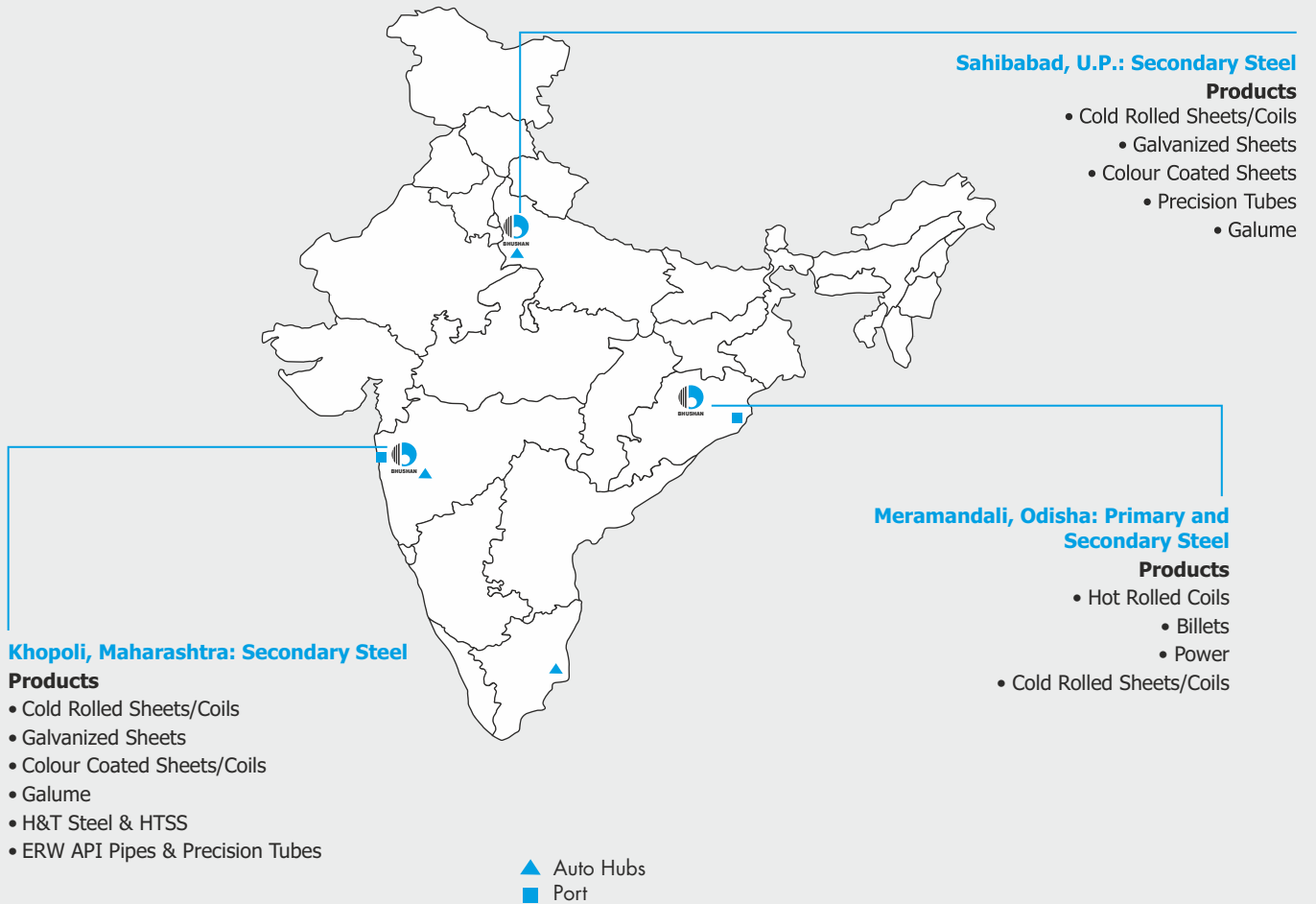
Company practices highest standards of quality, safety and environment-friendliness. Its quality certification includes ISO 9001:2008 for Khopoli and Meramandali facilities and ISO/TS 16949:2009 for Sahibabad. The Company has received ISO 14001:2004 certification for environmental management system for the Sahibabad and Khopoli facilities; and OHSAS 18001:2007 certification for safety management system at Sahibabad facility.

VISION:

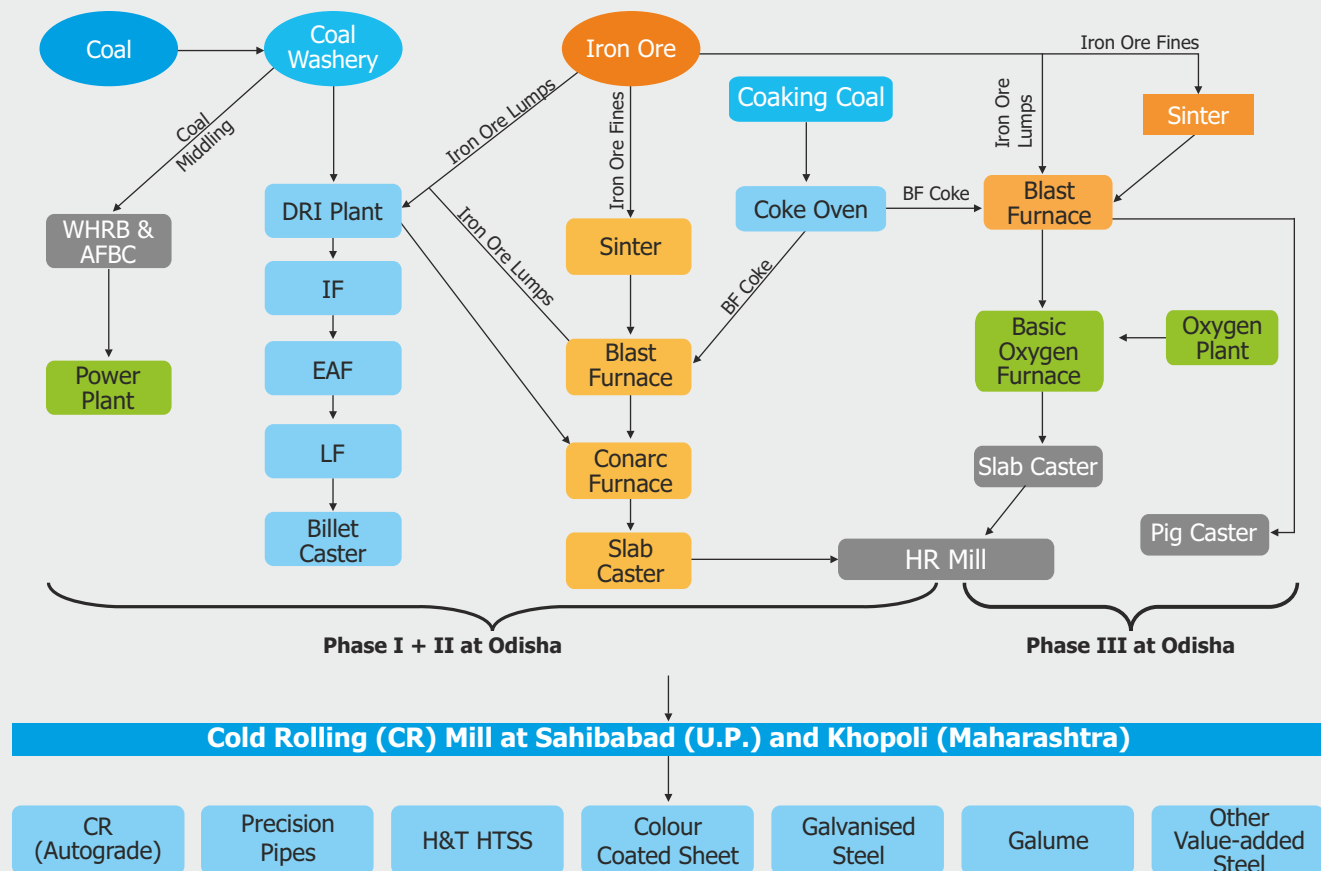
"To be an integrated steel player with global presence & reach; vast portfolio of pioneering products; providing value for our customers: having a culture of inclusive growth; caring for our employees & workers; remain as an environment-friendly steel company; and thereby creating value for all stakeholders."



STRATEGICALLY LOCATED PLANT NETWORK



COMPLETE COVERAGE OF STEEL VALUE CYCLE





MANY FIRSTS IN INDIA

- Widest mill (1700 MM), most suited for Automobile Applications
- Auto shape control on both sides at 1200 MPM mill speed
- Production of Galume (Zinc & Aluminium coated sheet)
 - Special steel grades up to 25.4 MM thickness
 - Largest Colour Coated Lines in India
 - Auto grade HR Coils

STARS IN OUR CUSTOMER UNIVERSE

Automobile Sector

- Maruti Suzuki
- Tata Motors
- Honda Cars
- Mahindra & Mahindra
- Ashok Leyland
- Caparo Group
- JBM Group
- General Motors
- Volvo-Eicher
- Bajaj Auto
- Fiat
- Hindustan Motors
- Honda Motorcycles & Scooters
- Veegee Industrial Enterprise
- Yamaha
- HeroMoto Corp

Consumer Durable Sector

- LG
- Godrej & Boyce
- Hair
- Whirlpool
- Videocon
- Samsung
- Panasonic
- Daikin

COMPETITIVE STRENGTHS

- Strong customer relations
- Well-positioned in growth markets
- Superior technology & processes
- Supplier of choice of leading OEMs
- Integrated manufacturing facilities
- Strategically located plants
- Proven Greenfield & Brownfield project execution skills

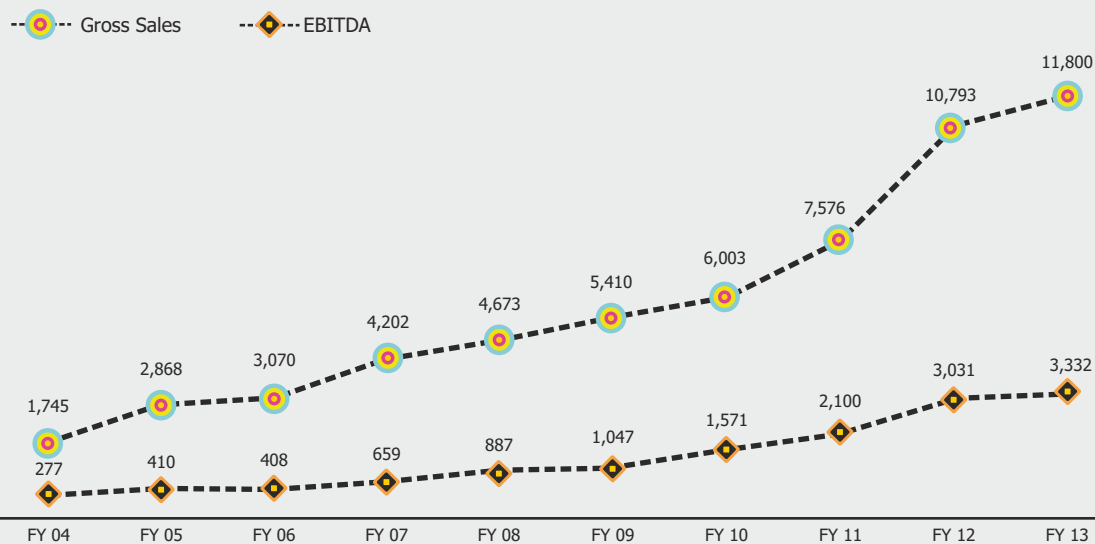
FINANCIAL HIGHLIGHTS

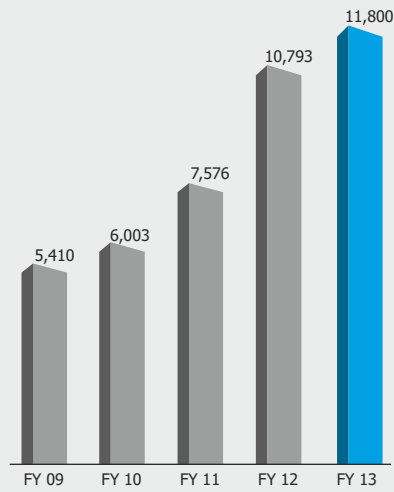
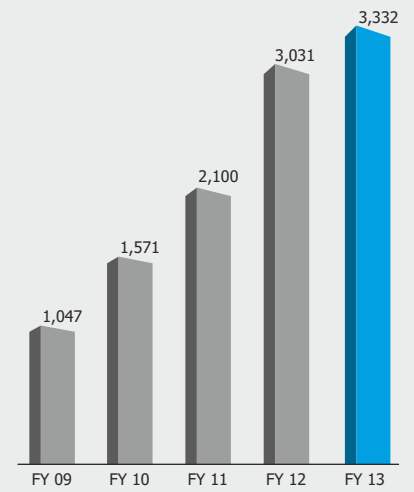
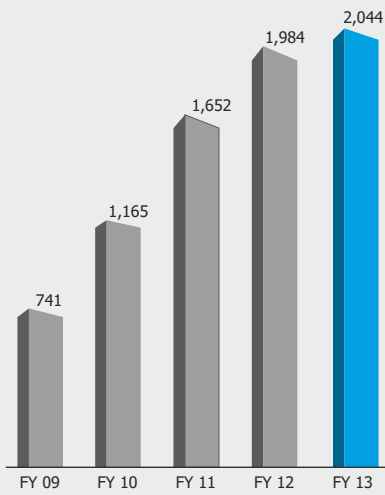
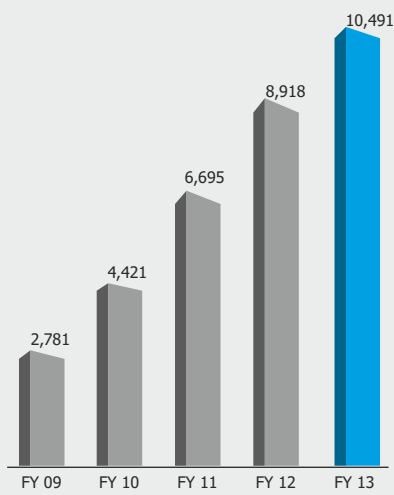
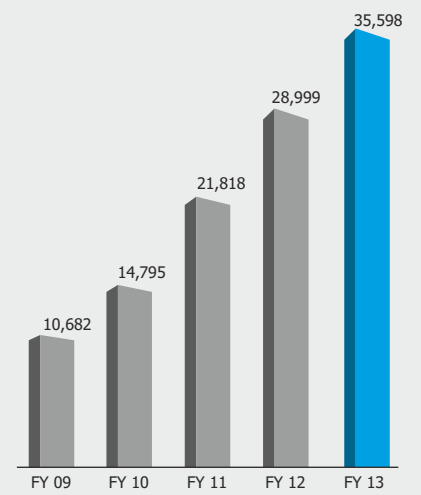
10 YEARS' FINANCIAL SUMMARY

(₹ in crores)

Particulars	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05	FY04
Gross Sales	11,800	10,793	7,576	6,003	5,410	4,673	4,202	3,070	2,868	1,745
EBITDA	3,332	3,031	2,100	1,571	1,047	887	659	408	410	277
Cash Accruals	2,044	1,984	1,652	1,165	741	708	580	312	318	199
Net Worth	10,491	8,918	6,695	4,421	2,781	2,022	1,338	960	805	664
Gross Block (Including CWIP)	35,598	28,999	21,818	14,795	10,682	7,495	4,586	3,091	2,044	1,529

GROSS SALES EBITDA (₹ in crores)



GROSS SALES
(₹ in crores)**EBITDA**
(₹ in crores)**CASH ACCRUALS**
(₹ in crores)**NET WORTH**
(₹ in crores)**GROSS BLOCK**
(Including CWIP) (₹ in crores)



CHAIRMAN'S MESSAGE

Dear Shareholders

Your Company has completed a landmark year which witnessed the fruition of our long-cherished dream of an integrated steel & power complex with completion of the ongoing Phase III expansion. We have our dream of housing about 7 MnTPA of steel making and processing capacity (4.7 MnTPA of primary and 2.2 MnTPA of secondary) within striking range, now that our Meramandali facility is poised to stabilize production in the fiscal year 2013-14.

Challenging Business Environment

On the business front, we continue to live in challenging times. The year gone by tested the

tolerance level of global economy. World GDP growth rate came down to 3.2% in 2012 from a healthier 4% recorded in 2011. Emerging & developing economies, despite a moderate growth of 5.1%, helped check the global GDP growth in a year that witnessed consistent recovery in the US, turnaround in Japan and a moderate contraction in Euro zone economies.

Fiscal year 2012-13 tested the often flaunted sound foundations of Indian economy. Amidst headwinds of inflation, liquidity crunch, lowering consumption; Indian economy recorded its decade-low GDP growth of 5%. While governments and policy makers swung into action in the latter half of FY13, relaxing FDI norms in select sectors and intensifying divestment efforts in select Public Sector Undertakings, the same yielded little to support growth.

The steel scenario remained subdued globally during the year gone by. World Steel Association estimated the world crude steel production to record a moderate growth of 0.72% in CY2012 to reach 1547 MnT. This is in contrast with 6.7% growth in 2011 over 2010. India, the 4th largest crude steel producer with 77.6 MnT of production in 2012, remained a net importer of steel with 9.3 MnT of imports and 8.2 MnT of exports. Our per capita steel consumption of just 56.9 Kg., against the world average of 216.4 Kg., augurs well for industry's growth in coming years. The impending infrastructure and housing deficit will keep adding the steel demand growth in India.

Creating Diverse Shades of Steel

Your Company's two-pronged growth strategy hinges on integrating to cover the entire steel value chain on the one hand and diversifying its product mix of specialised steel at the other. As a result, we are not only increasing our production volumes but also expanding our end-user segments.

Amidst subdued business environment, we recorded a healthy 10% increase in our gross revenues which reached ₹11,800 in FY13, from ₹10,793 crores in FY12 while our EBITDA too grew by about 10% to reach ₹3332 crores.

The road ahead

Now that we have successfully completed our backward integration program, we shall soon stabilize the recently added capacity under the third phase of our expansion. Another focus area will be to integrate this with our already commissioned facilities under Phase I and II. Additionally, we are intensifying our focus on expand our global business in order to increase our export revenues from the current ₹1813 crores (15% of our total turnover). Power self-reliance is a major boost to our operations and profitability. We are well on course to add 350 MW to take our total captive power capacity to 840 MW by FY14, including capacities under Bhushan Energy Ltd. Another area of our focus will be to strengthen the uninterrupted and cost-effective raw-material supply.

I acknowledge the unwavering trust and support of our stakeholders – shareholders, lenders, technology partners, vendors and the exchequer-in our success. I am looking forward to your patronage in our exciting journey ahead. I would also like to acknowledge the invaluable contribution of our management team, employees and workers; and congratulate them on accomplishing the expansion task.

Best Regards,

B. B. Singal
Chairman

SESSION WITH THE MANAGING DIRECTOR

How do you assess the prevailing business environment?

In less than two decades from the birth of World Trade Organization, businesses are conducted in a highly globalised world today. Be it the growth markets or the strained markets, each of them cast a cascading effect in the networked business environment of today. Global GDP growth rate came down to 3.2% in 2012 from 4% recorded in 2011, whereas India recorded its decade-low growth rate of just 5% in the fiscal year 2012-13.

India remains confronted with multiple challenges such as inflation, slowing demand growth, liquidity crunch, currency depreciation. Amidst such testing times, preserving resources is taking the center stage while growth-led expansions are shifted to a later date. All the key customer segments of steel – infrastructure, housing, automobile and consumer durables – were hit badly in the year gone by. If we have to return to a higher GDP growth trajectory any time soon, we need to contain inflation, enhance liquidity, lower the cost of borrowing and accelerate our infrastructure delivery.

How did Bhushan Steel perform in the year gone by?

In the backdrop of a tough business environment, we performed exceptionally well. Aided by volume growth and improved realizations, our gross turnover grew by 10% to reach ₹11,800 crore. Our sales volumes increase by 7%, from 2.18 MnT in FY12 to 2.34 MnT in FY13. Our export sales recorded a robust growth of 24.6% to reach ₹1813 crore in FY13. Despite the challenge of rising input cost, our efficiency improvement and cost control measures kept us in good stead. As a result, our EBITDA grew by 10% to reach ₹3,332 crore in FY13.

Phase III expansion at Meramandali reached completion. Your views on this momentous feat and how is it going to impact your future performance?

The completion of Phase III is truly a momentous feat for all our stakeholders. For a Company that started its journey with a modest secondary steel capacity of 0.12 MnTPA way back in 1989, this is a golden landmark achieved even before we celebrate our silver jubilee in 2014. We stand tall with 7 MnTPA (approx) of total primary steel making (4.7 MnTPA) and processing (2.2 MnTPA) capacities together with 840 MW of power generation.

We expect to stabilize operations over coming quarters before the recently completed capacity becomes a key driver of our future growth. We will reap rich dividends of our maiden foray into primary steel over medium to long term. Once stabilized, the plant will not only be a benchmark in product quality but also in deployed technologies, machineries and processes.

Now that your maiden sojourn in primary steel making has been achieved, what is next on your expansion agenda?

At Bhushan Steel, our drive to build scale has always been driven by a prudent business rationale. While proximity to automobile clusters of Pune and export facility of Mumbai inspired our secondary steel facility at Khopoli, backward integration to our downstream business drove us to Meramandali, Odisha.

Now that backward integration has led us to 4.7 MnTPA of primary steel making, we will focus on stabilizing our newly added capacities. We hope that the market scenario improves concurrently so that we incur improved accruals from

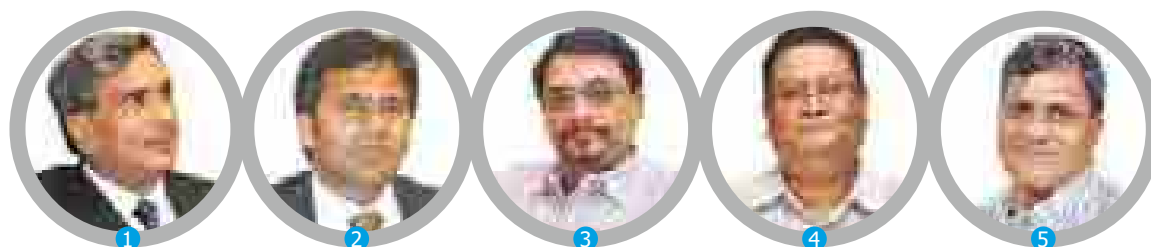
additional volumes. Our long-term vision is to become a vertically integrated steel manufacturer, consuming most of our upstream production for our downstream operations. Compared with our 4.7 MnTPA of upstream capacity, our existing and under-expansion installed capacity in downstream products is 2.55 MnTPA. In the light of prevalent sluggish demand growth, we are holding our recently announced 1.8 MnTPA capacity addition in downstream products to a later date. At an opportune time, we will go ahead with this downstream expansion to take our installed capacity to 4.4 MnTPA. Once achieved, that will deliver enhanced synergies, profitability, utilizations and time-to-market across plants and products. As a result, we will be able to have both higher volumes and better realizations in terms of sales.

Our ambitious foray into primary steel stands realized now. Our secondary steel capacities continue to witness additions. Our product offerings are expanding. Our customer universe stands testimony to the mark of quality in every kilo of finished steel that we sell. Our stakeholders including you, our fellow shareholders have stood united with us in our forward journey. We remain committed to sustained value creation for each one of our stakeholders.



Neeraj Singal - Vice-Chairman & MD

BOARD OF DIRECTORS



1 Mr. Brij Bhushan Singal

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

2 Mr. Neeraj Singal

As Vice Chairman & Managing Director, he has spearheaded Bhushan Steel's transformation from a single plant downstream steel processor to a three locations fully-integrated steel & power player in India. Having risen from ranks, he has served in various departments of the Company and also as Executive Director of Bhushan Metallics before joining the board of Bhushan Steel. Holding a Bachelor's Degree from Punjab University, he brings rich hands on experience of 26 years. As a promoter Director, he guides the Company on all operational aspects including expansion projects.

3 Mr. Nittin Johari

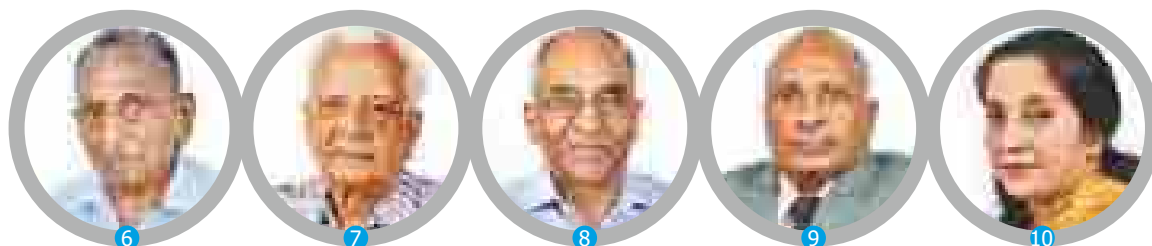
As Whole-time Director (Finance), he heads the finance function of the Company. A fellow member of Institute of Chartered Accountants of India, he holds a Master's Degree in Commerce from the University of Rohilkhand at Bareilly. He brings nearly 28 years of experience in corporate finance, management information systems and budgeting etc. Prior to joining Bhushan Steel, he has served WIMCO Ltd., Century Textiles Limited and Modi Rubber Ltd. in various leadership roles in finance function. He is responsible for financial management, treasury and foreign exchange management of the Company, alongside legal matters.

4 Mr. Rahul Sen Gupta

He is Whole-time Director (Technical) on the Company's Board. He holds a Bachelor's Degree in Science in Mechanical Engineering from the University of Calcutta, Kolkata. He has nearly 32 years of experience in steel industry. Prior to joining the Board, he was employed with Indian Oxygen Ltd. He is responsible for project conceptualization, project planning and implementation and technology evaluation.

5 Mr. Prem Kumar Aggarwal

He is the Whole-time Director (Commercial) on the Board of the Company. He holds Bachelor's Degree in Science from Punjabi University and is also a fellow member of the ICAI. He has more than 31 years of experience in accounts and commercial activities, and prior to joining the Board, he has worked as an Assistant General Manager with Bhushan Industries Ltd. and in other capacities with Amrit Banaspati Ltd. and the Himachal Pradesh State Forest Corporation. He is responsible for overseeing of commercial and legal matters involving the Company, including indirect taxation disputes in particular.



6 Mr. Mohan Lal

He is an independent Director on the Board. He holds a Master's Degree in Arts and a Bachelor's Degree in Law - both from the University of Delhi. He has over 64 years of experience in the field of law, particularly in income taxation. He was designated as a senior advocate.

7 Mr. Vinod Kumar Mehrotra

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

8 Mr. Brij Bihari Tondon

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

9 Mr. Malakapalli Venkata Suryanarayana

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

10 Ms. Sunita Sharma

She is a nominee Director of the Life Insurance Corporation of India on the Board. She holds a Master's Degree in Science from the University of Delhi. She has over 33 years of working experience with the Life Insurance Corporation of India where she has worked in different departments including housing finance and accounts. She has held various positions at the Life Insurance Corporation of India such as Secretary (Personnel and Industrial Relations) and Chief (Personnel).

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brij Bhushan Singal

Chairman

Mr. Neeraj Singal

Vice-Chairman & Managing Director

Mr. Nittin Johari

Whole-time Director (Finance)

Mr. Rahul Sen Gupta

Whole-time Director (Technical)

Mr. P. K. Aggarwal

Whole-time Director (Commercial)

Mr. Mohan Lal

Director

Mr. V.K. Mehrotra

Director

Mr. B.B. Tandon

Director

Mr. M.V. Surya Narayana

Director

Ms. Sunita Sharma

Nominee Director of LIC

COMPANY SECRETARY

Mr. O.P. Davra

AUDITORS

Mehra Goel & Co.
Chartered Accountants

REGISTERED AND CORPORATE OFFICE

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

LEAD BANKERS

State Bank of India

Punjab National Bank

WORKS

Site IV,
Sahibabad Industrial Area,
Distt. Ghaziabad - 201 010
(U.P.) INDIA

Village: Nifan, Sarvoli,
Kharpada Road,
Taluka-Khalapur, Near Khopoli,
Distt.: Raigad - 410 203
(Maharashtra) INDIA

P.O. Shibapur,
Meramandali
Distt.: Dhenkanal - 759 121
(Odisha) INDIA

REGISTRAR & SHARE TRANSFER AGENTS

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

DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the 30th Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

Particulars	Year ended	
	March 31, 2013	March 31, 2012
	(₹ in Lacs)	
Profit Before Depreciation and Tax	204485.93	198515.54
Depreciation & Amortisation	83086.19	61992.95
Profit Before Tax	121399.74	136522.59
Provision for Current Taxation	24289.36	27315.10
MAT Credit Utilised / (available for set off)	(24175.00)	(27190.00)
Provision for Deferred Tax	30396.35	34050.00
Profit After Tax	90889.03	102347.49
Profit brought forward from Previous Year	893.09	377.69
Profits available for appropriation	91782.12	102725.18
which the Directors appropriated as under:		
Proposed Dividend on Equity Shares	1132.58	1061.79
Proposed Dividend on Preference Shares	11.48	4.07
Provision for Dividend Tax	194.43	172.91
Interim Dividend on Preference Shares	895.47	750.50
Dividend Tax on Interim Dividend	145.27	121.93
Transfer to Debenture Redemption Reserve	26962.50	8475.00
Release from Debenture Redemption Reserve	-	-
Transfer to General Reserve	60000.00	90000.00
Premium paid on Redemption of Preference Shares	264.07	1245.89
Balance carried forward to Balance Sheet	2176.32	893.09
Total	91782.12	102725.18

INTERIM DIVIDEND ON PREFERENCE SHARES

Pursuant to the approval given by Directors on 23.03.2013 interim dividend have been paid on cumulative redeemable preference shares as under:

- ₹10.00 per share on 77,95,267 10% Redeemable Cumulative Preference Shares (Series I, Series II, Series V, Series VI, Series VII and Series VIII);
- ₹25.00 per share on 4,00,000 25% Non convertible cumulative Redeemable Preference shares (Series III);

- ₹4.00 per share on 3,99,000 4% Non convertible cumulative Redeemable Preference shares (Series IV).

Since the above dividend on preference shares paid for the whole of year 2012-13 therefore said interim dividend shall be treated as final dividend.

FINAL DIVIDEND

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

- Dividend of ₹10.00 per share on 16,10,100 10% Redeemable Cumulative Preference Shares (Series IX and Series X) proportionately from the date of allotment till 31st March 2013;
- Dividend of ₹0.50 per share on Equity Shares for the year ended 31st March, 2013.

GROSS REVENUE AND EXPORTS

The Gross Revenue of the Company has increased to ₹11800 Crore, registering a growth of 9.33% over previous year's level of ₹10793 Crore.

Further the company has achieved the Export Turnover of ₹1813 crore. The Export Turnover of most of the Exporters in the country has a negative trend due to the recession in international market during the last year.

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

Our products are being exported across the globe.

EXPANSION PROJECT:

Your company is under implementation of 0.35 MTPA capacity Colled Rolling cum Electrical Steel (CRNGO) Complex at estimated project cost of ₹1563 crores at Meramandali, Orissa.

In addition to the above, the company shall also be completing the Coke oven plant (1.3 MTPA), Coal Washery (2.5 MTPA) and 2 DRI Kilns (aggregate capacity of 0.34 MTPA) and 197 MW Power Plant at the existing site of Integrated steel plant at Orissa in the current financial year i.e. 2013-14.

In order to maintain its leadership position in downstream segment of steel industry and to maximize the margins, the company is setting up the downstream capacity of 1.8 MTPA, where the company shall come up with PLTCM of 1.8 MTPA and CAL of 1 MTPA with the estimated capex of ₹5995 crores at Meramandali, Orissa to fully utilize its additional HR capacity. With this the company's total downstream production capacity shall be increased to about 4 MTPA by FY 2017.

FINANCE:

During the year the Company has tied up the term loans in foreign currency and rupee for its expansion plans and for the requirement of funds for its normal capital expenditure. The Company has tied up Rupee Term Loan of ₹1042 crores from Axis Bank as Syndication lead bank for our CRNGO project at Orissa.

The Working Capital facilities for Sahibabad, Khopoli and Orissa Plants have been appraised by PNB, the lead Bank, for ₹11390 crore (Fund Based limit of ₹5390 crore and Non Fund Based limit of ₹6000 crore) for the Financial year 2013-14.

CREDIT RATING:

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

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

QUALITY

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

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Sh. Rahul Sen Gupta, Sh. V.K. Mehrotra and Sh. B.B. Tandon, Directors are liable to retire by rotation at the ensuing Annual General Meeting.

Being eligible Sh. Rahul Sen Gupta, Sh. V.K. Mehrotra and Sh. B.B. Tandon, have offered themselves for re-appointment.

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

RIGHT ISSUE OF EQUITY SHARES

Pursuant to the Letter of Offer dated January 9, 2013, the Company has issued 14157220 Equity Shares of ₹2/- each at a price of ₹335 each (including a Premium of ₹333/- per Equity Shares) aggregating to ₹47426.69 Lacs on Right Basis to the eligible Shareholders of the Company in the ratio of one equity share for every 15 equity shares held on the record date, being January 16, 2013. Shareholders were required to pay ₹167.50 per equity Share on Application and remaining ₹167.50 per equity Share towards first and final Call.

On February 16, 2013 the Company has made an allotment of 14157220 partly paid Right Equity Shares. Pursuant to the Board of Directors Resolution dated April 20, 2013, first and final Call Money Notices dated May 4, 2013 have been sent to the allottees of partly paid Right Equity Shares for payment of remaining amount of ₹167.50 per Equity Share.

FIXED DEPOSIT

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

AUDITORS & AUDITORS' REPORT

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

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts for the financial year ended March 31, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the Profit of the Company for the year ended on that date;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956 (as amended), and in accordance with the requirements of

Clause 49 of the Listing Agreement(s), the Board of Directors of the Company has reconstituted a Committee of Board of Directors as Audit Committee consisting of Sh. B. B. Tandon, Sh. B. B. Singal, Sh. M.V. Suryanarayana, and Sh. V. K. Mehrotra as its members. Sh. B. B. Tandon is the Chairman of the Audit Committee. Audit Committee shall have such powers and authority as provided under the aforesaid provisions and shall act in accordance with the terms of reference to be specified in writing by the Board of Directors from time to time.

PARTICULARS OF EMPLOYEES

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

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

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

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

HUMAN RESOURCE DEVELOPMENT

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

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of Listing Agreement entered

into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

SUBSIDIARIES

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

As per the terms of the General circular no. 2/2011, a statement containing brief financial details of the Company's Subsidiaries for the year ended March 31, 2013 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any investor of the company / its subsidiaries of seeking such information at any point and are also available for inspection by any investors of the Company/its subsidiaries at the Corporate Office of the Company and that of the head offices of the respective subsidiary Companies.

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

ACKNOWLEDGEMENTS:

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

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

for and on behalf of the Board of Directors,

Sd/-

(B. B. SINGAL)

CHAIRMAN

Place : New Delhi

Dated : 27th May, 2013

ANNEXURE - A

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

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

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

i	Sh. Neeraj Singal	Vice Chairman and Managing Director	14056410	Graduate	45	26	01.04.1992	Operations and day to day Management	Executive Director with Bhushan Metallics Ltd.
ii	Sh. Nittin Johari	Whole-time Director Finance	8639600	M.com, FCA.	50	28	06.01.1995	Corporate financing and other related matters	Financial Controller with Wimco Limited
iii	Sh. Ashok Kumar Raina	Executive Director	7228800	B.E.(Metallurgy)	65	39	01.08.2011	Corporate Development	Managing Director with Auto Tech Ltd.

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

NIL

NOTES :

1. Remuneration as shown above includes salary, allowances, medical expenses, house rent, and taxable value of perquisites but excludes gratuity provision.
2. Sh. Neeraj Singal is son of Sh. B. B. Singal, Chairman of the Company.
3. Sh. Neeraj Singal holds 32.27 % of Paid-up Equity Share Capital of the Company.
4. Nature of employment of Sh. Neeraj Singal is contractual.

ANNEXURE - 'B'

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2013.

A. CONSERVATION OF ENERGY :

(a) ENERGY CONSERVATION MEASURES TAKEN:

- I. 100% utilization of waste gases coming out from 10 nos. of DRI kilns with installation of waste heat recovery boilers & power generation unit (Kiln No. 9&10 under commissioning).
- II. Heat recovery of waste gases coming out from hot blast stoves of blast furnace-1 with installation of waste heat recovery heat exchangers to pre-heat the BF gas & combustion air utilized for firing of hot blast stoves.
- III. Usage of mixed gas consisting of BF gas and coke-oven gas as fuel in sinter plant, lime dolo calcination plant, reheating furnace of HSM, heating of coke oven batteries and CRM complex as replacement of LPG.

- IV. Injection of pulverized coal (up to 150 Kg/THM) in Blast Furnace-1. Ultimate saving in consumption of high grade metallurgical coke by same amount.
- V. Installation of back pressure turbine for 12 MW power generation with utilization of low pressure steam discharged as process steam in Blast furnace, Cokeoven and SMS.
- VI. Partial use of char in boilers which is a bi-product for DRI Kiln 1 to 10.
- VII. Installation of active front end technology in Main Mill drives of HSM helping in regeneration of energy.
- VIII. Installation of Induction generator in Oxygen Plant for Expansion turbine.
- IX. Installation of Static VAR Compensation (SVC) & filter banks at SMS-2, SINTER PLANT-1, SMS-1 & HSM area for improvement of power factor & voltage.
- X. Use of Induction Lamps and LED Lamps for Shed and street lighting

- XI. Installation of VVVF drives in many areas resulting in huge savings of electrical energy. Some of the major areas are listed below
- 2 Nos. of 8.4 MW Exhauster motors in Sinter Plant -2 and Sinter Plant -3
 - 2 Nos. 700 KW motors in Gas Boosting station in 4 X 300TPD Lime Plant.
 - 10 Nos. of 160 KW motors for DRI cooling fans in our 10 Nos. 500TPD DRI Kilns.
 - 3 Nos. 37KW and 1 No. 55 KW combustion air fan in each of 10 Nos. 500TPD DRI Kilns. (Total 30 Nos. of 37KW and 10 Nos. of 55 KW)
 - 110 KW Combustion air fan, 110 KW cooling air fan, 45 KW Lance cooling fan and 200KW de-dusting fans in each of 4 X 300 TPD Lime kiln.
 - 75 KW Gas Boosting motor in CRM area.
 - 2 Nos. of 2700 KW ID Fans in GCP of BOF area.

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

- Utilization of Mixed Gas (coke oven gas and BF gas) as fuel in Continuous Annealing Line (CAL) at Cold Rolling Complex.
- Generation of 14 MW electrical power with installation of top pressure recovery turbine (TRT) & generator in Blast furnace-2 (Under final stages of commissioning).
- Generation of steam with installation of Coke dry Quenching (CDQ) in Coke Oven -2 to be used as process steam in BF and cokeoven areas.
- Installation of waste heat recovery system in Blast Furnace-2 (Under commissioning).
- Installation of 60T and 125T mixed gas fired boilers to utilize the excess gas available from process (Erection work started).
- Generation of H₂ from coke-oven gas to be used in Annealing furnaces and GP lines of CRM and utilization of residual sulfur free balance gas as fuel in Annealing furnace and GP lines as replacement of LPG.
- Use of VVVF drive in Cooling Tower Fan motors for Power Plants (33MW + 77 MW, 2 X 165 MW), HSM and SMS 1 & 2, Blast Furnace, CRM, Oxygen Plants, BOF areas.

(c) IMPACT OF THE ABOVE MEASURES:

Energy Conservation measures has resulted in achieving:

- Generation of (77 + 33 MW) power from Waste gas of DRI.
- Saving in consumption of metallurgical coke by around 20 Kg/Ton of liquid pig iron produced achieved from waste heat recovery system of Blast Furnace-1.
- Drastic reduction in the consumption of LPG & LDO in Sinter plant, HSM Re-heating furnace, Lime dolo calcination plant and CRM complex.
- Ultimate saving in consumption of high grade metallurgical coke.
- Generation of 12 MW power from BPTG instead of wasting the energy in PRDS.
- Reduction in the consumption of coal required for generation of Steam for power plants.
- Reduced power requirement & improvement in power factor.
- Generation of 250KW power on continuous basis.
- Generation of process steam to be used in Blast furnace and cokeoven plant.
- Substantial saving in electrical energy by using Induction and LED lamps.

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

FORM-A

I. POWER & FUEL CONSUMPTION

	2012-13	2011-12
1 ELECTRICITY PURCHASED		
Unit (No. in lacs) KWH (including used for Project)	19021.02	19697.44
Total Amount (₹ In Lacs)	97213.14	93493.08
Rate/ Unit (₹)	5.11	4.75
2 OWN GENERATION (THROUGH FURNACE OIL GENERATOR)		
Unit (No. in lacs) KWH	1140.18	1200.54
Unit per ltr. of oil Excluding RLNG consumed alongwith Furnace Oil)	6.24	6.61
Rate per Unit (₹)	5.94	6.06
3. OWN GENERATION (THROUGH STEAM TURBINE GENERATOR)		
Unit (No. in Lacs) KWH (including units sold)	2503.45	4163.35
Unit per MT of Steam	251.49	259.74

	2012-13	2011-12
4. FUEL CONSUMED IN MANUFACTURING		
Qty. (Ltrs. In lacs)	73.96	114.93
Total Amount (₹ In Lacs)	3131.21	3829.73
Avg. Rate (₹)	42.34	33.32
5. RLNG		
Qty. (Thousand BTU in Lacs)	18201.34	16263.30
Total Amount (₹ in Lacs)	12643.05	7680.73
Avg. Rate (₹)	0.69	0.47

II. CONSUMPTION PER UNIT OF PRODUCTION

	2012-13	2011-12
Production (MTs)	2367126	2096811
Elect. (Unit / MT)	585	733
Fuel Oil (Ltrs. / MT)	3.12	5.48
RLNG (Thousand BTU)	1311.84	1173.14
Elect. (₹ / MT)	2676.99	2674.75
Fuel Oil (₹ / MT)	132.28	182.65
RLNG (₹ / MT)	911.23	554.04

B. TECHNOLOGY ABSORPTION

FORM B

(Form for disclosures of particulars with respect to technology absorption)

RESEARCH & DEVELOPEMENT (R & D):

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

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY:

SAHIBABAD PLANT

- Development of embossed panel material for white goods appliances as an import substitutes.
- Development of skin panels for HONDA – AMAZE.
- Development of skin panels for M&M QUANTO.
- Development of skin panels for MARUTI SUZUKI – WAGONR (Yet to be launched).
- Development of skin panels for MARUTI SUZUKI – ERTIGA
- Development of hardened and tempered material.
- Acid regeneration plant under erection.

KHOPOLI PLANT

- Capacity augmented by 40 % in 2012-2013 in Narrow Pickling Line
- Installation of New ECL/ Degreasing line in Galume Line (GP II) for better cleaning system.
- Paint volume solid cleaning equipment for instant checking.

- Converting Oil Fired Boiler to LNG fire (100% LNG)
- Converting both DG sets to dual fuel (30% LNG & 70% FO).
- Utilization of heat energy from waste cloth and wood by burning.

ORISSA PLANT

- Structural grade with tensile strength up to 450MPa produced & supplied in critical sizes like 1.40x1250 mm/1.60x1250 mm
- Developed & supplied Hot Rolled Steel coils in DIN 42CrMo4 grade for Cold Rolling & Automotive applications.
- Hot rolled steel coils produced in EDD grade as well as LPG grade in wider width of 1690 mm & 1680mm respectively.
- Product approval from BIS obtained in thickness as low as 1.60mm & width as high as 1700mm for various steel grades.
- Export order received and served for various grades like Cold Rolling, Pipes & Tubes, Structural and LPG grades. Also orders serviced in structural grade in critical size of 2X1600mm with tensile strength of 400 MPa min in as rolled condition from Hot Strip Mill meeting all the parameters like Dimension, Shape and Surface Quality.
- Obtained BIS approval for hot Rolled steel coils with copper for various sizes & strength for Wagon building applications of Indian Railways.
- Obtained approval of API Specification Q1 & TS29001 certification from API (American Petroleum Institute).
- HSLA steel with copper successfully produced having various strength with minimum yield strength 250, 350, 450 MPa and with minimum tensile strength of 410, 490 & 570 MPa.
- High strength steel with copper having YS level up to 450MPa produced in critical sizes like 1.60x1200mm /2.50x1250 for Indian Railway wagon building application.
- Developed weather resistant steel with high strength up to 500MPa for Railway wagon building application.

2. BENEFITS DERIVED AS A RESULT OF ABOVE R & D:

Bhushan steel limited is the first steel manufacturer in India who is making dent resistant steel for Automobile sector specially for outer body skin panels, all car manufacturers were importing the steel from various sources earlier. Bhushan Steel first got the opportunity to explore this market as an Indian Supplier.

Indignation of the car body sheet panel has been achieved up-to 96% at the major car industry. Ultra low carbon steel (ULC-IF steel) and Dent resistant high tensile material i.e. APFC 340, APFC 390 & SPC 440 has been well developed and established for the outer body panels

New grades required for the automotive sector other than the EDD quality sheet have been produced, supplied and performing well at the various automobile manufacturers.

Rolling up-to 1700 mm width has been achieved.

Non Scalloping material with equiaxed grain structure for the bearing case industry has been established.

Enamelling grade for the kitchen ware application has been accepted by the market. Approval granted by Honda Motors Japan for Outer body skin panels & Production of Alu Zinc (Galume) Started.

In the initial stabilization period of ConArc – LRF-CCM operation, Plant has started developing Special Steel Grades for cold rolling for automobile and White goods industry like D/DD/EDD, Tube making Grades steel, Medium & High carbon steels, Micro Alloyed Steel (Low Alloy High Strength –HSLA) like SAE1541, SAE1060, SAE1045, and high tensile structural steel in St52.3,etc, were successfully done .

1. Net efficiency increase by adding additive. (carbonyl-o) and actual fuel saving - 1.01 % of fuel consumption.
2. Sludge reduction by way of sediment and asphalting reduction in treated tank by carbonyl-o.
3. Net increase in calorific value of f.o. after adding additive is 0.12 mj / kg.
4. Total sulphur content is reduced by 0.40 % by additive and reduced corrosion of equipment and pollutant to atmosphere.
5. Engine sound has reduced and opacity of smoke has also reduced.
6. Adequate changes (reduced) of carbon deposits on turbocharger turbine blades, which resulted to better efficiency of the dg sets.
7. Exhaust gas temp comes down by 5 to 8 `c from running parameters.
8. During major maintenance (50000 r.h) of dg#1, very less carbon deposition found on engine parts as compare to proves maintenance (33450 r.h).
9. All the automobile grades have been well established and being supplied to almost all the major car manufacturers. This has resulted 96% indigenization of the vehicles resulting in import substitution and substantial cost saving for the car manufacturers.
10. Due to Integrated power generation facilities, continuous uninterrupted supplies of material to the customer to meet their tight schedule and production targets.

3. FUTURE PLAN OF ACTION:

The efforts are continued to achieve 100% indigenation of the auto industry.

Material to be tried for optimizing different annealing cycles for getting optimum properties.

To reduce process cost & reduce failure and improve performance of the existing and newly developed products.

- Erection of Acid regeneration Plant.

- Erection of H&T Line.
- Up-gradation of Pickling Line -1 & Addition of one more Acid tank.
- Further Automation of Hitachi rolling mill.
- Electrical Automation of Skin-pass mill.
- Galvanizing Line-1 automation.
- Furnace extension of Narrow mill complex.
- Erection of One more additional Narrow mill with ancillary facilities.
- Procurement and commissioning of VVVF drives and motor for charging plate of both the charging machines for coal charging optimization.
- Planning to commission Dry Quenching system for Coke cooling.
- Procurement and commissioning of accumulators of both Fume Cars for 24 hours running of Fume Cars in Batteries for reducing charging emission.
- PCI rate is to be increased up to 150kg/thm.
- Hot Blast Temperature is to be raised up to 1200deg.C.
- For Future Plan of action Winding and Repairing shop for HT/ LT motor is envisaged.
- Planning to use coke oven gas in both BHEL boilers.
- Planning to install 2 Ton electrical hoist in both BHEL Boilers to lift bed material at required level to reduce Time & man power.
- Planning to change cooling tower pump impellers from Cast steel to stainless steel (Energy saving).
- BP Sheet Annealing Furnace.
- One 1250MM Wide 6Mi Cold Rolling Mill
- One Rewinding Cum Trimming Line.
- One Galvanizing Cum Galvalume with Ceramic Pots.
- One Cut to Length Line.
- Utilities such as Compressor form INGERSOLL RAND DM wake plant. Soft water plant from Ion Exchange-Mumbai
- 40NM³ x 2 Hydrogen Plant from Peric , China
- To replace old control system of all steering in Colour Coating Line by upgraded control system of CMI to obtain sheet centering to reduce sidetrack, to reduce roll damage, to maintain proper tension, to prevent catenaries fluctuation etc.
- Planned to increase CCL speed from 90 MPM TO 120 MPM, by upgrading existing line equipments, existing system; trails are successful up to 105 MPM.
- Online colour and DFT measurement system
- Installation of small dia. Pipe mill of capacity 3" to 9", Make-Milltech, Korea.
- Magnetic Particle Inspection equipment, Make - K-Electronics,

Mumbai.

- Automatic Hardness tester for the evaluation of material's hardness to cater bulk Samples for API orders.
- Up-gradation of API 5L license up to X-80 grade & API 5CT license up to K-55 grade.
- Installation of another new Roll Grinding Machine.
- Installation of another new HR Slitter.
- Installation of new Profiling line
- Installation of new Re-cooling cum tension leveller.
- Installation of 06 new Annealing Bases
- Automation of ECL
- Automation of GP-III
- Level II Automation of Hitachi Mill
- Re-vamping of 20 Hi Rolling Mill.

Steel Grade 590H & 340BH to be developed during the financial year 2012-2013.

4. EXPENDITURE ON R & D :

- | | |
|---|---------------|
| a) Capital | - nil |
| b) Recurring | - 289.34 Lacs |
| c) Total | - 289.34 Lacs |
| d) Total R & D Expenditure as % of Total Turnover | - .0245% |

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION:

EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

SAHIBABAD PLANT:

- a) The project for installation of latest 6HI UCM cold rolling mill from Hitachi Japan with allied facilities like Electrolytic cleaning line, 100% Hydrogen furnace, 4 HI skin-pass mill from Clecim France with electrostatic oiler from Ravirne Italy, sophisticated roll grinding machine & electro discharge texturing machine from Waldrich Siegen Germany, Fully automatic CR Slitting lines from FIMI Italy, CTL & multi blanking line with electromagnetic stacker from Henrich George Germany and fully fledged laboratory and R&D centre to meet the stringent requirements of car body manufactures is already in operation.

Additional Roll Grinding facility with on line crack detection from Wald rich Siegen – Germany, has been implemented.

- b) Added Embossing line for colour coated product for more value addition in Appliance Sector.
- c) Enhanced Finishing line capacity by adding 02 Nos. cut-to-length lines.

- d) Re-vamping of 20HI rolling mill.
- e) Installed Sewage Treatment plant for environment protection.
- f) Integrated power generation has been planned with two DG sets of 12 MW each from MAN B&W- Germany already in full operation.
- g) 2 No. Acid Regeneration plants are under erection.
- h) Re-certification of ISO/TS 16949 from 2002 version to 2009.
- i) Certificate has been obtained from Duns & Brandstreet Information Services India Pvt. Ltd (DUNS Number 65-008-1524) for supplying our material directly to Auto OEM's abroad like (GM, Ford, Chrysler, Volks Wagon etc.)
- j) Installation of Kathabar coil cooling system imported from LOI Thermo process Germany has resulted in increased productivity & also helped in eliminating rejection due to pin rust.
- k) 06 No. Hydrogen bases added from Ebner Austria.
- l) Colour Coated & Profiling facility added.
- m) Service Center for colour coating line established.

KHOPOLI PLANT:

- 1) 1 no. Narrow cold rolling mill with capacity to roll high carbon steel has been installed. The mill has most modern automation and control system from ABB
- 2) 6 nos. Wide size annealing bases and 4 nos. Narrow annealing bases from Ebner, Germany have been installed
- 3) A very sophisticated hardening and tempering furnace controlled with ABB automation system has been installed.
- 4) Continuous Grinding Line from Bruer, Germany has been set up for attaining high quality of grinding and polishing on steel strips
- 5) 1 no. Ultra Modern Facility to process tubes for the production of boiler tubes has been put up. Precision tubes, drawn tubes and various square and rectangular tubular section can be produced to meet all market segments
- 6) Narrow cold rolling mill complex has got additional facilities–
 - CR Slitter for multi-slitting operation having sophisticated Siemens controls
 - Rewinding Line for rewinding and inspection, again with state-of-art ABB automation
 - CR Slitter for multi-slitting of steel strips with Siemens automation system
 - Cut-to-Length machine to cut steel strip within close tolerances
- 7) Service centre has been put up with most modern facilities :
 - CR Slitter from Daehyun, Korea for the processing of slits of wider strips having controls from Mitsubishi

- 2 nos. Cut-to-length from Daehyun, Korea for cutting of steel strip with high precision
 - Very sophisticated Cut-to-length from Fimi, Italy for the cutting of steel strips within close tolerances
 - CR Slitter with most sophisticated controls from ABB
 - Tension levelling line for obtaining perfect levelled steel sheets to meets Indian and overseas elite market
- 8) Skin Pass Mill has already been commissioned successfully. Flattening spangles, improving surface roughness, partly eliminating the yield point elongation
- 9) Electrical Discharge Texturing Machine has been installed to obtain desired roughness for processing of high quality of steel strips. Electrodes are mounted on the machine in a manner which maximizes flexibility in respect of the roll diameters that can be textured. It helps to improve the painting process of the final product, enhancing its appearance, as well cold forming operation, reducing die wear
- 10) 5 nos. Profile Machines have been installed for the processing of high quality profile of GI, GL and colour products for various commercial applications.
- 11) Electro static oiler for controlled oiling for CRCA applied for auto sector and appliance industries.
- 12) 100% Hydrogen atmosphere controlled bell annealing furnaces for achieving uniform properties in CRCA.

ORISSA PLANT:

- a) Company's Plant at Orissa is a backward seamless integration to manufacture HR Coils, Billets & Blooms along with Power generation facilities.
- b) All machines and Technology are from world renowned suppliers like SMS Siemag-Germany, Tenova-Italy, Lurgy, Concast, Paul Worth, Danieli Corus etc.

Process Routes

- DRI – IF/EAF – LF -- Billet Caster/Slab Caster
- SP – BF – CONARC(HM + DRI/SCRAP) – LF -- Slab Caster – Hot Strip Mill Along with Power Plant/Coke Oven Plant

Facilities completed & put in operation

- 500 TPD DR Kilns # 1, 2, 3, 4, 5, 6, 7 & 8 with Cold DRI
- Power Plant – 33 MW, 77 MW along with 2 x 220 KV & 33 KV Switchyards
- SMS # 1 -
 - *6 Nos. 15 T Induction Furnace,
 - *One no 15 T LRF
 - *2- Strand Billet Caster
 - * One no. 60 T EAF
 - * One no 60T LRF

- * One no 60T VD
- * 3 - Strand Billet Caster
- * Single Strand Slab Caster (1300MM WIDE)
- Oxygen Plant - 150 TPD, 341 TPD & 405 TPD with Oxygen, Nitrogen & Argon separation systems
- Utility systems with Water treatment and water cooling systems with pipelines & Water cooling towers
- Full-fledged Railway Network with Yards, Wagon Tiplers # 1, 2 & 3
- RMPP/RMHS - 425 TPH Coal Washery along with Middling circuits
 - * Coal Crushing & Screening System
 - * Iron Ore Crushing & Screening Complex
 - * Coal, coke, lime, iron ore etc conveying systems
 - * Stackers-cum-Reclaimers # 1, 2, 3, 4, 5 & 7
 - * Reclaimers # 2 & 3
 - * Truck Tiplers # 1, 2, 3 & 4
 - * Wagon Tippler # 1, 2 & 3 with associated material conveying systems
 - * Coke Handling Systems
 - * (-) 5 MM Coal crushing & screening system
- 1x177 M² Sinter Plant
- 1x 204 M² Sinter Plant
- 1681 Cum Blast Furnace
- 3 x 300 TPD Lime/Dolomite Kilns,
- 1 x 0.85 MTPA Coke Oven Plant
- SMS #2 - 1 x 180 T Twin Shell Conarc Furnace
 - * 2 Nos. LRF for secondary refining of steel
 - * 2 Nos 130 T HMDS
 - * 180 T RH - degasser
 - * 3 nos 800 to 1680x 200 to 250mm Single Strand Slab Caster.
- 3 no Automatic Slab Transfer Cars handling slabs from Caster 1 & 2.
- 1850 MM Wide HSM equipped with HAGC, CVC, and Profile & Flatness control, RM-2, Coil Box, 6-stand FM, 2 Nos. Down Coilers & 2 Nos. 300 T/Hr RHF.
- 45 no's Automatic Coil Transfer Cars to cater total coils production of HSM and store in Coil Yard Bay 2 & 3.
- Finishing Line – One HR Slitter 1.5mm to 16mm (Make:

DAEHWA, Korea) ,

- One CTL – 1.2 mm to 12mm (Make: FIMI).
- Cold Rolling Mill (CRM) Facilities existing.
 - One 1050MM 6HI Cold rolling mill
 - One 1250MM width Cold rolling mill
 - One 1850 MM Wide HR Slitting Line.
 - One 1650 MM Pushpull/Semi Automatic Pickling Line.
 - One 2500 Lts/Hr Capacity Acid Regeneration Plant.
 - One Effluent treatment plant
 - Two Rewinding Cum Trimming Line
 - One no 1250mm wide Flux Galvanizing Line.
 - One Galvanizing Cum Galvalume with Ceramic Pots.
 - Four Cut to Length Lines.
 - Six no's barrel Corrugators.
 - Utilities such as Compressor form INGERSOLL RAND, DM water plant...Soft water plant from Ion Exchange-Mumbai.
 - One 10Ton Boiler from Industrial Boiler, Mumbai.
 - BP Sheet Annealing Furnace.
 - 40 NM3x 2 Hydrogen Generation Plant from Peric, China

Cold Rolling Mill Facilities under implementation.

- One 1350 mm Wide 6 Hi Cold Rolling Mill.
- One 1350 mm 4- Hi Skin-Pass Mill.
- 18 no's Gas Fired HICON/H2 Bell Annealing Bases.- 150MT Charge Weight.
- 30 no's Coil Cooling Bases.
- 2 nos 1600mm Wide FIMI CR Slitting Lines.
- One no 1600mm Wide FIMI Cut to Length Line.
- One no 1350mm Wide Electrolytic Cleaning Line.
- One no Narrow CR Slitting Line from ESMECH, Mumbai.
- One no Narrow CTL Line from Daehwa, Korea.
- One no Colour Coating Line 1300mm width.
- One no ECL Water Recovery Plant.
- One no POMINI Roll Grinding Machine.
- One no Electro Discharge Texturing (EDT) Machine from UK.
- One no 1250mm Wide Rewinding cum Tension Leveling Line.

Facilities under completion

- 500 TPD DR Kiln No.# 9 & 10
- 1 x 300 TPD Lime Kiln
- One no 204 M² Sinter Plant
- 2.5 MTPA Coke Ovens (72 Nos. 7.6M tall ovens) with all associated Facilities

- 1 x 3800 Cum Blast Furnace with all associated Facilities
- 2 x 180 T BOF / 2x 180T HMDS, 1x 180T LRF, 1x180T CASOB, 2 no's Argon Rinsing Stations.
- One no 1200 TPD Oxygen Plant
- One CTL - 8 TO 25.4MM, Width 2150mm with Future provision of Side Trimming (Make: FIMI)

Facilities under implementation

- 2 x 600 TPD Lime Kilns.
- Wagon Tiplers # 4 & 5.
- 1120 TPD Oxygen Plant
- Hot Strip Mill Expansion
 - ♦ 1 x 330T RHF, Roughing Mill #1, Finishing Mill # 7 and Down Coiler # 3.
 - ♦ 4 no Automatic Slab Transfer Cars to cater the production Caster 1, 2 & 3.
- HSPM – Hot Skin Pass Mill , Make CMI FPE -1.5 MTA, 1.2 to 6mm Skin-Pass and 1.2 to 8 mm Recoiling Capacity.
- Automatic Coil Transfer Extension in Coil Yard Bay1.
- Dry Quenching system for Coke cooling.
- Stacker cum Reclaimers # 1A & 6.
- Reclaimer # 4

BENEFITS DERIVED AS A RESULT OF THE ABOVE EFFORTS, E.G., PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT, IMPORT SUBSTITUTION, ETC.

1. All the automobile grades have been well established and being supplied to almost all the major car manufacturers. This has resulted 96% indigenization of the vehicles resulting in import substitution and substantial cost saving for the car manufacturers.
2. Due to Integrated power generation facilities, continuous un-interrupted supplies of material to the customer to meet their tight schedule and production targets.
3. CRCA: All the automobile grades have been well established for the auto sector in EDD and IF grades.
4. Bare Galume product well established for grades with YS 230 to 550 Mpa grades in acrylic coated condition confirming to 1000HRS of salt spray corrosion tests.
5. Pre painted products:
 - a) All paint systems i.e RMP, SMP, PVDF, SDP developed and well established.
 - b) High scratch & dust repellent paint system (HSDR quality) for clean roof application.
 - c) Different wrinkle finish paint for high class roofing/ cladding / sandwich panels.

Future development of special grade steel like IF steel, extra low Carbon Steel, API-5I (X70 to X80) through Hot Metal treatment through HMDS and Steel vacuum treatment in RH-degasser for wider application and improved market.

BOF route steel making will enhance further development of low carbon high purity steels for automobile sector application through cold rolling and direct hot rolled and micro-alloyed route.

Enhancement of HSM capacity will lead to increased productivity, process control and cost reduction in final product.

Larger capacity BF-2 will have increased productivity and cost reduction in Iron & steel production

TECHNOLOGY IMPORTED DURING THE LAST FIVE YEARS

A. Technology Imported:

Main Mill equipment and design has only been imported through SMS-Siemag, Corus, Tenova, Paul wurth etc.

B. Year of Import:

2008-09	2009-10	2010-11	2011-12	2012-13
DRI module 5 & 6 from Lurgi, Coke oven from China, Oxygen plant 400 TPD	Blast Furnace I from Danieli, DRI module 7 & 8, Conarc, Caster 1 strand caster 1680mm, HMDS – 1 & 2, LF 1 & 2 from SMS	Hot strip mill from SMS	ARP, DRI module 9 from Lurgi	Oxygen plant 1200 TPD, Blast furnace II and Coke oven II from Paul wurth, Sinter plant II, BOF from SMS

C & D. Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action:

Commissioning and Operation of this equipment has been done with help of original supplier with full involvement of our Technical personnel. There is no special technology import involved so far, in steel making and rolling technology.

FOREIGN EXCHANGE EARNINGS & OUTGO :

1	Activities relating to exports initiatives taken to increase exports, development and services and export plans.	Company's products are recognised in the International market as conforming to stringent international standards.
2	Total foreign exchange used and earned	Used : ₹3443 Crores Earned : ₹1813 Crores

ANNEXURE-C

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS:

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

Composition and category of Directors are as under :-

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

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

Sr. No.	Name of Directors	Attendance Particulars			No of directorships, committee membership and chairmanship of Public companies		
		No. of Board Meetings held during their tenure in the F.Y.2012-13	No. of Board Meeting Attended	Attendance at Last AGM.	Directorships (*)	Committee membership (*) (#)	Committee Chairmanship (*) (#)
1.	Sh. B.B. Singal	04	04	YES	7	5	4
2.	Sh. Neeraj Singal	04	04	YES	7	3	-
3.	Sh. Mohan Lal	04	04	YES	2	-	-
4.	Sh. B.B. Tandon	04	04	YES	13	10	1
5.	Sh. V.K. Mehrotra	04	04	YES	-	1	-
6.	Sh. M V Suryanarayana	04	04	YES	1	1	-
7.	Smt. Sunita Sharma	04	04	YES	-	-	-
8.	Sh. Nittin Johari	04	04	YES	1	-	-
9.	Sh. Rahul Sen Gupta	04	03	YES	1	-	-
10.	Sh. P.K. Aggarwal	04	04	YES	-	1	-

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

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

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

During the year 2012-2013 Four (04) Board Meetings were held on 12/05/2012, 31/07/2012, 12/11/2012 and 19/01/2013.

3. AUDIT COMMITTEE :

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

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

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

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

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
 - b. Recommending the appointment, re-appointment, removal of statutory auditors and fixation of audit fee and also approval for payment for any other services.
 - c. Reviewing with management the annual financial statements before submission to the board for approval, focussing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgement by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
 - d. Reviewing with the management, performance of statutory and internal auditors, the adequacy of internal control systems.
 - e. Reviewing the adequacy of internal audit functions.
 - f. Discussion with internal auditors any significant findings and follows up there on.
 - g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - h. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - i. Reviewing the Company's financial and risk management policies.
 - j. Reviewing the utilization of proceeds of funds raised by the Company.
 - k. To look into the reasons for substantial defaults in the payment to the depositors, debenture-holders, shareholders (in case of non payment of declared dividends) and creditors.
 - l. Reviewing, with the management, quarterly financial statements before submission to the Board for approval.
- During the year, the committee has met four times 12/05/2012, 31/07/2012, 12/11/2012 and 19/01/2013. Sh. B.B. Tandon, Sh. B.B. Singal, Sh. M.V. Suryanarayana and Sh. V.K. Mehrotra have attended all the four meetings of the Audit Committee.

4. REMUNERATION COMMITTEE :

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

COMPOSITION:

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

Sh. Mohan Lal Non Executive director is the Chairman of the Committee. No meeting of Remuneration Committee was held during the year.

REMUNERATION POLICY:

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

DETAIL OF REMUNERATION PAID TO DIRECTORS :

- (a) Remuneration paid to Executive Directors :

Sr. No.	Name	Designation	Salary including PF contribution (₹)	Other Perquisites (₹)	Total (₹)
1.	Sh. Neeraj Singal	Vice Chairman and Managing Director	1,20,00,000	20,56,410	1,40,56,410
2.	Sh. Nittin Johari	Whole-Time Director	86, 00,000	39,600	86,39,600
3.	Sh. Rahul Sen Gupta	Whole-Time Director	50, 00,000	39,600	50,39,600
4.	Sh. P.K. Aggarwal	Whole-Time Director	50, 09,360	39,600	50,48,960

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

Sr. No.	Name	Designation	Sitting Fees (₹)	No. of Equity shares held
1.	Sh. B.B. Singal	Chairman	7,65,000	45628672
2.	Sh. Mohan Lal	Director	60,000	1000
3.	Sh. B.B. Tandon	Director	1,20,000	-
4.	Sh. V.K. Mehrotra	Director	1,20,000	-
5.	Sh. M.V. Suryanarayana	Director	1,20,000	50
TOTAL :-			11,85,000	

(c) Besides salary and perks Executive Directors are entitled to superannuation or annuity fund, leave encashment and gratuity.

(d) No Commission is paid to any Director.

5. SHAREHOLDERS’/ INVESTORS’ GRIEVANCE COMMITTEE:

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

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

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were 14. All the complaints were disposed off and there were no complaints pending as on March 31, 2013.

6. GENERAL BODY MEETINGS:

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

2011-12	2010-11	2009-10
On Monday the 24th September 2012 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010	On Wednesday the 14th September 2011 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010	On Saturday the 25th September 2010 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi-110 010

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

N.A.	One special resolution was passed in AGM regarding addition of Article 8A to the Articles of Association.	N.A.
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Special Resolutions passed through Postal Ballot

During the year ended 31st March 2013, the Company has conducted two postal ballot process.

First Postal Ballot Process:

One (1) special resolution for the purpose of Further issue of securities was passed by the Company’s shareholders and result of postal ballot was declared by the Chairman on 10.07.2012. The Company has complied with the provisions of Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules 2011 while passing the Special Resolution through postal ballots.

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

Detail of Voting Patterns for the special resolution:

Number of valid postal ballot forms received.	101	
Resolution	Votes in favour of resolution	%age of Votes in favour of resolution
i) Resolution no. 1	179680696	98.18%
Resolution	Votes against the resolution	%age of Votes against the resolution
j) Resolution no. 1	3327755	1.82%

Second Postal Ballot Process:

One (1) special resolution for the purpose of Further issue of securities was also passed by the Company’s shareholders and result of postal ballot was declared by the Vice-Chairman and Managing Director Mr. Neeraj Singal on 02.02.2013. The Company has complied with the provisions of Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules 2011 while passing the Special Resolution through postal ballots.

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

Detail of Voting Patterns for the Special resolution:

Number of valid postal ballot forms including valid e-voting exercised.	290	
Resolution	Votes in favour of the Resolution	%age of Votes in favour of resolution
i) Resolution no. 1	172529783	98.34%
Resolution	Votes against the resolution	%age of Votes against the resolution
i) Resolution no. 1	2909956	1.66%

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

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

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

- None.

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

8. ADOPTION OF NON-MANDATORY REQUIREMENTS:

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

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

9. MEANS OF COMMUNICATION:

The Company publishes un-audited Quarterly financial results and audited annual financial results normally in "Economic Times" (English), "Business Standard" (English), "Jansatta", "Nav Bharat Times" (Hindi), and "Business Standard" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective web-sites. The results are also put on the website of the Company i.e. <http://www.bhushansteel.com> immediately after the Board Meetings.

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

10. GENERAL SHAREHOLDERS INFORMATION :

- (i) Annual General Meeting for the year ending 31st March, 2013 – On Saturday, 21st September, 2013 at 11.00 A.M at Air Force Auditorium, Subroto Park, New Delhi – 110010.
- (ii) As required under Clause 49(IV) (G) (i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment at the forthcoming Annual General Meeting (AGM) are given in the Notes to the Notice of the AGM to be held on 21st September, 2013.

(iii) Financial Year : 1st April 2012 To 31st March 2013.**Financial Reporting for the Quarter ending :**

30th June, 2013	On or before 14th August, 2013
30th September, 2013	On or before 14th November, 2013
31st December, 2013	On or before 14th February, 2014
31st March, 2014	On or before 30th May, 2014.

(viii) Market Price Data :

The High and Low of the share price of the Company at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) during each month from April, 2012 to March, 2013 are given below.

(Face value of each Equity Share: ₹2)

DATE	NSE		BSE	
	High	Low	High	Low
April, 2012	434.35	392.00	433.75	392.00
May, 2012	450.00	418.90	459.70	413.00
June, 2012	469.00	425.25	474.70	425.15
July, 2012	479.35	459.10	479.00	459.00
August, 2012	474.80	453.75	475.90	455.00
September, 2012	501.95	440.55	500.90	441.35
October, 2012	513.90	486.15	513.45	488.35
November, 2012	498.95	453.05	495.95	453.20
December, 2012	491.75	437.95	491.60	438.65
January, 2013	502.00	420.50	502.00	421.00
February, 2013	471.45	444.00	470.80	445.00
March, 2013	475.60	452.10	467.50	450.15

(ix) Share price performance in comparison to broad based indices – NSE Nifty and BSE Sensex based on share price on 31-03-2013.

During financial year 2012-2013, Share price of the Company was increased in NSE by 8.76% and in BSE by 8.96% as compared to increase in NSE Nifty by 7.29% and BSE Sensex by 8.07%.

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

(iv) Date of Book Closure :

The Book closure starts from 18th September, 2013 to 21st September, 2013 (both days inclusive) for the purpose of Annual declaration of dividend on equity shares for the year 2012-13 at the 30th Annual General Meeting of the Company to be held on 21st September, 2013.

(v) Dividend payment date :

Within 30 days from the date of A.G.M i.e. on or before 20.10.2013.

(vi) Listing of Shares:

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

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

Annual Listing Fee including fees for the year 2013-14 have been paid on due dates to both the Stock Exchanges i.e. BSE and NSE.

(vii) Stock Code :

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

(x) Registrar and Transfer Agent :

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

(xi) Share Transfer System:

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

Share Transfer Committee:

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

Physical Mode :

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

Dematerialised Mode :

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

(xii) Distribution of Shareholding as on 31.03.2013

Distribution Schedule:

Shareholding of value of ₹	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
UPTO TO 5000	16882	98.22	2638631	5277262.00	1.16
5001 TO 10000	104	0.61	360616	721232.00	0.16
10001 TO 20000	45	0.26	324093	648186.00	0.14
20001 TO 30000	21	0.12	254512	509024.00	0.11
30001 TO 40000	11	0.07	194267	388534.00	0.09
40001 TO 50000	9	0.05	207099	414198.00	0.09
50001 TO 100000	26	0.15	1014437	2028874.00	0.45
100001 and Above	90	0.52	221521875	443043750.00	97.80
	17188	100.00	226515530*	453031060.00	100.00

*Equity share capital of the company consist of 226515530 equity shares i.e. 212358310 are fully paid up equity shares of ₹2/- each and 14157220 are partly paid up equity shares of Re.1/-.

Shareholding Pattern:

Sr. No.	Category	%age
1	Promoters	69.98
2	Banks, Financial Institutions, Mutual Funds, Insurance Companies	00.81
3	Foreign Institutional Investors, NRI's	01.76
4	Others	27.45

(xiii) Dematerialisation of Shares & Liquidity:

206923480 equity shares of the Company's paid up equity share capital has been dematerialized upto 31st March, 2013. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).

(xiv) Conversion of Warrants:

There was no conversion of Warrants during the year ended 31.03.2013.

(xv) Plant locations:

- (i) Site-IV, Sahibabad Industrial Area, Sahibabad, Distt. Ghaziabad, U.P.
- (ii) Village – Nifan, Savroli and Dehvali, Taluka-Khalapure, Distt. Raigad, (Near Khopoli), Maharashtra.
- (iii) Meramandali, Distt. Dhenkanal, Orissa.

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

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

During the year under review the Company has credited ₹182184/- to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 in

respect of the Unpaid/ unclaimed dividend amount relating to the Final dividend declared in 2004-05.

11. COMMITTEE ON BORROWINGS :

The Company has a Committee of Directors on Borrowings, investment and loans. Presently, the Committee consists of three Directors namely (1) Sh. B. B. Singal, (2) Sh. Neeraj Singal and (3) Sh. Nittin Johari. Sh. B.B. Singal is the Chairman of the Committee.

Thirty Nine (39) Nos. of Meetings of Committee of Board of Directors on Borrowings were held during the year 2012 - 2013 on 16.04.2012, 17.04.2012, 05.05.2012, 19.05.2012, 02.06.2012, 09.06.2012, 28.06.2012, 29.06.2012, 21.07.2012, 04.08.2012, 24.08.2012, 31.08.2012, 03.09.2012, 10.09.2012, 20.09.2012, 24.09.2012, 27.09.2012, 28.09.2012, 01.11.2012, 09.11.2012, 17.11.2012, 27.11.2012, 01.12.2012, 06.12.2012, 15.12.2012, 24.12.2012, 31.12.2012, 04.01.2013, 08.01.2013, 28.01.2013, 08.02.2013, 23.02.2013, 02.03.2013, 11.03.2013, 20.03.2013, 23.03.2013, 28.03.2013, 29.03.2013, 30.03.2013.

12. ADDRESS FOR CORRESPONDENCE :

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

ANNEXURE-D MANAGEMENT DISCUSSION AND ANALYSIS:

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

INDUSTRY STRUCTURE & DEVELOPMENTS

The steel industry is divided into primary & secondary sectors. The primary sector products are billets, pallets, rounds and Hot Rolled Coils/Plates (HRC/HRP). These form raw material for the secondary sector, which produces value added items such as Angles, Channels, wire Rods, Cold Rolled Coils/sheets (CRC/CRS) AND Galvanised Coils/Sheets. CR Sheet is a thinner sheet used for consumer durables like refrigerators, washing machines, automobiles, bicycles, etc. CR sheets are used by the automobile and domestic appliances industry whereas CR strips are used in manufacturing of bicycles, drums, barrels, fabrication, furniture etc. CR Coils are mainly used for manufacturing GP/GC sheets. Bhushan Steel Limited which so far falls under secondary sector, also entered in primary sector with setting up plant at Orissa.

FLAT PRODUCTS

Derived from slabs, this category includes plates and Hot Rolled Coils/Sheets. While plates are used for applications such as shipbuilding etc. HR Steel is the most widely used variety of steel, and other downstream flat products such as Cold Rolled (CR) Steel and Galvanised Steel are made from it.

LONG PRODUCTS

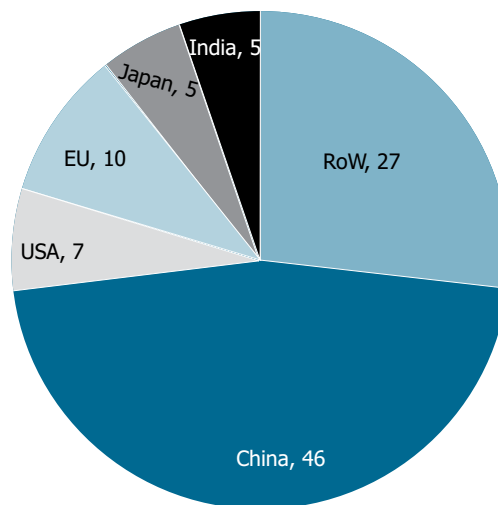
These products derive their name from their shape. They are made by using billets and blooms and include rods, bars, pipes, ropes and wires, which are used largely by the housing/construction sector.

GLOBAL STEEL INDUSTRY

CONSUMPTION PATTERN

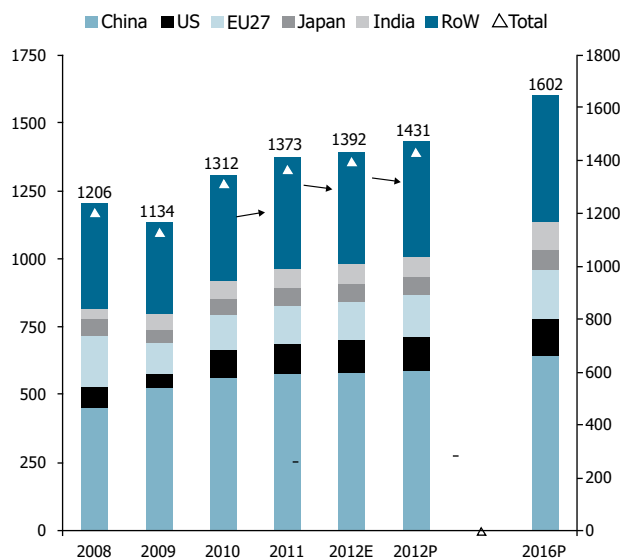
In 2012, global steel demand was estimated to have increased by 1% year on year due to the ongoing European financial crisis and the slowing of the Chinese economy which limited the use of the metal. Global steel consumption was 1,392 million tons in 2012. Between 2012 and 2016, global steel demand is expected to grow at a compound annual growth rate ("CAGR") of 2% to 3%. Steel demand is also expected to vary between regions and countries. Steel demand in developed regions, such as the United States, Europe and Japan, is expected to be lower than in previous years while stronger economic growth in China, India, Brazil, Russia and South Korea suggest there will be high steel demand from these regions.

Despite the decrease in steel demand in China, China remained the top consumer of steel, accounting for approximately 46% of global steel consumption. Steel demand in China during 2012 is estimated to have grown by 2%. The chart below illustrates regional consumption of steel on a percentage basis for 2012:



GLOBAL STEEL DEMAND OUTLOOK

The chart below illustrates the global steel demand outlook for certain countries between 2008 and 2016:



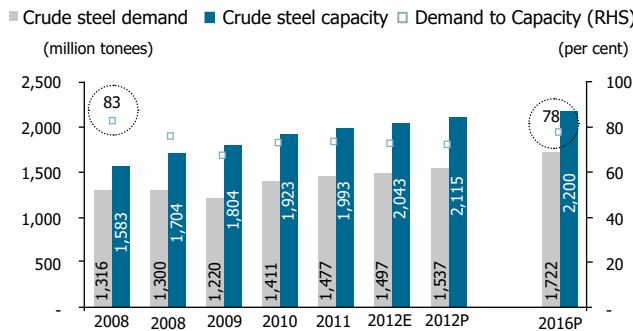
E: Estimated; P: Projected

INTERNATIONAL STEEL CAPACITY FORECAST

The global steel industry's demand to capacity ratio was 68% in 2009, due to the global economic slowdown. Operating rates remained low in 2009. However, with a recovery in steel demand in 2010, global

utilization rates improved to 73% and in 2011 increased to 74%. Global demand for steel is expected to continue to increase until 2016 leading to better operating rates.

The chart below illustrates global crude steel demand to capacity between 2007 and 2016:



INDIAN STEEL INDUSTRY

The Indian steel industry can be classified either on the scale of operation, types of products manufactured or the level of integration from raw material availability to the range of finished products. Depending on the level of integration, companies can be broadly classified as large, small and mid-sized participants.

Large integrated companies account for more than 50% of domestic steel production. They mainly produce flat products and account for a 75% share in the flat products market. However, their share in the production of long steel products is substantially low. Large integrated companies are expected to dominate the flat steel production. The long products segment is however expected to remain fragmented with the presence of a few integrated entities. Even among large companies, the level of integration varies, depending on accessibility to iron ore mines. Several large integrated companies have access to captive iron ore mines. As raw materials, such as iron ore and coking coal, constitute approximately 60% to 70% of the total production costs of finished steel, backward integrated companies are better placed in terms of operating leverage and price flexibility in comparison to integrated companies without captive mines and non-integrated companies.

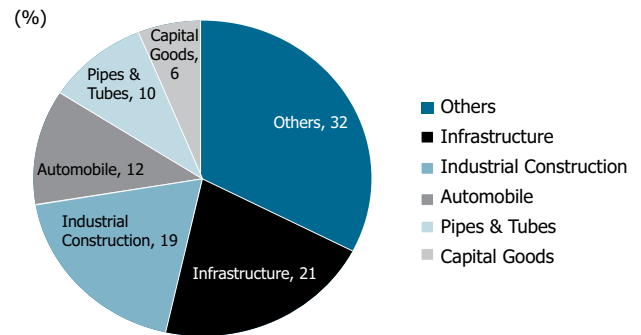
Small and mid-sized companies have a strong presence in long steel products as investments are lower in this segment. Most of these companies are non-integrated and need to purchase steel intermediaries such as sponge iron, pig iron and scrap. Depending on price and availability, these companies use sponge iron along with scrap.

INDIAN STEEL CONSUMPTION PATTERN

The slowdown of the economy reduced steel demand in India in 2011-12. During 2011-12, steel demand increased by 5.5% to 66.4 MT. This growth rate was lower than CAGR recorded between 2006-07 and 2011-12, which was spurred by rising investments in infrastructure

and construction, and strong growth in capital goods and automobile sales. Despite the low growth rate in 2011-12, India remains the world's fourth largest producer and consumer of steel.

Among end-user sectors, infrastructure and industrial construction accounted for approximately 40% of total steel consumption in 2011-12, followed by the automobiles sector, pipes and tubes industry. The chart below illustrates the steel consumption pattern in India for 2011-12 across various sectors:



End user demand for steel in India has been affected by persistently high inflation and high interest rates. With the rising cost of finance and execution delays owing to environment clearances, many construction and infrastructure projects have not commenced as expected, resulting in lower steel demand. It is estimated that domestic steel demand growth will be approximately 3% to 5% in 2012-13. Of this, demand for flat steel products is expected to increase by 5% to 7% during the year as compared to demand for long products by 2% to 4%.

Steel demand in India is expected to increase from the second half of 2013-14 with an expected increase in demand in key end-user sectors such as construction, infrastructure and automobiles.

KEY GROWTH DRIVERS FOR INDIAN STEEL INDUSTRY

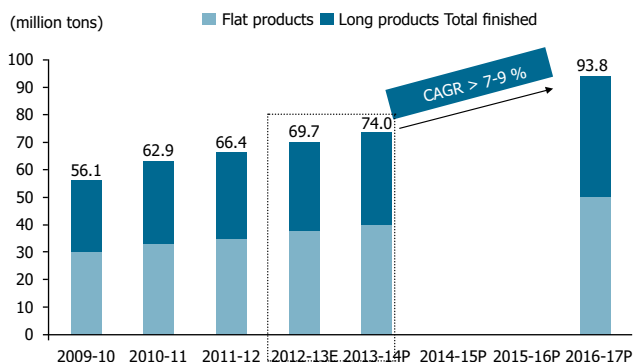
Growth in steel demand is expected to increase, spurred by demand for steel in key end-user sectors such as automobiles, infrastructure and construction. Investments in oil E&P and transportation, water supply and sanitation and irrigation network are expected to drive growth. Demand for steel pipes will continue to be driven primarily by the huge network of pipelines planned in the oils and gas sector. This will be supplemented by the government's increasing focus on water and irrigation projects. The current network of pipelines in India is approximately 26,800 kilometers (km) for oil transportation and 26,900 km for gas transportation. Another 7,000 to 7,540 km of oil pipelines and 10,000 to 11,000 km of gas pipelines are expected to be added over the next five years, thereby driving steel growth.

Infrastructure investments are also expected to drive growth in long steel products. Between 2012-13 and 2016-17, investments in the infrastructure space are expected to increase to ₹35 trillion. This is approximately 1.9 times the investments in the previous five years.

Growth is expected to be evenly spread across sectors catering to both economic and social growth. However, sectors such as power, roads, railways and irrigation are likely to attract 70-75% of the total investments

DEMAND OUTLOOK FOR STEEL

Between 2012-13 and 2016-17, domestic steel demand growth is expected to grow at a CAGR of 6% to 8%. By 2016-17 steel demand in India is expected to reach 94 MT. The chart below illustrates the demand outlook for steel products in India between 2009-10 and 2016-17:

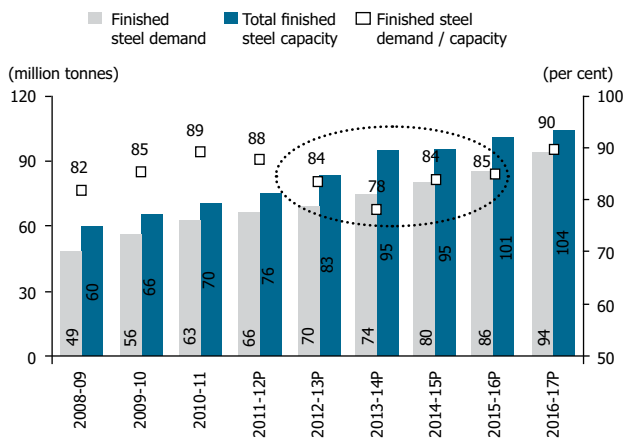


E: Estimated; P: Projected

CAPACITY AND PRODUCTION OUTLOOK

Between 2000 and 2011 Indian steel production growth averaged approximately 9.4% per annum. Consequently, the growth rate of steel imports exceeded both steel production and demand growth, registering an average 14.9% increase per annum from 2000 to 2011 and filling the void created by the shortfall in domestic steel output.

The domestic steel demand-to-capacity for India between 2008-09 and 2016-17 is shown below:



P: Projected

COMPANY'S PROSPECTS

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

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

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

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

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

PERFORMANCE

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

Particulars	₹ in Crores		
	FY 2012-13	FY 2011-12	Variation
Turnover	11800.02	10792.64	1007.38
PBDIT	3332.30	3031.42	300.88
Interest and Financial Charges	1287.44	1046.27	241.17
Depreciation	830.86	619.93	210.93
Profit Before Tax	1214.00	1365.22	(151.22)

RISKS AND CONCERNS

Input Risk

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

The major raw materials required for the project are iron ore/coke/ coking coal and thermal coal. The plant is located in an area where

iron ore is easily available at reasonable rates from various private mine owners.

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

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

INTERNAL CONTROL SYSTEM

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

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

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONSHIP

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

Board of Directors on record thanks to all of the employees for their valuable contribution towards the growth of the company. As on 31 March, 2013 the total employee strength was 5828.

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

ANNEXURE-E

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

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

I confirm that the Company has in respect of the Financial year ended 31st March, 2013 received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them.

For the purpose of this declaration, Senior Management team means the members of the Management one level below the Managing Director as on 31st March, 2013.

Place: New Delhi
Date: 27th May, 2013

Sd/-
Neeraj Singal
Managing Director

ANNEXURE-F

AUDITORS' REPORT ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Bhushan Steel Limited, for the year ended 31/03/2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange (s).

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

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

On the basis of representation received from Registrars and share transfer Agents and as per the records maintained by the Company which are presented to the shareholders / Investor Grievance Committee, we state that during the year ended 31st March, 2013, no investor grievances were pending for a period exceeding one month.

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

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

Sd/-
(GEETIKA MEHRA)
PARTNER
M.NO. 510525

PLACE : NEW DELHI
DATED : 27th May, 2013

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Members of Bhushan Steel Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Bhushan Steel Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-
R.K. Mehra
Partner
M. NO.: 6102

Place: New Delhi
Dated: 27th May, 2013

ANNEXURE

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

- i) In Respect of its Fixed Assets :
- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed Assets covering significant value were physically verified during the year by the Management at such intervals which in our opinion, provides for the physical verification of all the Fixed Assets at reasonable interval having regard to the size of the Company and nature of its business. According to the information and explanations given to us by the Management, no material discrepancies have been noticed on such verification.
 - c) No substantial parts of fixed assets have been disposed off during the year.
- ii) In Respect of its Inventory :
- a) As per information and explanations given to us, the inventory of finished goods, semi-finished goods and raw material at works were, during the year, physically verified by the management. In respect of Stores and Spare Parts and stock at yards in the custody of the third party and stocks in transit were verified with the confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories of the Company followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories, no material discrepancies were noticed on such physical verification.
- iii) In our opinion and according to the information and explanations given to us, the company has not taken / granted any loans, secured or unsecured from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, having regard to explanation that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :-
- a) The particular of contracts or arrangements referred to Section 301 that needed to be entered in the register maintained under the said Section have been so entered.
 - b) Where each of such transaction is in excess of ₹5 Lacs in respect of any party, the transaction have been made at a price which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi) To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA or any other provisions of the Companies Act, 1956.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
- viii) To the best of our knowledge, the Central Government has prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, which have been maintained by the company and these have been broadly reviewed by us and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- ix) According to the information and explanations given to us, in respect of statutory dues :
- a) The Company has generally been regular in depositing undisputed dues including Provident Fund, Investors' Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Excise Duty, Cess, and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they become payable.

- c) The disputed statutory dues aggregating ₹44435.13 Lacs (net of paid under protest) that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (₹ In Lacs)	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	Apr-May 1998 & Oct. 2000 to Nov. 2000	0.96	High Court of Allahabad
		Aug'05 to Jul'09, Aug'09 to Mar'10, Apr'09 to Jan'10 & Apr'10 to Jan'11	14357.21	CESTAT, Kolkata
		Feb'10 to Nov'11, Apr'10 to Jan'11 & Apr'08 to Mar'11	70.04	Commissioner (Appeal), Bhubaneswar
		F.Y. 2001-2002, Mar'05 to Jan'10, Jul'01 to Mar'06, Apr'06 to Mar'09, 2006-07 to 2009-10, Oct'96 to Sep'00, Oct'00 to Dec'00, May'08 to Mar'09, Mar'05 to Jan'10 & Apr'11 to Nov'11	3570.05	CESTAT, New Delhi
		Apr'11 to Feb'12	3.57	Commissioner (Appeal), Ghaziabad
		Oct'03 to Sep'05, 2001-02 & Feb'07 to Dec'11	1921.00	CESTAT
Finance Act,1994 (Service Tax Provisions)	Service Tax	Dec'05 to Aug'08, Oct'09 to Sep'10	1699.77	CESTAT, Kolkata
		2006-07 to 2007-08 & Mar'11	107.63	Commissioner (Appeal), Bhubaneswar
		2006-07	0.23	CESTAT, New Delhi
		Dec'04 to Nov'07	52.33	CESTAT
Income Tax Act, 1961	Income Tax	2007-08	40.90	Commissioner of Income Tax (Appeals)
Sales Tax Acts of various states	Local Sales Tax	Apr'05 to Dec'08	550.98	Orissa High Court at Cuttack
		2002-03, 2003-04, 2004-05, Apr'06 to Oct'06 & 2006-07	415.98	High Court of Allahabad
		2005-06, Oct'08 & Sep'08	90.52	Addl. Commissioner (Appeal)
	Penalty on Trade Tax	1991-92	0.75	Trade Tax Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	2002-03, 2003-04, 2004-05, Apr'06 to Oct'06 & 2006-07	2180.08	High Court of Allahabad
		2005-06	391.11	Additional Commissioner (Appeal)
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	1995-96	7.66	High Court of Allahabad
		2004-05	384.71	Supreme Court
Odisha Entry Tax Act,1999	Entry Tax	Dec'07 to Mar'12	16749.44	Supreme Court
		Apr'05 to Jan'08	144.12	Additional Commissioner of Sales Tax (Appeal), Cuttack
Orissa Minor Minerals Concession Rules, 2004	Royalty	-	1696.09	Orissa High Court

- x) The Company has no accumulated losses and has not incurred any cash loss during the financial year covered by our Audit and in the immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.
- xii) On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge and belief, the Company has not granted any loan or advance on the basis
- of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- xiv) To the best of our knowledge and according to information given to us, the Company is not a dealer or trader in securities. The Company has invested in marketable securities and mutual

funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts, and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

- xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks/ Financial Institutions.
- xvi) To the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.
- xvii) In our opinion and according to the information and explanations given to us and on an overall examination of Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investments.
- xviii) According to the information and explanations given to us, the Company has made preferential allotment of Preference Shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. In our opinion and according to the information and explanations given to us, the price, at which Preference Shares have been issued, is not prejudicial to the interest of the Company.
- xix) To the best of our knowledge and according to the information and explanations given to us, the Company has created securities/ charges as on the date of our report, in respect of Secured Debentures issued to the satisfaction of the Trustee of the Debentures.
- xx) The Company has raised money by way of right issue of equity shares during the year. We have verified the end use of monies raised by right issue of equity shares and the same has been disclosed in Note 30(a).
- xxi) Based upon the audit procedure performed and the information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Sd/-
R.K. Mehra
Partner
M. NO.: 6102
Place: New Delhi
Dated: 27th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

	NOTE	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	14548.11	12841.44
Reserves and Surplus	3	890261.94	726795.00
		904810.05	739636.44
Preference Share Application Money Pending Allotment {Refer Note 30 (b)}		-	38301.00
Non-Current Liabilities			
Long-Term Borrowings	4	2166421.28	1552878.02
Deferred Tax Liabilities (Net)	5	134278.18	103881.83
Other Long-Term Liabilities	6	217945.61	150589.98
		2518645.07	1807349.83
Current Liabilities			
Short-Term Borrowings	7	523286.39	428778.23
Trade Payables	8	161702.35	99312.50
Other Current Liabilities	9	210118.54	226225.09
Short-Term Provisions	10	7598.43	5483.66
		902705.71	759799.48
Total		4326160.83	3345086.75
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	1814155.23	1573271.64
Intangible Assets		115.84	118.01
Capital Work in Progress		1259531.32	906867.43
		3073802.39	2480257.08
Non-Current Investments	12	40245.54	30470.26
Long-Term Loans and Advances	13	249593.80	282603.52
Other Non-Current Assets	14	2140.14	1937.54
		291979.48	315011.32
Current Assets			
Current Investments	15	2475.00	2475.00
Inventories	16	555967.55	331142.61
Trade Receivables	17	234308.72	122037.63
Cash & Bank Balances	18	15362.56	33498.03
Short-Term Loans and Advances	19	152265.13	60665.08
		960378.96	549818.35
Total		4326160.83	3345086.75
Significant Accounting Policies	1		
Other Notes on Financial Statements	28 to 51		

As per our report of even date attached

For **MEHRA GOEL & CO.**Chartered Accountants
(Registration No.: 000517N)Sd/-
R. K. MEHRA
PARTNER
M. NO.: 6102Sd/-
B. B. SINGAL
CHAIRMANSd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTORPlace: New Delhi
Dated: 27th May, 2013Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)Sd/-
O. P. DAVRA
COMPANY
SECRETARY

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	NOTE	Year Ended 31.03.2013		Year Ended 31.03.2012	
INCOME					
Gross Revenue from Operations	20	1180001.85		1079263.73	
Less: Excise Duty		105574.88	1074426.97	85122.96	994140.77
Other Income	21		1733.59		2734.42
TOTAL REVENUE			1076160.56		996875.19
EXPENSES					
Cost of Materials Consumed	22		579864.15		550674.73
Purchase of Goods Traded	23		8118.55		-
Change in Inventories of Finished Goods , Work In Progress and Stock- in -Trade	24		(10583.67)		(6533.07)
Employee Benefits Expense	25		17345.41		14397.97
Finance Costs	26		128744.31		104626.73
Depreciation and amortization expense			83086.19		61992.95
Other Expenses	27		148185.88		135193.29
Total Expenses			954760.82		860352.60
Profit Before Tax			121399.74		136522.59
Tax Expenses					
- Current Tax			24289.36		27315.10
- MAT Credit Utilised/(Available for Set-off)			(24175.00)		(27190.00)
- Deferred Tax			30396.35	30510.71	34050.00
					34175.10
Profit for the year			90889.03		102347.49
Basic Earning Per Share (₹)			41.61		47.10
Diluted Earning Per Share (₹)			41.61		47.10
Nominal Value of Share (₹)			2.00		2.00
(Refer Note 39)					
Significant Accounting Policies	1				
Other Notes on Financial Statements	28 to 51				

As per our report of even date attached

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

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

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Place: New Delhi
Dated: 27th May, 2013

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

	Year Ended 31.03.2013		Year Ended 31.03.2012	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax and extraordinary items		121399.74		136522.59
Adjustments for :				
Depreciation & Amortization Expense	83086.19		61992.95	
Provisions (Retirement Benefits)	434.75		3.28	
Finance Cost	128744.31		104626.73	
Interest/Dividend Income on Investment	(258.80)		(261.36)	
Interest Income (others)	(1151.52)		(983.98)	
Profit on Sale of Investment	(77.63)		(490.34)	
Loss / (Profit) on Sale of Fixed Assets	(177.29)		(960.09)	
Provision for Doubtful Debts	70.18		21.28	
Right Issue Expenses	83.60		-	
Loss / (Gain) on Exchange Rate Change	2245.09	212998.88	27538.91	191487.38
Operating Profit Before Working Capital Changes		334398.62		328009.97
Adjustments for :				
Increase(-) / Decrease in Inventories	(224824.94)		(14302.06)	
Increase(-) / Decrease in Trade Receivables	(112307.35)		(76047.95)	
Increase(-) / Decrease in Loans & Advances	(33815.62)		33722.79	
Increase / Decrease(-) in Trade Payables & Other Liabilities	37827.28	(333120.63)	40179.72	(16447.50)
Cash Flow from Operating Activities		1277.99		311562.47
Direct Tax Paid (Net of Refund)		(22547.28)		(26373.24)
Net Cash (Used) / Flow in / from Operating Activities (A)		(21269.29)		285189.23
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(441704.89)		(467226.45)	
Sale of Fixed Assets	237.27		1379.11	
Purchase of Investment	(42318.86)		(18168.55)	
Long Term Fixed Deposits	(202.60)		(1902.54)	
Sale of Subsidiary	-		600.00	
Sale of Investments	32621.21		3001.87	
Interest Income	1459.15		1242.73	
Dividend Income	0.05		2.61	
Net Cash Used In Investing Activities (B)		(449908.67)		(481071.22)

(₹ in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(269164.95)	(263028.71)
Proceeds From Cash Credit from Banks(Net)	218177.22	88161.71
Proceeds From Other Borrowings	468000.32	315926.32
Proceeds From Share / Share Application Money	33715.34	105801.01
Right Issue Expenses	(83.60)	-
Redemption of Preference Shares Including Premium	(1389.07)	(23770.89)
Capital Subsidy	6036.54	6030.15
Dividend Paid	(1954.47)	(2980.17)
Dividend Tax Paid	(294.84)	(232.30)
Net Cash Flow From Financing Activities (C)	453042.49	225907.12
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(18135.47)	30025.13
Opening Balances of Cash and Cash Equivalents	33498.03	3472.90
Closing Balances of Cash and Cash Equivalents	15362.56	33498.03

Note:-

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS)-3 on 'Cash Flow Statement'.
- Cash and Cash equivalents include ₹29.84 Lacs (Previous Year ₹22.98 Lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.
- Figures in brackets represent cash out flow.
- Previous Year Figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date attached

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

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

Place: New Delhi
Dated: 27th May, 2013

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

1) PRESENTATION OF FINANCIAL STATEMENTS

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

2) BASIS OF PREPARATION

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

3) USE OF ESTIMATES

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

4) REVENUE/EXPENDITURE RECOGNITION

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

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

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

5) EXTRAORDINARY ITEMS

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

6) EXCEPTIONAL ITEMS

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

7) FIXED ASSETS

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat / cenvat, less accumulated depreciation and include directly attributable costs of bringing

an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

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

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

8) ASSETS IN THE COURSE OF CONSTRUCTION

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

9) INTANGIBLE ASSETS

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

10) IMPAIRMENT OF ASSETS

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

11) DEPRECIATION

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

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

rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

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

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

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

12) INVENTORIES

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

Cost is determined on the following basis :-

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

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

By products and scrap are valued at net realizable value.

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

13) INVESTMENTS

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

14) FOREIGN EXCHANGE TRANSACTIONS

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

such assets and in other cases are amortized over the period of such long term monetary item.

15) BORROWING COST

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

16) MODVAT / CENVAT / VAT

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

17) CLAIMS

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

18) EMPLOYEE BENEFITS

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

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

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

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

19) TAX EXPENSE

Provision for current income tax is made after taking credit for

allowance and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

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

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

20) LEASES

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

21) DERIVATIVE FINANCIAL INSTRUMENTS

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

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

22) PROVISION AND CONTINGENT LIABILITY

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

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

23) CONTINGENCIES & COMMITMENTS

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

NOTES FORMING PART OF THE ACCOUNTS

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE -2 SHARE CAPITAL		
Authorised		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
1,45,00,000 (Previous Year 1,45,00,000) Preference Shares of ₹100/- Each	14500.00	14500.00
	22500.00	22500.00
Issued		
23,06,05,220 (Previous Year 21,64,48,000) Equity Shares of ₹2/- Each	4612.10	4328.96
94,05,367 (Previous Year 77,95,267) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	9405.37	7795.27
3,54,000 (Previous Year 3,99,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	354.00	399.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
	14771.47	12923.23
Subscribed		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each	4247.17	4247.17
1,41,57,220 (Previous Year Nil) Equity Shares of ₹2/- Each, ₹1/- called up	141.57	-
94,05,367 (Previous Year 77,95,267) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	9405.37	7795.27
3,54,000 (Previous Year 3,99,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	354.00	399.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
	14548.11	12841.44
Paid Up		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4247.17	4247.17
1,41,57,220 (Previous Year Nil) Equity Shares of ₹2/- Each, ₹1/- Paid up {Refer Note 30(a)}	141.57	-
94,05,367 (Previous Year 77,95,267) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	9405.37	7795.27
3,54,000 (Previous Year 3,99,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	354.00	399.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
	14548.11	12841.44

Detail of Shareholders holding more than 5% shares :

Name of Shareholders	As at 31.03.2013		As at 31.03.2012	
	No of Shares	% Held	No of Shares	% Held
(A) Equity Shareholders				
1. Shri Brij Bhushan Singal	45628672	20.14%	41558130	19.57%
2. Shri Neeraj Singal	73105933	32.27%	65988640	31.07%
3. Smt Archana Mittal	-	-	12491075	5.88%
4. Bhushan Infrastructure Ltd.	29486540	13.01%	26534916	12.50%
(B) Preference Shareholders				
1. Bhushan Energy Ltd.	1200000	11.81%	1200000	13.96%
2. Bhushan Finance Pvt. Ltd.	840000	8.27%	840000	9.77%
3. Robust Transportation Pvt. Ltd.	531567	5.23%	531567	6.19%
4. Shri Neeraj Singal	1204400	11.86%	434400	5.05%
5. Shri Brij Bhushan Singal	707100	6.96%	-	-

Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31.03.2013		As at 31.03.2012	
	No of Shares	Amount (₹ in Lacs)	No of Shares	Amount (₹ in Lacs)
(A) Equity Shares				
At the beginning of the year	212358310	4247.17	212358310	4247.17
Add : Shares Issued	14157220	141.57	-	-
Less: Shares Cancelled	-	-	-	-
At the end of the year	226515530	4388.74	212358310	4247.17
(B) Preference Shares (Non Convertible Cumulative Redeemable Preference Shares)				
10% Preference Shares				
At the beginning of the year	7795267	7795.27	5168600	5168.60
Add : Shares Issued	1610100	1610.10	2626667	2626.67
Less: Shares Redeemed	-	-	-	-
At the end of the year	9405367	9405.37	7795267	7795.27
4% Preference Shares				
At the beginning of the year	399000	399.00	900000	900.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	45000	45.00	501000	501.00
At the end of the year	354000	354.00	399000	399.00
25% Preference Shares				
At the beginning of the year	400000	400.00	800000	800.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	400000	400.00
At the end of the year	400000	400.00	400000	400.00

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

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

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

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-3 RESERVES & SURPLUS		
Capital Reserve:		
At Commencement of the year	12579.31	6549.16
Add : Addition during the year (Refer Note 41)	6036.54	6030.15
	18615.85	12579.31
Debenture Redemption Reserve :		
At Commencement of the year	19350.00	11875.00
Add : Transfer From Surplus	26962.50	8475.00
	46312.50	20350.00
Less : Transfer To General Reserve	4750.00	1000.00
	41562.50	19350.00
Securities Premium Reserve:		
At Commencement of the year	259372.60	216123.26
Add : On Issue of Shares	70264.67	64873.34
Less : Utilised on Redemption of Preference Shares	1080.00	21624.00
	328557.27	259372.60
General Reserve:		
At Commencement of the year	434600.00	343600.00
Add : Transferred From Debenture Redemption Reserve	4750.00	1000.00
Add : Transferred From Surplus	60000.00	90000.00
	499350.00	434600.00
Surplus :		
Opening Balance	893.09	377.69
Add: Net Profit for the Current Year	90889.03	102347.49
	91782.12	102725.18
Less: Appropriations		
Proposed Dividend on Equity shares	1132.58	1061.79
Proposed Dividend on Preference Shares	11.48	4.07
Provision For Dividend Tax	194.43	172.91
Interim Dividend on Preference Shares	895.47	750.50
Dividend Tax on Interim Dividend	145.27	121.93
Transferred to Debenture Redemption Reserve	26962.50	8475.00
Transferred to General Reserve	60000.00	90000.00
Premium Paid on Redemption of Preference Shares	264.07	1245.89
Net Surplus	2176.32	893.09
	890261.94	726795.00

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-4 LONG-TERM BORROWINGS		
SECURED		
Non Convertible Debentures	200500.00	99500.00
(Foot note 1 to 10)		
Term Loan		
1. From Banks		
- Foreign Currency Loans (Foot note 11)	773419.81	632621.94
- Rupee Loans (Foot note 12)	1288008.33	823026.21
2. From Financial Institutions		
- Rupee Loans (Foot note 13)	6000.00	9471.36
3. Vehicle Loan From Bank (Foot note 14)	11.16	27.02
Total (A)	2267939.30	1564646.53
UNSECURED		
Term Loan		
Foreign Currency Loans		
- From Indian Banks (Foot note 15)	17919.00	16787.10
- From Foreign Banks (Foot note 16)	42347.35	123732.97
- From Others	847.11	1152.45
Total (B)	61113.46	141672.52
Total (A+B)	2329052.76	1706319.05
Less: Current Maturity of Long Term Borrowings	162631.48	153441.03
	2166421.28	1552878.02

Foot Note:

- (1) 12% Redeemable Non-Convertible 5000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹50000 Lacs (Previous Year ₹ NIL). Out of these 4750 Debentures are redeemable at the end of 4th,5th and 6th year in installments 35%,35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 31st August, 2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company. Besides 250 Debentures are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 31st August, 2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (2) 12% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March, 2013 ₹10000 Lacs (Previous Year 12% Redeemable Non Convertible Debentures of ₹100 Lacs each outstanding on 31st March, 2012 ₹10000 Lacs) (subordinate debt) are redeemable at par in one bullet payment at the end of 10 years and 1 Month from the date of allotment i.e 31st March, 2008 and are secured by subsequent and subservient charge by way of hypothecation on the present and future assets of the Company so as to maintain minimum asset coverage of 1.25 times, throughout the currency of the Debentures. Debentures are further secured by pledge of Equity Shares of Bhushan Steel Limited, having market value not less than 1.5 times of loans, held by promoters/promoter entities, and Personal Guarantee of Shri B.B. Singal and Shri Neeraj Singal.
- (3) 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹35000 Lacs (Previous Year ₹ NIL) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 4th January, 2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (4) 12% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹10500 Lacs (Previous Year ₹ NIL) are redeemable in three equal annual installments commencing from the end of 4th year from the date of allotment i.e 28th March, 2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (5) 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹30000 Lacs (Previous Year 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹30000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e 2nd February, 2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹30000 Lacs) Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e 13th August, 2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.

- (7) 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹17500 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹17500 Lacs) are redeemable at par in four equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e 26th August, 2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (8) 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹10000 Lacs (Previous Year 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹10000 Lacs) are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 26th March, 2007 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (9) 11.50% Redeemable Non-Convertible 1500 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹7500 Lacs (Previous Year ₹ NIL) are redeemable in next year and are secured by subsequent and subservient charge on the movable fixed assets of the Company.
- (10) 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March, 2013 ₹ NIL (Previous Year 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March, 2012 ₹2000 Lacs) are redeemable at par in three equal annual installments commencing from 4th year from the date of disbursement i.e 24th April, 2006 ₹100 Lacs (Previous Year ₹66.66 Lacs) per debenture have been redeemed and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (11) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement,except ₹49658 Lacs (Previous Year ₹56695 Lacs) secured by subsequent & subservient charge on movable assets. Out of the above, the ECA Loans of ₹261124 Lacs (Previous Year ₹247251 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors. Out of these,Loans of ₹758367 Lacs (Previous Year ₹618520 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹15053 Lacs (Previous Year ₹14102 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (12) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement,except ₹36996 Lacs (Previous Year ₹41999 Lacs) secured by subsequent & subservient charge on movable assets.Loans of ₹786879 Lacs (Previous Year ₹512796 lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹501130 Lacs (Previous Year ₹310230 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (13) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement.Out of these Loans of ₹ NIL (Previous Year ₹471 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹6000 Lacs (Previous Year ₹9000 Lacs are guaranteed by the Personal Guarantee of One Promoter Director.
- (14) Secured by the hypothecation of specific assets.
- (15) Guaranteed by the Personal Guarantee of One Promoter Director.
- (16) Out of these Loans of ₹31487 Lacs (Previous Year ₹103385 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹10860 Lacs (Previous Year ₹20348 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director).

Detail of Repayment and Rate of Interest

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

(₹ in Lacs)

	1 year	2-3 Years	Beyond 3 years
Term Loans	162631	398000	1567922

- (18) Domestic Loans sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate+2% (presently 11.70% p.a.) and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (19) Foreign Currency Loans for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 0.806% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (20) Domestic Loans sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% (presently 12.20% p.a.) and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (21) Foreign Currency Loans for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% (Presently 1.711% p.a.) repayable in 20 half yearly installments

- commencing from 6 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (22) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% (Presently 4.491% p.a.) repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (23) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of EURIBOR+1.75% (Presently 1.999% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (24) Domestic Loans sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest which is linked with base rate of respective participating lenders and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (25) Foreign Currency Loans for Coke Oven 2 of Orissa Project was sanctioned at interest rate of USD LIBOR + 4.50% (Presently 5.1429% p.a.) repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (26) Other Foreign Currency Loan for Orissa Project was sanctioned at rate of interest of USD LIBOR+3.50% (Presently 3.9459% p.a.) repayable in three annual installments commencing from 48 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (27) Domestic Loans sanctioned for CRCA & CRNGO Project of Orissa project was sanctioned at rate of interest of Base Rate+2.25% (Presently 12.25% p.a.) and repayable in 24 quarterly installments commencing from 12 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (28) Rate of interests of other Term Loans / Foreign Currency Loans are linked with the Base Rate / LIBOR.

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-5 DEFERRED TAX LIABILITY(NET)		
Deferred Tax Liability		
Related to Fixed Assets	135175.09	104615.02
Total (A)	135175.09	104615.02
Deferred Tax Assets		
Provision of Doubtful Debts	332.29	309.56
Others	564.62	423.63
Total (B)	896.91	733.19
Total (A-B)	134278.18	103881.83
NOTE-6 OTHER LONG-TERM LIABILITIES		
Creditors for Capital Goods/ Expenditure	205913.31	149424.06
Security Deposit Received from Customers	10916.25	-
Others*	1116.05	1165.92
	217945.61	150589.98

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

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-7 SHORT-TERM BORROWINGS		
SECURED		
Working Capital Loans		
From Banks		
Cash Credit		
- Foreign Currency Loans (Foot note 1)	75854.66	103319.40
- Rupee Loans (Foot note 1)	311653.03	66011.07
Term Loan		
From Banks		
- Rupee Loans (Foot note 2)	39999.78	115000.08
- Foreign Currency Loans (Foot note 3)	14879.68	-
Total (A)	442387.15	284330.55
UNSECURED		
From Bank		
Rupee Loan		
- Term Loan / Commercial Paper (Foot note 4)	68031.75	116793.65
Foreign Currency Loans		
- From Indian Banks (Foot note 5)	12867.49	27654.03
Total (B)	80899.24	144447.68
Total (A+B)	523286.39	428778.23

Foot Note :

- Working Capital Loans are secured by hypothecation of stock & book debts, second charge on company's land, building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- Secured by Subsequent and subservient charge on movable assets of the company. Out of these Loans of ₹15000 Lacs (Previous Year ₹40000 Lacs) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹25000 Lacs (previous year ₹75000 Lacs) are guaranteed by the personal guarantee of one promoter director.
- Secured by Subsequent and subservient charge on movable assets of the company. Out of these Loans of ₹9990 Lacs (Previous Year ₹ NIL) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹4890 Lacs (previous year ₹ NIL) are guaranteed by the personal guarantee of one promoter director.
- Including Commercial Papers ₹63000 Lacs (Previous Year ₹68500 Lacs) personally guaranteed by two promoter directors. Apart from these Loans of ₹ NIL (Previous Year ₹15000 Lacs) are guaranteed by the personal guarantee of two promoter directors & Loans of ₹5032 Lacs (Previous Year ₹33294 Lacs) were personally guaranteed by one promoter director.
- ₹10860 Lacs (Previous Year ₹27654 lacs) guaranteed by the personal guarantee of one promoter director.

NOTE-8 TRADE PAYABLES

Micro, Small and Medium Enterprises	237.49	270.59
Others	161464.86	99041.91
	161702.35	99312.50

The detail of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Particulars

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-9 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	162631.48	153441.03
Non Convertible Debenture Application Money	-	15000.00
Interest Accrued but not Due on borrowings	22458.12	9319.91
Interest Accrued and Due on borrowings	-	7429.66
Unclaimed Dividend *	29.84	22.98
Statutory Dues	5688.22	6416.45
Due to Directors	12.32	14.25
Creditors for Capital Goods / Expenditure	12132.10	15852.02
Other Payables**	7166.46	18728.79
	210118.54	226225.09

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

**Includes calls received in advance on right issue ₹5.86 Lacs (Previous Year ₹ Nil), credit balances of customers, employees etc.

NOTE-10 SHORT TERM PROVISIONS		
Provision for Employee Benefits	1740.23	1305.48
Proposed Dividend	1144.06	1065.86
Tax on Dividend	339.70	294.84
Provision for Tax (Net)	4374.44	2817.48
	7598.43	5483.66

NOTE-11 FIXED ASSETS

(₹ in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	Cost as at 01.04.2012	Addition During the Year	Sale During the Year	Adjustment During the Year	Cost as at 31.03.2013	As at 01.04.2012	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets												
Freehold Land	20145.06	1353.07	-	-	21498.13	-	-	-	-	-	21498.13	20145.06
Leasehold Land	14171.74	3020.09	-	-	17191.83	167.20	14.67	-	-	181.87	17009.96	14004.54
Building	417649.94	60007.15	-	15253.33	492910.42	20143.89	13744.44	-	-	33888.33	459022.09	397506.05
Railway Siding	20874.62	23804.71	-	6219.92	50899.25	1478.45	1014.99	-	-	2493.44	48405.81	19396.17
Plant & Equipment	1335297.90	173152.37	1058.82	41061.79	1548453.24	217107.48	68327.68	1019.19	267.03	284148.94	1264304.30	1118190.42
Furniture & Fixtures	1578.06	220.72	-	-	1798.78	934.80	88.31	-	-	1023.11	775.67	643.26
Vehicles	5502.50	241.77	76.54	-	5667.73	2618.94	463.11	57.04	-	3025.01	2642.72	2883.56
Office Equipments	799.79	46.54	1.01	-	845.32	297.21	51.72	0.16	-	348.77	496.55	502.58
Tangible Assets Total (A)	1816019.61	261846.42	1136.37	62535.04	2139264.70	242747.97	83704.92	1076.39	267.03	325109.47	1814155.23	1573271.64
Intangible Assets												
Computer Software	583.50	102.23	-	-	685.73	465.49	104.40	-	-	569.89	115.84	118.01
Assets Not Owned by Company	3731.21	25.27	-	-	3756.48	3731.21	25.27	-	-	3756.48	-	-
Intangible Assets Total (B)	4314.71	127.50	-	-	4442.21	4196.70	129.67	-	-	4326.37	115.84	118.01
TOTAL (A+B)	1820334.32	261973.92	1136.37	62535.04	2143706.91	246944.67	83834.59	1076.39	267.03	329435.84	1814271.07	1573389.65
Previous Year	1442440.30	290913.05	1491.08	88472.05	1820334.32	185810.83	64347.40	1072.06	2141.50	246944.67		
Capital Work in Progress [Includes Pre-operative expenses]											1259531.32	906867.43
GRAND TOTAL											3073802.39	2480257.08

Notes:

- Certain Building Under Possession of the Company are pending registration in the name of the Company.
- No write off has been done for lease hold land acquired on lease of 90 years and more.
- Depreciation for the year includes ₹748.40 Lacs (Previous Year ₹2354.45 Lacs) charged to Capital Work In Progress.
- Adjustment during the year includes addition of ₹62802.07 Lacs (Previous Year ₹90613.55 Lacs) on A/C of borrowing cost / exchange fluctuation and deduction of ₹267.03 Lacs (Previous Year ₹2141.50 Lacs) on account of depreciation capitalised.

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-12 NON-CURRENT INVESTMENTS		
(Long-Term, Fully Paid Up)		
In Equity Shares		
Non Trade, Quoted		
Tata Steel Ltd.		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
Sequent Scientific Ltd.		
Nil (Previous Year 62,000) Equity Shares of ₹10/- each	-	43.58
	58.08	101.66
UNQUOTED		
Bhushan Buildwell Pvt. Ltd.		
4,900 (Previous Year 4,900) Equity Shares of ₹10/- each	0.49	0.49
Saraswat Co-operative Bank Ltd.		
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25	0.25
	0.74	0.74
Trade, Unquoted		
In Associates		
Bhushan Energy Limited		
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹10/- each	10500.00	10500.00
Angul Sukinda Railway Ltd.		
8,40,00,000 Share (Previous Year Nil) Equity Shares of ₹10/- Each Paid up @ ₹1.19 Each	1000.00	-
In Joint Ventures		
Andal East Coal Company Pvt. Ltd.		
3,30,000(Previous Year 3,30,000) Equity Shares of ₹10/- each	145.50	145.50
In Subsidiaries		
Bhushan Steel (Australia) Pty Ltd.		
4,20,69,796 (Previous Year 2,63,69,796) Ordinary Shares of One AUD Per Share	21490.60	12671.74
Jawahar Credit & Holdings Private Limited *		
86,43,742 (Previous Year 86,43,742) Equity Shares of ₹10/- each	940.31	940.31
Bhushan Capital & Credit Services Private Limited *		
86,43,742 (Previous Year 86,43,742) Equity Shares of ₹10/- each	940.31	940.31
Bhushan Steel Madhya Bharat Limited		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
Bhushan Steel (Orissa) Limited		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
Bhushan Steel Bengal Limited		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
Bhushan Steel (South) Limited		
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00	5.00
	35036.72	25217.86

(₹ in Lacs)

	As at 31.03.2013		As at 31.03.2012	
In Preference Shares				
Trade, Unquoted				
In Subsidiaries				
Bhushan Steel Bengal Limited				
8,60,000 (Previous Year 8,60,000) 10% Non Cumulative Redeemable Preference Shares of ₹10/- each	2150.00		2150.00	
Bhushan Steel (South) Limited				
10,00,000 (Previous Year 10,00,000) 10% Non Cumulative Redeemable Preference Shares of ₹10/- each	3000.00		3000.00	
	5150.00	40245.54	5150.00	30470.26
		40245.54		30470.26
* Became Subsidiaries during the Previous Year				
Aggregate Value of	Book Value	Market Value	Book Value	Market Value
Quoted Investments	58.08	42.16	101.66	106.01
Unquoted Investments	40187.46	-	30368.60	-

NOTE-13 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Capital Advances	156579.17	172727.40
Security Deposits	10357.34	10036.25
Advances for Non Current Investment to Related Parties	1127.00	1412.00
Inter Corporate Deposit (Including Interest Accrued)	-	7094.99
Loans to Employees	294.89	380.11
MAT Recoverable	78607.30	54432.30
Excise Duty Recoverable / Service Tax Recoverable	2421.28	16923.01
Other Advances*	206.82	19597.46
	249593.80	282603.52

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

NOTE-14 OTHER NON CURRENT ASSETS**Cash and Bank Balances**

Non Current Fixed Deposits (Refer Note 18)	2140.14	1937.54
	2140.14	1937.54

NOTE-15 CURRENT INVESTMENTS**UNQUOTED, Fully Paid - up****Indusind Bank Limited**

250(Previous Year 250) Redeemable Non Convertible Bonds of ₹10,00,000/- each	2475.00	2475.00
	2475.00	2475.00

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-16 INVENTORIES		
(At Lower of Cost and Net Realisable Value)		
Raw Material	87498.06	70748.98
Raw Material In Transit	295643.24	116020.13
Finished Goods	64948.09	60256.59
Finished Goods In Transit	7229.69	5211.91
Work-in-Progress	59569.30	58917.65
Stores	36742.84	18873.76
Other	4336.33	1113.59
	555967.55	331142.61
NOTE-17 TRADE RECEIVABLES		
(Unsecured)		
More than Six Months		
- Considered Good	1816.21	2209.59
- Considered Doubtful	1024.15	953.97
	2840.36	3163.56
Less: Provision	1024.15	953.97
	1816.21	2209.59
Others - Considered Good	232492.51	119828.04
	234308.72	122037.63
NOTE-18 CASH AND BANK BALANCES		
(A) Cash and Cash Equivalants		
Balances with Banks		
- In Current Account	11498.24	7117.13
- In Unpaid Dividend Account	29.84	23.06
Fixed Deposits having maturity period within 3 months *	953.74	25525.59
Cheques on hand	-	80.00
Cash on Hand	81.01	65.20
(B) Others		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	2140.14	1937.54
- 3 to 12 Months *	2799.73	687.05
	17502.70	35435.57
Less : Non Current Fixed Deposit	2140.14	1937.54
	15362.56	33498.03
* (Including interest accrued but not due)		
* {Including ₹3809.80 Lacs (Previous Year ₹1942.42 Lacs) under bank lien}		
NOTE-19 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Security Deposits	194.63	59.66
Loans to Employees	751.76	923.79
Balance with Excise Department	1237.68	206.77
Excise Duty / Service Tax Recoverable	42452.46	20123.74
Inter Corporate Deposit (Including Interest Accrued)	3143.00	-
Other Advances *	104485.60	39351.12
	152265.13	60665.08

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

(₹ in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
NOTE-20 REVENUE FROM OPERATION		
Sales of Products	1133634.45	1045467.17
Other operating Revenues		
Other Sale	38521.53	26939.25
Export Incentives	7845.87	6857.31
	1180001.85	1079263.73
PARTICULARS OF SALE OF PRODUCTS		
Hot Rolled Steel Strips / Sheets / Coils	303998.85	264254.01
Cold Rolled Steel Strips / Sheets / Coils	267005.10	245884.81
Cold Rolled Galvanised Steel Strips / Sheets / Coils	261071.39	261112.35
Colour Coated Galvanised Steel Strips / Sheets / Coils	108842.68	87114.43
Precision Tubes	94441.39	92452.84
Large Dia Pipe	8521.98	4617.83
Hardening & Tempring Cold Rolled Steel Strips	11944.22	11700.78
High Tensile Steel Strapings	6736.75	5619.57
Billets	70682.07	72241.54
Formed Section	390.02	469.01
Wire Rod	-	-
Others	38521.53	26939.25
Export Incentives	7845.87	6857.31
	1180001.85	1079263.73
NOTE-21 OTHER INCOME		
Interest Earned*		
- From Short-Term Investments	258.75	258.75
- From Bank on FDRs	457.24	123.69
- From Others	694.28	860.29
Dividend:		
- From Current, Non-Trade Investments	-	2.61
- From Long Term, Non Trade Investments	0.05	-
Net gain on Sale of Investments		
- From Long-Term Investments	19.39	488.47
- From Current Investments	58.24	1.87
Profit on Sale of Fixed Assets (Net)	177.29	960.09
Miscellaneous Income (Refer Note 40)**	68.35	38.65
	1733.59	2734.42

*Including Income Tax Deducted at Source ₹185.12 Lacs (Previous Year ₹239.72 Lacs) and Excluding interest earned of ₹234.00 Lacs (Previous Year ₹428.89 Lacs) transferred to Projects.

**Including Income Tax Deducted at source ₹0.20 Lacs (Previous Year ₹ Nil).

(₹ in Lacs)

	Year Ended 31.03.2013		Year Ended 31.03.2012	
NOTE-22 COST OF RAW MATERIAL CONSUMED				
Cost of Raw Material Consumed		584619.48		554694.03
Less : Cost of Raw Material Transferred to Project / Internal Use		4755.33		4019.30
		579864.15		550674.73
PARTICULARS OF MATERIALS CONSUMED				
HR / CR / Steel Scrap		337751.66		287053.72
Iron Ore / Sponge Iron		89952.63		83423.26
Coal		84480.31		117417.90
Dolomite / Lime		7815.89		6841.16
Zinc and Alloys		54237.22		52343.10
Paints		10381.77		7614.89
		584619.48		554694.03
NOTE-23 PURCHASE OF GOODS TRADED				
Purchase of Goods Traded		8118.55		-
		8118.55		-
NOTE-24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Inventories (at Close)				
Finished Goods		72177.78		65468.50
Work-in-Progress		59569.30		58917.65
Others		4336.33		1113.59
		136083.41		125499.74
Inventories (at Beginning)				
Finished Goods		65468.50		79296.48
Work-in-Progress		58917.65		38490.26
Others		1113.59		1179.93
		125499.74		118966.67
		(10583.67)		(6533.07)
DETAIL OF FINISHED GOODS				
	Closing Stock	Opening Stock	Closing Stock	Opening Stock
Hot Rolled Steel Strips / Sheets / Coils	7737.58	11263.26	11263.26	35536.44
Cold Rolled Steel Strips / Sheets / Coils	16093.01	10281.15	10281.15	11142.60
Cold Rolled Galvanised Steel Strips / Sheets / Coils	22517.79	16032.69	16032.69	13663.58
Colour Coated Galvanised Steel Strips / Sheets / Coils	6552.76	4715.87	4715.87	4087.55
Precision Tubes	7592.15	6283.77	6283.77	4460.97
Large Dia Pipe	3518.92	3556.64	3556.64	-
Hardened & Tempered Cold Rolled Steel Strips	898.45	803.28	803.28	587.19
High Tensile Steel Strapings	180.43	264.10	264.10	595.45
Billets	7080.70	12255.58	12255.58	9206.75
Formed Sections	5.99	12.16	12.16	15.95
	72177.78	65468.50	65468.50	79296.48

(₹ in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
NOTE - 25 EMPLOYEE BENEFITS EXPENSE		
Salary,Wages & Bonus	26608.68	26217.99
Contribution to P.F. and Other Funds	539.97	577.76
Staff Benefits	411.48	395.16
	27560.13	27190.91
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses	10214.72	12792.94
	17345.41	14397.97
NOTE-26 FINANCE COSTS		
Interest Expenses	243469.45	196919.28
Other Financial Cost	13631.83	27016.57
Applicable loss on foreign currency transactions and translation	17772.22	48193.78
	274873.50	272129.63
Less: Borrowing cost transferred to Project Under Commissioning / Trial Run	146129.19	167502.90
	128744.31	104626.73
NOTE-27 OTHER EXPENSES		
Stores Consumed	26385.17	22041.63
Packing Material Consumed	4288.23	3577.32
Power & Fuel	85484.07	70474.15
Repairs & Maintenance		
- Plant & Machinery	2126.54	1982.73
- Buildings	179.93	105.17
Exchange Fluctuation (Net)	1018.10	10769.62
Excise Duty #	872.40	(3295.55)
Rates & Taxes	2206.92	2152.23
Administrative Expenses	47353.36	51578.68
Legal & Professional Expenses	851.44	1129.47
Rent	772.48	543.21
Insurance	1514.99	968.38
Auditors' Remuneration	149.25	104.00
Selling & Distribution Expenses	27023.41	26022.92
Commission to Selling Agents	858.38	459.41
Provision for Doubtful Debts	70.18	21.28
	201154.85	188634.65
Less: Transferred to Project under Commissioning, Pre-operative Expenses / Trial Run Expenses (Net)	52968.97	53441.36
	148185.88	135193.29

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

(₹ in Lacs)

	Current Year	Previous Year
NOTE - 28		
1. Contingent Liabilities in respect of :		
a) Sales Tax	3629.42	3405.26
b) Excise Duty/Custom/Service Tax	26114.04	25400.98
c) Entry Tax	17285.93	10858.85
d) Income Tax	40.90	804.21
e) Bills Discounted	18225.71	12508.43
f) Others	2917.44	1867.85

2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹308977.52 Lacs (Previous Year ₹591617.15 Lacs) (Net of Advances).

3. Other Commitment

- Outstanding guarantees issued by the banks ₹69200.64 Lacs (Previous Year ₹21036.75 Lacs) counter guaranteed by the company including letter of credits issued.
- The Company from time to time provides need based support to its subsidiary Bowen Energy Limited (Australia) towards capital and other requirements.
- The Company has given undertaking to Bhushan Energy Limited, associate company, to provide the necessary fund required to acquire Equity Shares of Orissa Sponge Iron and Steel Limited on open offer upto the limit of ₹ Nil (Previous Year ₹21960.00 Lacs), by subscribing to the share capital of the company.
- Commitment for partly paid equity shares of Angul Sukinda Railway Limited, an associate company ₹7400.00 Lacs (Previous Year ₹ Nil).

NOTE – 29

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

NOTE – 30

- In terms of letter of offer dated January 9, 2013 the Company has during the year allotted 14157220 Equity shares of ₹2/- each at a premium of ₹333/- per share which are partly paid-up to the extent of ₹167.50 (comprising ₹1/- per Equity Share towards share capital and ₹166.50/- per Equity Share as share premium) on Right basis in the ratio of 1 share for every 15 shares held by the shareholders. The new allotted shares rank pari passu in all respect with the existing Equity shares of the Company. The proceeds from Right issue have been utilized for repayment of indebtedness and General Corporate purpose and pending utilization, the balance have been temporarily used to reduce the exposure of working capital borrowing from banks, which will be redrawn as and when necessary to meet the obligation as per

the object of the Right Issue.

- 10% 1276700 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis against the share application money received during the previous year amounting to ₹38301.00 Lacs. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 1st March, 2013.
- 10% 333400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 25th March, 2013.
- 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2011-12 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal instalments at the end of 3rd and 4th year i.e. on 4th March, 2015 and 4th March, 2016 respectively.
- 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012.
- 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively.
- 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The preference shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e. 28th March, 2011 in such tranches as stipulated in the subscription agreement.

- j) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares shall be redeemed at an amount in INR, such that the subscribers get yield of 11.7% per annum on the amount outstanding within 36 Months from the date of allotment, i.e 29th March, 2011 in such trenches as stipulated in the subscription agreement. During the year 45000 Preference Shares have been redeemed at a premium of ₹2986.825/- per share.

NOTE – 31

The Company has made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project is not made any headway the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited has issued final call notice for payment of unpaid call money failing which the shares are liable to be forfeited. The Company has disputed the call money which in its opinion is premature, illegal and arbitrary and has advised to withdraw said notice. Hence, no effect of the same has been taken into books of account.

NOTE – 32

The Company has during the year commissioned Cold Rolling & Galvanized Plane Mill and other ancillary equipments.

NOTE – 33

Auditors' Remuneration includes :

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Audit Fees	95.00	80.00
Tax Audit Fees	18.00	14.00
Certification Fees	12.00	7.50
Other Services	24.25	2.50
	149.25	104.00

NOTE – 34

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

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

a) Subsidiary companies

Bhushan Steel (Orissa) Ltd.
 Bhushan Steel Madhya Bharat Ltd.
 Bhushan Steel (South) Ltd.
 Bhushan Steel Bengal Ltd.

Parakeet Finvest Pvt. Ltd. (from 25th January, 2012)
 Marsh Capital Services Pvt. Ltd. (from 25th January, 2012)
 Paragon Securities Pvt. Ltd. (from 25th January, 2012)
 Perpetual Securities Pvt. Ltd. (from 25th January, 2012)
 Jawahar Credit & Holdings Pvt. Ltd. (from 29th February, 2012)
 Bhushan Capital & Credit Services Pvt. Ltd. (from 29th February, 2012)
 Bhushan Steel Global FZE (Upto 7th May, 2011)
 Bhushan Steel (Australia) PTY Ltd.
 - Bowen Energy Ltd., Australia
 - Kondor Holdings PTY Ltd.
 - Bowen Coal PTY Ltd.
 - Bowen Consolidated PTY Ltd.
 - Capricorn Metals Ltd. (Deregistered w.e.f. 4th April, 2011)
 - Capricorn Resources (Australia) Ltd. (Deregistered w.e.f. 4th April, 2011)
 - Golden Country Resources (Australia) PTY Ltd.

b) Joint Venture

Andal East Coal Company Pvt. Ltd.

c) Associates

Bhushan Energy Ltd.
 Angul Sukinda Railway Ltd.

d) Key Management Personnel

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

e) Relatives of Key Management Personnel

Shri B.B. Singal (Chairman & Father of Vice Chairman & Managing Director)
 Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)
 Smt. Pushpa Garg
 Brij Bhushan Singal (HUF)

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

Arshiya International Ltd.
 Bhushan Aviation Ltd.
 Bhushan Infrastructure Pvt. Ltd.

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

(₹ in Lacs)

PARTICULARS		Subsidiary Companies	Joint Venture	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	Current Year	-	-	-	327.85	36.07	-	363.92
	Previous Year	-	-	-	246.05	32.87	-	278.92
Directors Sitting Fees	Current Year	-	-	-	-	7.65	-	7.65
	Previous Year	-	-	-	-	7.65	-	7.65
Investments in Share Capital / Share Application Money	Current Year	9496.86	37.00	-	-	-	-	9533.86
	Previous Year	6283.76	412.00	-	-	-	-	6695.76
Allotment of Shares / Share Application Money Pending Allotment	Current Year	-	-	-	11921.47	7665.93	3086.87	22674.27
	Previous Year	-	-	30000.00	23100.00	10200.00	5000.01	68300.01
Purchase of Goods / Services	Current Year	-	-	62308.32	-	-	9961.60	72269.92
	Previous Year	-	-	62914.19	-	-	7078.55	69992.74
Sales of Goods / Services	Current Year	-	-	9859.45	-	-	-	9859.45
	Previous Year	1650.45	-	3973.42	-	-	-	5623.87
Rent Received	Current Year	-	-	-	-	-	1.20	1.20
	Previous Year	-	-	-	-	-	1.20	1.20
OUTSTANDINGS								
Receivable	Current Year	-	-	-	-	-	67.51	67.51
	Previous Year	8.05	-	-	-	-	-	8.05
Payable	Current Year	-	-	2238.30	12.32	-	161.29	2411.91
	Previous Year	-	-	3349.21	14.25	-	428.87	3792.33
Share Application Money Pending Allotment	Current Year	678.00	449.00	-	-	-	-	1127.00
	Previous Year	-	412.00	1000.00	-	-	-	1412.00

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

- Remuneration & Perks include payment to Shri Neeraj Singal ₹140.56 Lacs (Pre. Year ₹106.93 Lacs), Shri P.K.Aggarwal ₹50.49 Lacs (Pre. Year ₹35.17 Lacs), Shri Nittin Johari ₹86.40 Lacs (Pre. Year ₹61.25 Lacs), Shri Rahul Sengupta ₹50.40 Lacs (Pre. Year ₹42.70 Lacs) and Smt Ritu Singal ₹36.07 Lacs (Pre. Year ₹32.87 Lacs).
- Directors sitting fees is paid to Shri B.B.Singal ₹7.65 Lacs (Pre. Year ₹7.65 Lacs).
- Investment in Share Capital/ Share Application Money include Bhushan Steel (Australia) PTY Ltd. ₹9496.86 Lacs (Pre. Year ₹4133.76 Lacs), Bhushan Steel Bengal Ltd ₹ Nil (Pre. Year ₹2150.00 Lacs) and Andal East Coal Company Pvt. Ltd. ₹37.00 Lacs (Pre. Year ₹412.00 Lacs).
- 10% Non Convertible Redeemable Preference Shares have been allotted to Bhushan Energy Ltd. ₹ Nil (Pre. Year ₹30000.00 Lacs) and Share Application Money Pending Allotment is received from Shri Neeraj Singal ₹ Nil (Pre. Year ₹23100.00 Lacs) and from Shri B.B.Singal ₹ Nil (Pre. Year ₹10200.00 Lacs). Equity Share Capital received from Shri Neeraj Singal ₹11921.47 Lacs (Pre. Year ₹ Nil), Shri Brij Bhushan Singal ₹6818.16 Lacs (Pre. Year ₹ Nil), Smt Ritu Singal ₹734.94 Lacs (Pre. Year ₹ Nil), Smt Pushpa Garg ₹111.72 Lacs (Pre. Year ₹ Nil), Brij Bhushan Singal (HUF) ₹1.11 Lacs (Pre. Year ₹ Nil) and Bhushan Infrastructure Pvt. Ltd. ₹3086.87 Lacs (Pre Year ₹ 5000.01 Lacs).
- Purchase of Goods/Services is from Arshiya International Ltd. ₹8535.75 Lacs (Pre. Year ₹5500.16 Lacs), Bhushan Energy Ltd. ₹62308.32 Lacs (Pre. Year ₹62914.19 Lacs) and Bhushan Aviation Ltd. ₹1425.85 Lacs (Pre. Year ₹1578.39 Lacs).
- Sale of Goods/ Services to Bhushan Steel Global FZE ₹ Nil (Pre. Year ₹1650.45 Lacs) and Bhushan Energy Ltd. ₹9859.45 Lacs (Pre. Year ₹3973.42 Lacs).
- Rent Received is from Bhushan Aviation Ltd. ₹1.20 Lacs (Pre. Year ₹1.20 Lacs).

NOTE – 35

The Company has an Indian Joint Venture with Andal East Coal Company Pvt. Ltd. having sharing of 33.33 %. Its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture as per unaudited financial statement is as under :-

(₹ in Lacs)

	Current Year	Previous Year
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	33.00	33.00
Reserves & Surplus	103.25	105.32
Share Application Money Pending Allotment	449.00	412.00
Non- Current Liabilities		
Long-Term Borrowings	-	-
Deferred Tax Liabilities (Net)	-	-
Other Long Term Liabilities	-	-
Long-Term Provisions	1.48	0.27
Current Liabilities		
Short-Term Borrowings	-	-
Trade Payables	2.47	3.06
Other Current Liabilities	10.51	20.02
Short-Term Provisions	0.15	0.44
TOTAL	599.86	574.11
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	1.70	1.87
Intangible Assets	-	-
Capital Work in Progress	548.31	506.56
Non-Current Investments	-	-
Long-Term Loans and Advances	0.50	0.50
Other Non-Current Assets	-	-
Current Assets		
Current Investments	-	-
Inventories	-	-
Trade Receivables	-	-
Cash & Bank Balances	5.42	22.44
Short-Term Loans and Advances	43.93	42.74
Other Current Assets	-	-
TOTAL	599.86	574.11
INCOME		
Gross Revenue from Operations	-	-
Other Income	-	-
TOTAL REVENUE	-	-
EXPENSES		
Cost of Raw Material Consumed	-	-
Purchase of Stock In Trade	-	-
Change in Inventories of Finished Goods, Work In Progress & Stock In Trade	-	-
Employee Benefits Expense	-	-
Finance Costs	-	-
Depreciation & Amortisation Expense	-	-
Other Expenses	2.07	0.85
Total Expenses	2.07	0.85
Profit / (Loss) Before Tax	(2.07)	(0.85)
Tax Expense	-	-
Profit / (Loss) After Tax	(2.07)	(0.85)

NOTE – 36

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

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

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	990866.53	926869.97
Outside India	181289.45	145536.45
Total	1172155.98	1072406.42

Trade receivables of the company as per Geographical Segment is as follows:

Within India	229601.45	120799.41
Outside India	4707.27	1238.22
Total	234308.72	122037.63

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

NOTE – 37

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

NOTE – 38

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

	(₹ in Lacs)	
	Current Year	Previous Year
Opening Balance	226018.10	106189.27
Add: Pre-operative Expenses		
1. Transferred from Statement of Profit and Loss including Trial Run Loss / (Gain)	63183.69	66234.30
2. Depreciation	748.40	2354.45
3. Finance Costs (During Construction and Trial Run)	146129.19	210061.28
	436079.38	342280.92
Less : Interest earned during construction period	234.00	428.89
	435845.38	341852.03
Less: Capitalised		
- Pre-Operative Expenses [Including Trial Run Loss / (Gain)]	92188.17	113692.43
- Depreciation	267.03	92455.20
TOTAL	343390.18	226018.10

	Current Year	Previous Year
NOTE – 39		
Earning Per Share		
(i) Weighted Average No. of Equity Shares		
Weighted Average No. of Equity Shares {Including effect of Right issue as required by Accounting Standard (AS)-20}	215919627	212358310
(ii) Equity Shares for Calculating Diluted Earning per Share		
Weighted Average No. of Equity Shares	215919627	212358310
(iii) Profit After Tax (₹ in Lacs)	90889.03	102347.49
Less: - Dividend on preference shares (Including Dividend Tax)	1054.17	877.16
Profit after dividend on preference shares	89834.86	101470.33
(iv) Adjustment Factor on Right Issue	-	1.0145
(v) Earning Per Share (₹)		
- Basic	41.61	47.10*
- Diluted	41.61	47.10*

* Recalculated for Right Issue as required by Accounting Standard (AS)-20.

NOTE – 40

Detail of Misc. Income

		(₹ in Lacs)	
S.No.	Particulars	Current Year	Previous Year
1.	Insurance Claim Received	62.05	35.50
2.	Rent Received	5.46	1.20
3.	Bad Debts / Compensation Recovered	-	0.36
4.	Miscellaneous Receipts	0.84	1.59
		68.35	38.65

NOTE – 41

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

Tax difference between the amount payable and amount paid under NPV, amounting to ₹6036.54 Lacs (Previous Year ₹6030.15 Lacs), being capital receipt, has been credited to Capital reserve.

NOTE – 42

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

As on 31st March, 2013, a debit of ₹ Nil (Pre. Year ₹ Nil) remains to be amortised in the "Foreign Currency Monetary Item Translation Difference Account".

NOTE – 43

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

NOTE – 44**DERIVATIVES**

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

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

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
a) Amount receivable in Foreign Currency on Account of				
Sale of Goods	86.69	4707.27	24.34	1238.22
Advance against goods / Capital Goods	401.41	21796.77	1625.79	82703.76
b) Amount payable in Foreign Currency on Account of				
Acceptances	3293.52	178838.33	3159.38	160717.45
Bills Discounted	190.97	10369.85	115.95	5898.27
Trade Payables / Capital Creditors / Customers Credit balances	1480.36	80383.31	325.54	16560.12
Loans / Interest Payable	17387.36	944133.60	17923.29	911757.64
Security Deposit Received from customers	200.00	10860.00	-	-

NOTE – 45

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

A. Defined Contribution Plans:

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

(₹ in Lacs)

	Current Year	Previous Year
a) Employer contribution to Provident Fund /Other Funds	192.26	178.92
b) Employer contribution to State Plans:		
i) Employee State Insurance	78.54	100.09
ii) Maharashtra Labour Welfare Fund	0.15	0.14

B. Defined Benefit Plans:

- a) Leave Encashment / Compensated Absence.
b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

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

(₹ in Lacs)

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

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
ii) Change in the obligation during the year ended 31st March, 2013				
Present value of obligation as at 31st March, 2012	1074.39	1068.57	1650.37	1273.06
Impact of Transition provision of (AS)-15	-	-	-	-
Interest cost	85.95	85.48	132.03	97.62
Past Service cost	-	-	-	-
Current service cost	317.31	281.37	327.44	320.09
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(83.66)	(180.01)	(48.23)	(105.51)
Actuarial (gain) / loss on Obligations	(82.43)	(181.02)	10.06	65.11
Present value of obligation as at 31st March, 2013	1311.56	1074.39	2071.67	1650.37
iii) Change in fair value of Plan Assets				
Fair value of Plan Assets as at 31st March, 2012	-	-	1419.28	1039.43
Expected return on Plan Assets	-	-	113.54	95.18
Contributions	-	-	149.98	401.25
Benefits Paid	-	-	(48.23)	(105.52)
Actuarial gain / (loss) on Obligations	-	-	8.43	(11.06)
Fair value of Plan Assets as at 31st March, 2013	-	-	1643.00	1419.28
iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets				
Present value of obligation as at 31st March, 2013	1311.56	1074.39	2071.67	1650.37
Fair value of Plan Assets as at 31st March, 2013	-	-	1643.00	1419.28
Funded Status	(1311.56)	(1074.39)	(428.67)	(231.09)
Present value of un-funded obligation as at 31st March, 2013	-	-	-	-
Un-funded Actuarial (gains) / losses	-	-	-	-
Un-funded Net Asset / (Liability) recognised in Balance Sheet	(1311.56)	(1074.39)	(428.67)	(231.09)
v) Expenses / Pre-Operative expenses recognised in Statement of Profit and Loss				
Current service cost	317.31	281.37	327.44	320.09
Past Service cost	-	-	-	-
Interest cost	85.95	85.48	132.03	97.62
Expected return on Plan Assets	-	-	(113.54)	(95.18)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain) / loss recognised during the year	(82.43)	(181.02)	1.63	76.17
Total Expense recognised in Statement of Profit and Loss / Pre-Operative expenses	320.83	185.83	347.56	398.70

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

(₹ in Lacs)

	Current Year		Previous Year	
NOTE – 46				
Value of Import on C.I.F. Basis				
- Raw Material		167947.51		149373.69
- Capital Goods		124266.76		191379.65
- Stores/Spare parts		12198.88		5998.10
NOTE – 47				
Expenditure in Foreign Currency				
- Travelling		729.11		268.24
- Sales Commission		573.08		238.38
- Machinery Repair & Maintenance		37.78		51.61
- Technical Consultancy		1473.81		-
- Interest & Finance Charges		35904.31		46209.20
- Capital Machinery / Indirect Expenses		-		1793.68
- Legal Expenses		110.94		466.51
- Rates & Taxes		6.48		22.33
- Subscription		9.30		5.30
- Royalty		1064.05		-
NOTE – 48				
Earnings in Foreign Exchange				
-FOB Value of Export		181289.45		145536.45
-Interest Received		18.62		148.46

	Current Year		Previous Year	
	Value (₹ in lacs)	%age	Value (₹ in lacs)	%age
NOTE – 49				
Value of Imported / Indigenous Raw Material and Stores / Spare Parts Consumed				
Raw Material:				
Imported	128940.57	22.06	127792.31	23.04
Indigenous	455678.91	77.94	426901.72	76.96
	584619.48	100.00	554694.03	100.00
Stores / Spare Parts:				
Imported	4923.32	18.66	3455.91	15.68
Indigenous	21461.85	81.34	18585.72	84.32
	26385.17	100.00	22041.63	100.00

NOTE – 50**Remittance in foreign currency on account of Dividend**

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

	Current Year		Previous Year	
	USD	INR	USD	INR
(a) Number of Non-Resident Shareholders		288		346
(b) Number of Equity Shares held by them		4153824		5748534
(c) (i) Amount of dividend paid (Gross)	151	2076912	160	2874267
(a) Amount of dividend paid through transfer in NRE a/c		2068912		2866267
(b) Amount of Dividend paid through Foreign Currency	151	8000	160	8000
(ii) Tax deducted at source	-	-	-	-
(iii) Year to which dividend relates		2011-2012		2010-2011

NOTE – 51

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

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

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

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Place: New Delhi
Dated: 27th May, 2013

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Summary of Financial Information of Subsidiary Companies

Name of Subsidiary	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets including Current Assets	Total Liabilities excluding Shareholder's Funds	CWIP included in Total Assets	Investments included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
Bhushan Steel Bengal Ltd	India	INR	1.00	9100000	206253165	215391190	38025	-	211964628	-	2555	1545	1010	-
Bhushan Steel (Orissa) Ltd	India	INR	1.00	500000	(4438)	531493	35931	-	-	-	4254	1545	2709	-
Bhushan Steel (South) Ltd	India	INR	1.00	10500000	289852870	301390652	1037782	1123765	-	-	1278	1545	(267)	-
Bhushan Steel Madhya Bharat Ltd	India	INR	1.00	500000	(4784)	531147	35931	-	-	-	4254	1545	2709	-
Bhushan Capital & Credit Services Pvt.Ltd.	India	INR	1.00	203000000	637821018	840854726	33708	-	832596143	-	(14996)	-	(14996)	-
Jawahar Credit & Holdings Pvt. Ltd.	India	INR	1.00	218000000	776923907	994972689	48782	-	992899921	-	(2176)	-	(2176)	-
Paragon Securities Pvt. Ltd.	India	INR	1.00	3515240	130768562	171648256	3736454	-	98370395	-	(4010)	698	1560	-
Parakeet Finvest Pvt.Ltd.	India	INR	1.00	3515240	131908603	135461609	37766	-	130522050	-	2258	3029	6775	-
Perpetual Securities Pvt. Ltd.	India	INR	1.00	7030470	258843659	265910866	36737	-	233171850	-	9804	3276	7326	-
Marsh Capital Services Pvt. Ltd.	India	INR	1.00	3515240	133478586	137031720	37894	-	110081645	-	10602	-	-	-
Bhushan Steel (Australia) PTY Ltd.	Australia	AUD	56.50	2399527733	(32190275)	2586888504	219551046	1127904954	754437111	-	44493890	-	44493890	-
Bowen Energy Ltd.	Australia	AUD	56.50	890004188	*53449332	1577238691	633785171	1341825764	1805711	-	(89829289)	-	(89829289)	-
Bowen Coal PTY Ltd.	Australia	AUD	56.50	92	*1452550	1452642	-	1452529	-	-	8	-	8	-
Bowen Consolidated PTY Ltd.	Australia	AUD	56.50	138	*32	170	-	-	-	-	12	-	12	-
Kondor Holdings PTY Ltd.	Australia	AUD	56.50	92	*282578	282670	-	-	-	-	19487	-	19487	-
Golden Country Resources (Australia) PTY Ltd.	Australia	AUD	56.50	470334	*484342	954676	-	954676	-	-	-	-	-	-

* Includes Foreign Currency Translation Reserve

Place: New Delhi
Dated: 27th May, 2013

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
O. P. DAVRA
COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
Bhushan Steel Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of Bhushan Steel Limited ("the Company"), its subsidiaries, associates and joint venture (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters, which describe the uncertainty relating to the matters mentioned:

5. Consolidated Financial statement of a foreign subsidiary namely Bowen Energy Limited (Australia) is prepared in accordance with Accounting Standards and other generally accepted accounting principles in Australia with the year ending June, 30 every year. Consolidated Financial statement of the Bowen Energy Limited (Australia), included in Consolidated Financial Statement, are prepared by the management as on 31st March of every year, by converting the figures in accordance with Accounting Standards and other generally accepted accounting principles in India. We have solely relied upon the consolidated financial statement of Bowen Energy Limited (Australia) submitted to us by the management and our report is based solely on such unaudited consolidated financial statements prepared by the management whose consolidated financial statements reflect total assets of ₹15793.90 Lacs as at 31st March, 2013, total expenditure of ₹898.10 Lacs, and cash outflows amounting to ₹1951.40 Lacs for the year ended at 31st March, 2013.
6. We have relied on the unaudited financial statements of a foreign subsidiary, namely Bhushan Steel (Australia) Pty Ltd. and a joint venture, namely Andal East Coal Company Pvt. Ltd., whose financial statements reflect total assets of ₹25868.89 Lacs and ₹1799.58 Lacs as at 31st March, 2013, total Revenue / (expenditure) of ₹444.94 Lacs and (₹6.22 Lacs) and cash inflows/ (outflows) amounting to ₹682.24 Lacs and (₹51.07 Lacs) for the year ended at 31st March, 2013 respectively. These unaudited financial statements have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of this subsidiary and joint venture is based solely on such unaudited financial statements prepared by the management.
7. The financial statements of an associate, namely Angul Sukinda Railway Limited valued at ₹1000.00 Lacs in the financial statement of the Company, no adjustment have been made in the Consolidated Financial Statements for the year ended 31st March, 2013, as required by the Accounting Standards (AS)-23 notified by the Companies (Accounting Standards) Rules, 2006, as the financial statement was not available.

For MEHRA GOEL & CO.

Chartered Accountants

Registration No.: 000517N

Sd/-

R.K. Mehra

Partner

M. NO.: 6102

Place : New Delhi

Dated : 27th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

		(₹ in Lacs)	
	NOTE	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	14548.11	12841.44
Reserves and Surplus	3	908085.83	744431.14
		922633.94	757272.58
Preference Share Application Money		-	38301.00
Pending Allotment {Refer Note 31 (b)}			
Minority Interest		7597.62	8915.65
Non-Current Liabilities			
Long-Term Borrowings	4	2166421.28	1552878.02
Deferred Tax Liabilities (Net)	5	134278.06	103881.63
Other Long Term Liabilities	6	218482.73	150610.02
Long-Term Provisions	7	1.48	-
		2519183.55	1807369.67
Current Liabilities			
Short-Term Borrowings	8	523286.39	428778.23
Trade Payables	9	163182.33	99681.31
Other Current Liabilities	10	210512.36	226614.93
Short-Term Provisions	11	7592.08	5484.82
		904573.16	760559.29
Total		4353988.27	3372418.19
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		1814767.21	1573273.52
Intangible Assets		115.84	118.01
Capital Work in Progress		1284812.25	921726.42
		3099695.30	2495117.95
Non-Current Investments	13	35791.66	34807.95
Long-Term Loans and Advances	14	254386.19	285216.44
Other Non-Current Assets	15	2140.14	1937.54
		292317.99	321961.93
Current Assets			
Current Investments	16	2487.67	2527.76
Inventories	17	555967.55	331142.61
Trade Receivables	18	234310.97	122037.63
Cash and Bank Balances	19	16398.43	37231.88
Short-Term Loans and Advances	20	152810.36	62398.43
		961974.98	555338.31
Total		4353988.27	3372418.19
Significant Accounting Policies			
Other Notes on Financial Statements	1 29-46		

As per our report of even date attached

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

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

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Place: New Delhi
Dated: 27th May, 2013

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

				(₹ in Lacs)	
	NOTE	Year Ended 31.03.2013		Year Ended 31.03.2012	
INCOME					
Gross Revenue from Operations	21	1180001.85		1081240.37	
Less: Excise Duty		105574.88	1074426.97	85122.96	996117.41
Other Income	22		1737.15		2354.11
TOTAL REVENUE			1076164.12		998471.52
EXPENSES					
Cost of Materials Consumed	23		579864.15		550674.73
Cost of Purchase Goods Traded	24		8118.55		-
Change in Inventories of Finished Goods, Work In Progress and Stock -In -Trade	25		(10583.67)		(4755.74)
Employee Benefits Expense	26		17345.41		14424.26
Finance Costs	27		128744.68		104637.81
Depreciation and amortization expense			83086.19		61993.28
Other Expenses	28		148644.18		136035.90
Total Expenses			955219.49		863010.24
Profit Before Tax			120944.63		135461.28
Tax Expense					
- Current Tax			24289.45		27315.28
- MAT Credit Utilised/(Available for Setoff)			(24175.02)		(27190.00)
- Deferred Tax			30396.43		34050.04
Profit for the year(before Adjustment for Share of Associates & Minority Interest)			90433.77		101285.96
Add: Share of Profit/(Loss) of Associates			23.97		35.06
Less: Minority Interest / Pre-acquisition Profit/(Loss)			(236.36)		(162.06)
Profit for the year(After Adjustment for Share of Associates & Minority Interest)			90694.10		101483.08
Basic Earning Per Share (₹)			41.52		46.70
Diluted Earning Per Share (₹)			41.52		46.70
Nominal Value of Share (₹)			2.00		2.00
(Refer Note-41)					
Significant Accounting Policies	1				
Other Notes on Financial Statements	29-46				

As per our report of even date attached

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

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

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 27th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	(₹ in Lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items and share of profit of Associates	120944.63	135461.28
Adjustments for :		
Depreciation & Amortization Expenses	83086.19	61993.28
Provisions (Retirement Benefits)	435.67	3.37
Finance Cost	128744.68	104637.81
Interest / Dividend Income on Investments	(258.80)	(261.36)
Interest Income (Others)	(1151.52)	(983.98)
Profit on Sale of Investments	(79.94)	(108.31)
Diminution in value of investment written back	40.09	11.01
Loss / (Profit) on Sale of Fixed Assets	(177.29)	(960.09)
Provision for Doubtful Debts	70.18	21.28
Right Issue Expenses	83.60	-
Loss / (Gain) on Exchange Rate Change	2242.69	27538.91
	213035.55	191891.92
Operating Profit Before Working Capital Changes	333980.18	327353.20
Adjustments for :		
Increase(-) / Decrease in Inventories	(224824.94)	(12524.73)
Increase(-) / Decrease in Trade Receivables	(112309.60)	(75397.05)
Increase(-) / Decrease in Loans & Advances	(34804.55)	23740.74
Increase / Decrease (-) in Trade Payables & Other Liabilities	39459.51	37139.62
	(332479.58)	(27041.42)
Cash Flow from Operating Activities	1500.60	300311.78
Direct Tax Paid (Net of Refund)	(22554.32)	(26373.01)
Net Cash (Used) / Flow in / from Operating Activities (A)	(21053.72)	273938.77
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(452761.37)	(470371.96)
Sale of Fixed Assets	237.27	1379.11
Acquisition of Shares in Subsidiary / Joint Venture (FCTR)	-	(916.56)
Purchase of Investments	(33549.73)	(53962.72)
Acquisition / Purchase of Shares in Subsidiary	-	8133.58
Long Term Fixed Deposits	(202.60)	(1902.54)
Share of Profit of Associates	23.97	35.06
Sale of Investments	32645.96	31994.29
Interest Income	1493.30	1242.73
Dividend Income	0.05	2.61
Net Cash Used In Investing Activities (B)	(452113.15)	(484366.40)

(₹ in Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(269175.03)	(263050.75)
Proceeds From Cash Credit From Banks (Net)	218177.22	88161.71
Proceeds From Other Borrowings	468000.32	315926.32
Proceeds From Share / Share Application Money	33715.34	115879.86
Right Issue Expenses	(83.60)	-
Proceeds From Share Application Money of Minority Shareholders	(1081.67)	7015.21
Redemption of Preference Shares Including Premium	(1389.07)	(23770.89)
Capital Subsidy	6036.54	6030.15
Proceeds on Consolidation of Subsidiaries	382.68	-
Dividend Paid	(1954.47)	(2980.17)
Dividend Tax Paid	(294.84)	(232.30)
Net Cash Flow From Financing Activities (C)	452333.42	242979.14
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(20833.45)	32551.51
Opening Balances of Cash and Cash Equivalents	37231.88	4680.37
Closing Balances of Cash and Cash Equivalents	16398.43	37231.88

Note:-

- Cash and Cash equivalents include ₹29.84 Lacs (Previous Year ₹22.98 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Previous Year Figures have been rearranged / regrouped wherever considered necessary.

As per our report of even date attached

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

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

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Place: New Delhi
Dated: 27th May, 2013

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

A) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements consist of Bhushan Steel Ltd ("the Company") and its subsidiaries, associates and joint venture. The Consolidated Financial Statements have been prepared on the following basis:

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

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

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

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

Name of the Company	Country of Incorporation	% age of Voting Power either directly or through Subsidiaries as at 31st March, 2013
Bhushan Steel Bengal Ltd.	India	100.00
Parakeet Finvest Pvt. Ltd. (from 25th January, 2012)	India	91.17
Marsh Capital Services Pvt. Ltd. (from 25th January, 2012)	India	91.17
Paragon Securities Pvt. Ltd. (from 25th January, 2012)	India	91.17
Perpetual Securities Pvt. Ltd. (from 25th January, 2012)	India	91.17
Jawahar Credit & Holdings Pvt. Ltd. (from 29th February, 2012)	India	79.36
Bhushan Capital & Credit Services Pvt. Ltd. (from 29th February, 2012)	India	85.22
Bhushan Steel (Orissa) Ltd.	India	100.00
Bhushan Steel (South) Ltd.	India	100.00
Bhushan Steel Madhya Bharat Ltd.	India	100.00
Bhushan Steel Global FZE (Upto 7th May, 2011)	U.A.E.	Nil
Bhushan Steel (Australia) PTY Ltd.	Australia	89.95
- Bowen Energy Ltd. **	Australia	100.00
- Kondor Holdings PTY Ltd. *	Australia	100.00
- Bowen Coal PTY Ltd. *	Australia	100.00
- Bowen Consolidated PTY Ltd. *	Australia	100.00
- Capricorn Metals Ltd. * (Deregistered w.e.f. 4th April, 2011)	Australia	Nil
- Capricorn Resources (Australia) Ltd. * (Deregistered w.e.f. 4th April, 2011)	Australia	Nil
- Golden Country Resources (Australia) PTY Ltd. *	Australia	100.00

* Subsidiaries of Bowen Energy Ltd.

** Subsidiary of Bhushan Steel (Australia) PTY Ltd.

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

Name of the Company	Country of Incorporation	Proportion of Ownerships Interest
Andal East Coal Company Pvt. Ltd.	India	33.33 %

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

Name of the Company	Country of Incorporation	Proportion of Ownerships Interest
Bhushan Energy Ltd.	India	29.64%
Angul Sukinda Railway Ltd. (Refer Note 35)	India	10.12 %
- Based on paid up share capital		
- As Per Shareholder and share Subscription agreement		20.00 %

- xii. The financial statements of the subsidiary, associate and joint venture companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2013.

B) Investments other than in Subsidiaries, Joint Venture and Associates have been accounted as per Accounting Standard (AS)-13, on "Accounting for Investments".

C) OTHER SIGNIFICANT ACCOUNTING POLICIES:

I) PRESENTATION OF FINANCIAL STATEMENTS

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

II) BASIS OF PREPARATION

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

III) USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of

assets and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

IV) REVENUE / EXPENDITURE RECOGNITION

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

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

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

V) EXTRA ORDINARY ITEMS

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

VI) EXCEPTIONAL ITEMS

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

VII) FIXED ASSETS

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

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

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

VIII) ASSETS IN THE COURSE OF CONSTRUCTION

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

IX) INTANGIBLE ASSETS

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

X) IMPAIRMENT OF ASSETS

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

XI) DEPRECIATION

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

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

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

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

Premium on leasehold land is amortized over the period of lease except on leasehold land acquired on lease of ninety years or more. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual

assets costing ₹5000/- or less are depreciated in full in the year of purchase.

- c) Depreciation on Plant and Equipment specified below of the Bowen Energy Limited, a foreign subsidiary of the company is provided on straight line method in the manner prescribed in schedule XIV to the Companies Act, 1956 at the rates specified below:

Drill Rig - 10 %

Air Compressor – 13.33 %

XII) INVENTORIES

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

Cost is determined on the following basis:

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

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

By products and scrap are valued at net realizable value.

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

XIII) INVESTMENTS

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

XIV) FOREIGN EXCHANGE TRANSACTIONS

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

XV) BORROWING COST

Exchange difference on foreign currency borrowings relating to acquisition or construction of qualifying assets are included in

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

XVI) MODVAT / CENVAT / VAT

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

XVII) CLAIMS

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

XVIII) EMPLOYEE BENEFITS

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

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

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

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

XIX) TAX EXPENSE

Provision for current income tax is made after taking credit for allowance and exemptions. In case of matters under appeal,

due to disallowance or otherwise, provision is made when the said liabilities are accepted by the company.

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

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

XX) LEASES

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

XXI) DERIVATIVE FINANCIAL INSTRUMENTS

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

XXII) PROVISION AND CONTINGENT LIABILITY

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

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

XXIII) CONTINGENCIES & COMMITMENTS

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

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
NOTE -2 SHARE CAPITAL		
Authorised		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
1,45,00,00,000 (Previous Year 1,45,00,00,000) Preference Shares of ₹100/- Each	14500.00	14500.00
	22500.00	22500.00
Issued		
23,06,05,220 (Previous Year 21,64,48,000) Equity Shares of ₹2/- Each	4612.10	4328.96
94,05,367 (Previous Year 77,95,267) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	9405.37	7795.27
3,54,000 (Previous Year 3,99,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	354.00	399.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	400.00	400.00
	14771.47	12923.23
Subscribed		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each	4247.17	4247.17
1,41,57,220 (Previous Year Nil) Equity Shares of ₹2/- Each, ₹1/- called up	141.57	-
94,05,367 (Previous Year 77,95,267) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	9405.37	7795.27
3,54,000 (Previous Year 3,99,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	354.00	399.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/-each	400.00	400.00
	14548.11	12841.44
Paid-Up		
21,23,58,310 (Previous Year 21,23,58,310) Equity Shares of ₹2/- Each fully paid up	4247.17	4247.17
1,41,57,220 (Previous Year Nil) Equity Shares of ₹2/- Each, ₹1/- Paid up {Refer Note 31(a)}	141.57	-
94,05,367 (Previous Year 77,95,267) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	9405.37	7795.27
3,54,000 (Previous Year 3,99,000) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	354.00	399.00
4,00,000 (Previous Year 4,00,000) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/-each	400.00	400.00
	14548.11	12841.44

Detail of Shareholders holding more than 5% shares:

Name of Shareholders	As at 31.03.2013		As at 31.03.2012	
	No of Shares	% Held	No of Shares	% Held
(A) Equity Shareholders				
1. Shri Brij Bhushan Singal	45628672	20.14%	41558130	19.57%
2. Shri Neeraj Singal	73105933	32.27%	65988640	31.07%
3. Smt Archana Mittal	-	-	12491075	5.88%
4. Bhushan Infrastructure Pvt. Ltd.	29486540	13.01%	26534916	12.50%
(B) Preference Shareholders				
1. Bhushan Energy Ltd.	1200000	11.81%	1200000	13.96%
2. Bhushan Finance Pvt. Ltd.	840000	8.27%	840000	9.77%
3. Robust Transportation Pvt. Ltd.	531567	5.23%	531567	6.19%
4. Shri Neeraj Singal	1204400	11.86%	434400	5.05%
5. Shri Brij Bhushan Singal	707100	6.96%	-	-

Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31.03.2013		As at 31.03.2012	
	No of Shares	Amount (₹ in Lacs)	No of Shares	Amount (₹ in Lacs)
(A) Equity Shares				
At the beginning of the year	212358310	4247.17	212358310	4247.17
Add : Shares Issued	14157220	141.57	-	-
Less: Shares Cancelled	-	-	-	-
At the end of the year	226515530	4388.74	212358310	4247.17
(B) Preference Shares (Non Convertible Cumulative Redeemable Preference Shares)				
10% Preference Shares				
At the beginning of the year	7795267	7795.27	5168600	5168.60
Add : Shares Issued	1610100	1610.10	2626667	2626.67
Less : Shares Redeemed	-	-	-	-
At the end of the year	9405367	9405.37	7795267	7795.27
4% Preference Shares				
At the beginning of the year	399000	399.00	900000	900.00
Add : Shares Issued	-	-	-	-
Less : Shares Redeemed	45000	45.00	501000	501.00
At the end of the year	354000	354.00	399000	399.00
25% Preference Shares				
At the beginning of the year	400000	400.00	800000	800.00
Add : Shares Issued	-	-	-	-
Less : Shares Redeemed	-	-	400000	400.00
At the end of the year	400000	400.00	400000	400.00

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

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

The Preference Shares are not convertible in Equity and are redeemable at the option of the company. (Refer Note-31)

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
NOTE-3 RESERVES & SURPLUS		
Capital Reserve:		
At Commencement of the year	20696.63	6592.49
Add : Addition during the year (Refer Note 42)	6036.54	6030.15
Add : On Consolidation of Subsidiaries (Net)	382.68	8073.99
	27115.85	20696.63
Debenture Redemption Reserve :		
At Commencement of the year	19350.00	11875.00
Add : Transferred from surplus	26962.50	8475.00
	46312.50	20350.00
Less : Transferred to General Reserve	4750.00	1000.00
	41562.50	19350.00
Special Reserve :		
At Commencement of the year	59.59	-
Add : On consolidation of Subsidiaries	-	59.59
Add: Transferred from surplus	0.03	-
	59.62	59.59
Foreign Currency Translation Reserve:		
At Commencement of the year	(72.93)	843.63
Add: Adjustment for Translation of non-integral Foreign operation	-	(916.56)
	(72.93)	(72.93)
Securities Premium Reserve:		
At Commencement of the year	269451.45	216123.26
Add : Addition during the Year	70264.67	64873.34
Add : On Consolidation of Subsidiaries	-	10078.85
Less: Utilised for redemption of preference shares	1080.00	21624.00
	338636.12	269451.45
General Reserve:		
At Commencement of the year	434600.00	343600.00
Add : Transferred from Surplus	60000.00	90000.00
Add : Transferred from Debenture Redemption Reserve	4750.00	1000.00
	499350.00	434600.00
Surplus:		
Opening Balance	346.40	695.41
Add: Net Profit for the Current Year	90694.10	101483.08
	91040.50	102178.49
Less: Appropriations :		
Proposed Dividend on Equity shares	1132.58	1061.79
Proposed Dividend on Preference Shares	11.48	4.07
Provision For Dividend Tax	194.43	172.91
Interim Dividend	895.47	750.50
Dividend Tax Paid on Interim Dividend	145.27	121.93
Transferred to Debenture Redemption Reserve	26962.50	8475.00
Transferred to Special Reserve	0.03	-
Transferred to General Reserve	60000.00	90000.00
Premium Paid on Redemption of Preference Shares	264.07	1245.89
Net Surplus	1434.67	346.40
	908085.83	744431.14

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-4 LONG TERM BORROWINGS		
SECURED		
Non Convertible Debentures (Foot note 1 to 10)	200500.00	99500.00
Term Loan		
1. From Banks		
- Foreign Currency Loans (Foot note 11)	773419.81	632621.94
- Rupee Loans (Foot note 12)	1288008.33	823026.21
2. From Financial Institutions		
- Rupee Loans (Foot note 13)	6000.00	9471.36
3. Vehicle Loan From Bank (Foot note 14)	11.16	27.02
Total (A)	2267939.30	1564646.53
UNSECURED		
Term Loan		
Foreign Currency loans		
- From Indian Banks (Foot note 15)	17919.00	16787.10
- From Foreign Banks (Foot note 16)	42347.35	123732.97
- From Others	847.11	1152.45
Total (B)	61113.46	141672.52
Total (A+B)	2329052.76	1706319.05
Less: Current Maturity of Long Term Borrowings	162631.48	153441.03
	2166421.28	1552878.02

Foot Note:

- (1) 12% Redeemable Non-Convertible 5000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹50000 Lacs (Previous Year ₹ NIL). Out of these 4750 Debentures are redeemable at the end of 4th,5th and 6th year in installments 35%,35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 31st August, 2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company. Besides 250 Debentures are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 31st August, 2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (2) 12% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March, 2013 ₹10000 Lacs (Previous Year 12% Redeemable Non Convertible Debentures of ₹100 Lacs each outstanding on 31st March, 2012 ₹10000 Lacs) (subordinate debt) are redeemable at par in one bullet payment at the end of 10 years and 1 Month from the date of allotment i.e 31st March, 2008 and are secured by subsequent and subservient charge by way of hypothecation on the present and future assets of the Company so as to maintain minimum asset coverage of 1.25 times, throughout the currency of the Debentures. Debentures are further secured by pledge of Equity Shares of Bhushan Steel Limited, having market value not less than 1.5 times of loans, held by promoters / promoter entities, and Personal Guarantee of Shri B.B. Singal and Shri Neeraj Singal.
- (3) 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹35000 Lacs (Previous Year ₹ NIL) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 4th January, 2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (4) 12% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹10500 Lacs (Previous Year ₹ NIL) are redeemable in three equal annual installments commencing from the end of 4th year from the date of allotment i.e 28th March, 2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (5) 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹30000 Lacs (Previous Year 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹30000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e 2nd February, 2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March, 2012

- ₹30000 Lacs) Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e 13th August, 2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (7) 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹17500 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹17500 Lacs) are redeemable at par in four equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e 26th August, 2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (8) 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹10000 Lacs (Previous Year 10.20% Redeemable Non-Convertible 1000 Debentures of ₹10 Lacs each outstanding on 31st March, 2012 ₹10000 Lacs) are redeemable at par in one bullet payment at the end of 7th year from the date of allotment i.e 26th March, 2007 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (9) 11.50% Redeemable Non-Convertible 1500 Debentures of ₹10 Lacs each outstanding on 31st March, 2013 ₹7500 Lacs (Previous Year ₹ NIL) are redeemable in next year and are secured by subsequent and subservient charges on the movable fixed assets of the Company.
- (10) 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March, 2013 ₹NIL (Previous Year 8.15% Redeemable Non-Convertible 60 Debentures of ₹100 Lacs each outstanding on 31st March 2012 ₹2000 Lacs) are redeemable at par in three equal annual installments commencing from 4th year from the date of disbursement i.e 24th April, 2006 ₹100 Lacs (Previous Year ₹66.66 Lacs) per debenture have been redeemed and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (11) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement,except ₹49658 Lacs (Previous Year ₹56695 Lacs) secured by subsequent & subservient charge on movable assets. Out of the above, the ECA Loans of ₹261124 Lacs (Previous Year ₹247251 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors.Out of these,Loans of ₹758367 Lacs (Previous Year ₹618520 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹15053 Lacs (Previous Year ₹14102 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (12) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement, except ₹36996 Lacs (Previous Year ₹41999 Lacs) secured by subsequent & subservient charge on movable assets.Loans of ₹786879 Lacs (Previous Year ₹512796 lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹501130 Lacs (Previous Year ₹310230 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (13) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks,book debts etc. for securing borrowing for working capital requirement.Out of these Loans of ₹ NIL (Previous Year ₹471 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹6000 Lacs (Previous Year ₹9000 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.
- (14) Secured by the hypothecation of specific assets.
- (15) Guaranteed by the Personal Guarantee of One Promoter Director.
- (16) Out of these Loans of ₹31487 Lacs (Previous Year ₹103385 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹10860 Lacs (Previous Year ₹20348 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director.

Detail of Repayment and Rate of Interest

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

	(₹ in Lacs)		
	1 year	2-3 Years	Beyond 3 years
Term Loans	162631	398000	1567922

- (18) Domestic Loans sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate+2% (presently 11.70% p.a.) and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (19) Foreign Currency Loans for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 0.806% p.a.) repayable in 20 Half Yearly Installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.

- (20) Domestic Loans sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% (presently 12.20% p.a.) and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (21) Foreign Currency Loans for Phase III of Orissa project was sanctioned at interest rate of EURIBOR + 1.50% (Presently 1.711% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (22) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% (Presently 4.491% p.a.) repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (23) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of EURIBOR+1.75% (Presently 1.999% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (24) Domestic Loans sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest which is linked with base rate of respective participating lenders and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (25) Foreign Currency Loans for Coke Oven 2 of Orissa Project was sanctioned at interest rate of USD LIBOR + 4.50% (Presently 5.1429% p.a.) repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (26) Other Foreign Currency Loan for Orissa Project was sanctioned at rate of interest of USD LIBOR+3.50% (Presently 3.9459% p.a.) repayable in three annual installments commencing from 48 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (27) Domestic Loans sanctioned for CRCA & CRNGO Project of Orissa project was sanctioned at rate of interest of Base Rate + 2.25% (Presently 12.25% p.a.) and repayable in 24 quarterly installments commencing from 12 Months after completion of the project as per terms stipulated in respective loan / facility agreement/s.
- (28) Rate of interests of other Term Loans / Foreign Currency Loans are linked with the Base Rate / LIBOR.

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-5 DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liability		
Related to Fixed Assets	135174.97	104614.82
Total (A)	135174.97	104614.82
Deferred Tax Assets		
Provision of Doubtful Debts	332.29	309.56
Others	564.62	423.63
Total (B)	896.91	733.19
Total (A-B)	134278.06	103881.63
NOTE-6 OTHER LONG TERM LIABILITIES		
Creditors for Capital Goods / Expenditure	205913.31	149424.06
Security Deposit Received from Customers	10916.25	-
Others*	1653.17	1185.96
	218482.73	150610.02
NOTE-7 LONG TERM PROVISIONS		
Provision for Employee Benefits	1.48	-
	1.48	-

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

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-8 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loans		
From Banks		
Cash Credit		
- Foreign Currency Loans (Foot note 1)	75854.66	103319.40
- Rupee Loans (Foot note 1)	311653.03	66011.07
Term Loan		
From Banks		
- Rupee Loans (Foot note 2)	39999.78	115000.08
- Foreign Currency Loans (Foot note 3)	14879.68	-
Total (A)	442387.15	284330.55
UNSECURED		
From Bank		
Rupee Loan		
- Term Loan / Commercial Paper (Foot note 4)	68031.75	116793.65
Foreign Currency Loans		
- From Indian Banks (Foot note 5)	12867.49	27654.03
Total (B)	80899.24	144447.68
Total (A+B)	523286.39	428778.23

Foot Note :

- (1) Working Capital Loans are secured by hypothecation of stock & book debts, second charge on company's land, building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- (2) Secured by Subsequent and subservient charge on movable assets of the company. Out of these Loans of ₹15000 Lacs (Previous Year ₹40000 Lacs) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹25000 Lacs (previous year ₹75000 Lacs) are guaranteed by the personal guarantee of one promoter director.
- (3) Secured by Subsequent and subservient charge on movable assets of the company. Out of these Loans of ₹9990 Lacs (Previous Year ₹ NIL) were guaranteed by the personal guarantee of two promoter directors & Loans of ₹4890 Lacs (previous year ₹ NIL) are guaranteed by the personal guarantee of one promoter director.
- (4) Including Commercial Papers ₹63000 Lacs (Previous Year ₹68500 Lacs) personally guaranteed by two promoter directors. Apart from these Loans of ₹ NIL (Previous Year ₹15000 Lacs) are guaranteed by the personal guarantee of two promoter directors & Loans of ₹5032 Lacs (Previous Year ₹33294 Lacs) were personally guaranteed by one promoter director.
- (5) ₹10860 Lacs (Previous Year ₹27654 lacs) guaranteed by the personal guarantee of one promoter director.

NOTE-9 TRADE PAYABLES

Micro, Small and Medium Enterprises	237.49	270.59
Others	162944.84	99410.72
	163182.33	99681.31
The detail of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:		
Particulars		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-10 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debts	162631.48	153441.03
Non Convertible Debenture Application Money	-	15000.00
Interest Accrued but not Due on borrowings	22458.12	9319.91
Interest Accrued and Due on borrowings	-	7429.66
Unclaimed Dividend *	29.84	22.98
Statutory Dues	5688.46	6432.24
Due to Directors	12.32	14.25
Creditors for Capital Goods / Expenditure	12132.10	15852.02
Other Payables**	7560.04	19102.84
	210512.36	226614.93

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

**Includes calls received in advance on right issue ₹5.86 Lacs (Previous Year ₹ Nil), credit balances of customers, employees etc.

NOTE-11 SHORT TERM PROVISIONS		
Provision for Employee Benefits	1740.38	1306.19
Proposed Dividend	1144.06	1065.86
Tax on Dividend	339.70	294.84
Provision For Tax (Net)	4367.94	2817.93
	7592.08	5484.82

NOTE-12 FIXED ASSET

(₹ in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	Cost as at 01.04.2012	Addition During the Year	Sale During the Year	Adjustment During the Year	Cost as at 31.03.2013	As at 01.04.2012	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets												
Freehold Land	20145.06	1353.07	-	-	21498.13	-	-	-	-	-	21498.13	20145.06
Leasehold Land	14171.74	3020.09	-	-	17191.83	167.20	14.67	-	-	181.87	17009.96	14004.54
Building	417649.94	60371.16	-	15253.33	493274.43	20143.89	13753.47	-	-	33897.36	459377.07	397506.05
Railway Siding	20874.62	23804.71	-	6219.92	50899.25	1478.45	1014.99	-	-	2493.44	48405.81	19396.17
Plant & Equipment	1335299.80	173450.57	1058.82	41061.79	1548753.34	217107.64	68375.68	1019.19	267.03	284197.10	1264556.24	1118192.16
Furniture & Fixtures	1578.20	220.72	-	-	1798.92	934.82	88.32	-	-	1023.14	775.78	643.38
Vehicles	5502.50	241.77	76.54	-	5667.73	2618.94	463.11	57.04	-	3025.01	2642.72	2883.56
Office Equipments	799.81	51.61	1.01	-	850.41	297.21	51.86	0.16	-	348.91	501.50	502.60
Tangible Assets Total (A)	1816021.67	262513.70	1136.37	62535.04	2139934.04	242748.15	83762.10	1076.39	267.03	325166.83	1814767.21	1573273.52
Intangible Assets												
Computer Software	583.50	102.23	-	-	685.73	465.49	104.40	-	-	569.89	115.84	118.01
Assets Not Owned by Company	3731.21	25.27	-	-	3756.48	3731.21	25.27	-	-	3756.48	-	-
Intangible Assets Total (B)	4314.71	127.50	-	-	4442.21	4196.70	129.67	-	-	4326.37	115.84	118.01
TOTAL (A+B)	1820336.38	262641.20	1136.37	62535.04	2144376.25	246944.85	83891.77	1076.39	267.03	329493.20	1814883.05	1573391.53
Previous Year	1442476.38	290914.73	1491.08	88436.35	1820336.38	185812.86	64347.87	1072.06	2143.82	246944.85		
Capital Work in Progress [Includes Pre-operative expenses]											1284812.25	921726.42
GRAND TOTAL											3099695.30	2495117.95

Notes:

1. Certain Building Under Possession of the Company are pending registration in the name of the Company.
2. No write off has been done for lease hold land acquired on lease of 90 years and more.
3. Depreciation for the year includes ₹805.58 Lacs (Previous Year ₹2354.59 Lacs) charged to Capital Work In Progress.
4. Adjustment during the year includes addition of ₹62802.07 Lacs (Previous Year ₹90613.55 Lacs) on A/C of borrowing cost / exchange fluctuation and deduction of ₹267.03 Lacs (Previous Year ₹2141.50 Lacs) on account of depreciation capitalised.

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-13 NON CURRENT INVESTMENTS		
(Long-Term, Fully Paid Up)		
In Equity Shares		
Non Trade, Quoted		
Tata Steel Ltd.		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
Sequent Scientific Ltd.		
Nil (Previous Year 62,000) Equity Shares of ₹10/- each	-	43.58
Rocklands Rich Fields Ltd.		
2,000 (Previous Year 2,000) Ordinary Shares of AUD 0.20 each	0.21	0.21
Ankur Commercial Ltd.		
3,00,000 (Previous Year 3,00,000) Equity Shares of ₹10/- each	9.16	9.16
Nageshwar Investment Ltd.		
6,95,000 (Previous Year 6,95,000) Equity Shares of ₹10/- each	14.40	14.40
Asahi Infrastructure and Project Ltd.		
69,953 (Previous Year 69,953) Equity Shares of ₹10/- each	56.58	56.58
	138.43	182.01
In Preference Shares		
Non Trade, Quoted		
Essar Steel Ltd.		
150 (Previous Year 150) 0.01% Redeemable Cumulative Preference Shares of ₹10/- each	0.01	0.01
	0.01	0.01
In Equity Shares		
Unquoted		
Bhushan Buildwell Pvt. Ltd.		
4,900 (Previous Year 4,900) Equity Shares of ₹10/- each	0.49	0.49
Sukhna Steel Pvt. Ltd.		
3,42,000 (Previous Year 3,42,000) Equity Shares of ₹10/- each	37.09	37.09
Noraza Estate & Investments Pvt. Ltd.		
12,000 (Previous Year 12,000) Equity Shares of ₹10/- each	173.24	173.24
Bohea Properties Pvt. Ltd.		
10,000 (Previous Year 10,000) Equity Shares of ₹10/- each	163.40	163.40
Shriraj Investments & Finance Ltd.		
2,20,000 (Previous Year 2,20,000) Equity Shares of ₹10/- each	220.00	220.00
Aayushi Credit & Capital Ltd.		
2,05,000 (Previous Year 2,05,000) Equity Shares of ₹10/- each	205.00	205.00
Savroli Finvest Ltd.		
7,07,310 (Previous Year 7,07,310) Equity Shares of ₹10/- each	785.90	785.90
Nifan Finvest Ltd.		
7,12,500 (Previous Year 7,12,500) Equity Shares of ₹10/- each	750.00	750.00
Meramandali Finvest Ltd.		
3,75,000 (Previous Year 3,75,000) Equity Shares of ₹10/- each	750.00	750.00

(₹ in Lacs)

	As at 31.03.2013		As at 31.03.2012	
Dhenkanal Finvest Ltd.				
3,50,000 (Previous Year 3,50,000) Equity Shares of ₹10/- each Tremendous Mining & Minerals Pvt. Ltd.	700.00		700.00	
25,00,000 (Previous Year 25,00,000) Equity Shares of ₹10/- each Sur Buildcon Pvt. Ltd.	5000.00		5000.00	
25,00,000 (Previous Year 25,00,000) Equity Shares of ₹10/- each	5000.00		5000.00	
Trackcasting India Pvt. Ltd.				
10,00,000 (Previous Year 10,00,000) Equity Shares of ₹10/- each Superstar Agency Pvt. Ltd.	2000.00		2000.00	
5,40,000 (Previous Year 5,40,000) Equity Shares of ₹10/- each	1350.00		1350.00	
Saraswat Co-operative Bank Ltd.				
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25		0.25	
	17135.37		17135.37	
In Preference Shares				
Unquoted				
Bhushan Infrastructure Pvt. Ltd.				
33,50,000 (Previous Year 33,50,000) 10% Redeemable Non Cumulative Preference Shares of ₹100/- Each	6703.32		6700.00	
	6703.32		6700.00	
TRADE				
UNQUOTED				
In Associates				
Bhushan Energy Ltd.				
3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹10/- each	10500.00		10500.00	
Add: Share of Post Acquisition Profit	314.53		290.56	
	10814.53		10790.56	
Angul Sukinda Railway Ltd.				
8,40,00,000 Share (Previous Year Nil) Equity Share of ₹10/- Each Paid up @ ₹1.19 Each	1000.00		-	
	11814.53	35791.66	10790.56	34807.95
		35791.66		34807.95
Aggregate Value of	Book Value	Market Value	Book Value	Market Value
Quoted Investments	138.44	66.94	182.02	186.69
Unquoted Investments	35653.22	-	34625.93	-

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-14 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances For Capital Goods	159580.08	175728.31
Security Deposits	10357.84	10036.75
Advances for Non Current Investment to Related Party	-	1000.00
Advances for Non Current Investment	1445.00	-
Inter Corporate Deposit (Including Interest Accrued)	-	7094.99
Loans to Employees	294.89	380.11
MAT Recoverable	78607.32	54432.30
Excise Duty Recoverable / Service Tax Recoverable	2421.28	16923.01
Other Advances *	1679.78	19620.97
	254386.19	285216.44

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

NOTE-15 OTHER NON CURRENT ASSETS**Cash and Bank Balances**

Non Current Fixed Deposits (Refer Note-19)	2140.14	1937.54
	2140.14	1937.54

NOTE-16 CURRENT INVESTMENTS**QUOTED (FULLY PAID)**

Vector Resources Ltd.

8,55,000 (Previous Year 8,55,000) shares of AUD 0.20 each and Nil (Previous Year 3,12,500) options	12.67	52.76
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UNQUOTED (FULLY PAID)**Indusind Bank Ltd.**

250 (Previous Year 250) Redeemable Non Convertible Bonds of ₹10,00,000/- each	2475.00	2475.00
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	2487.67	2527.76
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Aggregate Value of	Book Value	Market Value	Book Value	Market Value
Quoted Investments	12.67	12.67	52.76	52.76
Unquoted Investments	2475.00	-	2475.00	-

NOTE-17 INVENTORIES

(At Lower of Cost and Net Realisable Value)

Raw Material	87498.06	70748.98
Raw Material In Transit	295643.24	116020.13
Finished Goods	64948.09	60256.59
Finished Goods In Transit	7229.69	5211.91
Work-in-Progress	59569.30	58917.65
Stores	36742.84	18873.76
Others	4336.33	1113.59
	555967.55	331142.61

(₹ in Lacs)

	As at 31.03.2013	As at 31.03.2012
NOTE-18 TRADE RECEIVABLES		
(Unsecured)		
More than Six Months		
- Considered Good	1816.21	2209.59
- Considered Doubtful	1024.15	953.97
	2840.36	3163.56
Less: Provision	1024.15	953.97
	1816.21	2209.59
Others - Considered Good	232494.76	119828.04
	234310.97	122037.63
NOTE-19 CASH AND BANK BALANCES		
Cash and Cash Equivalants		
Balances with Banks		
- In Current Account	12519.17	10847.86
- In Unpaid Dividend Account	29.84	23.06
Fixed Deposit having maturity period within 3 months*	953.74	25525.59
Cheque on hand	-	80.00
Cash on Hand	85.26	68.32
Others		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	2140.14	1937.54
- 3 to 12 Months *	2810.42	687.05
	18538.57	39169.42
Less : Non Current Fixed Deposits	2140.14	1937.54
	16398.43	37231.88
*(Including interest accrued but not due).		
*{Including ₹3809.80 Lacs (Previous Year ₹1942.42 Lacs) under bank lien}.		
NOTE-20 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans to Employees	751.76	923.79
Security Deposits	194.63	59.66
Balance with Excise Department	1237.68	206.77
Excise Duty / Service Tax Recoverable	42496.39	20166.69
Inter Corporate Deposits (Including Interest Accrued)	3143.00	-
Other Advances*	104986.90	41041.52
	152810.36	62398.43

*Other advances include amount recoverable from Sales Tax Department etc.

(₹ in Lacs)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTE-21 REVENUE FROM OPERATIONS		
Sales of Products	1133634.45	1047443.81
Other Operating Revenue		
Other Sale	38521.53	26939.25
Export Incentives	7845.87	6857.31
	<u>1180001.85</u>	<u>1081240.37</u>
NOTE-22 OTHER INCOME		
Profit on Sale of Non Trade Current Investments	60.55	1.87
Profit on Sale of Non Trade Long Term Investments	19.39	106.44
Interest Earned*		
- From Short Term Investments	258.75	258.75
- From Bank on FDRs	457.24	123.69
- From Others	694.28	860.29
Dividend:		
- From Long Term Non - Trade Investments	0.05	2.61
Profit on Sale of Fixed Assets (Net)	177.29	960.09
Miscellaneous Income**	69.60	40.37
	<u>1737.15</u>	<u>2354.11</u>
* Including Income Tax Deducted at Source ₹185.12 Lacs (Previous Year ₹239.72 Lacs) and Excluding Interest earned ₹268.76 Lacs (Previous Year ₹428.89 Lacs) transferred to projects.		
** Including Income Tax Deducted at source ₹0.20 Lacs (Previous Year ₹ Nil) and Excluding Provision Written Back ₹368.53 Lacs (Previous Year ₹ Nil) transferred to projects.		
NOTE-23 COST OF RAW MATERIAL CONSUMED		
Cost of Raw Material Consumed	584619.48	554694.03
Less : Cost of Raw Material Transferred to Project / Internal Use	4755.33	4019.30
	<u>579864.15</u>	<u>550674.73</u>
NOTE-24 COST OF PURCHASE GOODS TRADED		
Cost of Purchase Goods Traded	8118.55	-
	<u>8118.55</u>	<u>-</u>
NOTE-25 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK- IN -PROGRESS AND STOCK IN TRADE		
Inventories (at close)		
Finished Goods	72177.78	65468.50
Work-in-Progress	59569.30	58917.65
Others	4336.33	1113.59
	<u>136083.41</u>	<u>125499.74</u>
Inventories (at beginning)		
Finished Goods	65468.50	81073.81
Work-in-Progress	58917.65	38490.26
Others	1113.59	1179.93
	<u>125499.74</u>	<u>120744.00</u>
	<u>(10583.67)</u>	<u>(4755.74)</u>

(₹ in Lacs)

	Year ended 31.03.2013	Year ended 31.03.2012
NOTE-26 EMPLOYEE BENEFITS EXPENSE		
Salary, Wages & Bonus	26626.15	26243.72
Contribution to P.F. and Other Funds	540.41	578.16
Staff Benefits	411.60	395.32
	27578.16	27217.20
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses	10232.75	12792.94
	17345.41	14424.26
NOTE-27 FINANCE COSTS		
Interest Expenses	243469.46	196925.47
Other Financial Cost	13641.90	27038.61
Applicable loss on foreign currency transactions and translation	17772.22	48187.59
	274883.58	272151.67
Less: Borrowing cost transferred to Project Under Commissioning / Trial Run	146138.90	167513.86
	128744.68	104637.81
NOTE-28 OTHER EXPENSE		
Stores Consumed	26385.17	22041.63
Packing Material Consumed	4288.23	3577.32
Power & Fuel	85485.12	70474.15
Repairs & Maintenance		
- Plant & Machinery	2126.54	1982.73
- Buildings	179.93	105.17
Exchange Fluctuation (Net)	783.40	11317.79
Excise Duty #	872.40	(3295.55)
Rates & Taxes	2210.49	2169.82
Administrative Expenses	47570.94	51921.14
Legal & Professional Expenses	956.62	1580.19
Rent	774.78	557.86
Insurance	1563.24	1000.58
Auditors' Remuneration	185.02	139.11
Dimuniation in the value of investment	40.09	11.01
Write down of Tenements	644.19	-
Selling & Distribution Expenses	27023.41	26071.38
Commission to Selling Agents	858.38	459.41
Provision for Doubtful Debts	70.18	21.28
	202018.13	190135.02
Less: Transfer to Project under Commissioning		
Pre-operative Expenses / Trial Run Expenses (Net)	53373.95	54099.12
	148644.18	136035.90

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

	(₹ in Lacs)	
	Current Year	Previous Year
NOTE - 29		
1. Contingent Liabilities in respect of :		
a) Sales Tax	3629.42	3927.93
b) Excise Duty / Custom / Service Tax	26114.04	25400.98
c) Entry Tax	17285.93	10858.85
d) Income Tax	40.90	804.21
e) Bills Discounted	18225.71	12508.43
f) Others	2917.44	1867.85

2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹308986.64 Lacs (Previous Year ₹591626.59 Lacs) (Net of Advances).

3. Other Commitment

- a) Outstanding guarantees issued by the banks ₹69723.31 Lacs (Previous Year ₹21036.75 Lacs) counter guaranteed by the company including letter of credits issued.
- b) The Company has given undertaking to Bhushan Energy Limited, an associate company, to provide the necessary fund required to acquire Equity Shares of Orissa Sponge Iron and Steel Limited on open offer upto the limit of ₹ Nil (Previous Year Rs 21960.00 Lacs), by subscribing to the share capital of the company.
- c) Commitment for partly paid equity shares of Angul Sukinda Railway Limited, an associate company ₹7400.00 Lacs (Previous Year ₹ Nil).

NOTE-30

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

NOTE-31

- a) In terms of letter of offer dated January 9, 2013 the Company has during the year allotted 14157220 Equity shares of ₹2/- each at a premium of ₹333/- per share which are partly paid-up to the extent of ₹167.50 (comprising ₹1/- per Equity Share towards share capital and ₹166.50/- per Equity Share as share premium) on Right basis in the ratio of 1 share for every 15 shares held by the shareholders. The new allotted shares rank pari passu in all respect with the existing Equity shares of the Company. The proceeds from Right issue have been utilized for repayment of indebtedness and General Corporate purpose and pending utilization, the balance have been temporarily used to reduce the exposure of working capital borrowing from banks, which will be redrawn as and when necessary to meet the obligation as per the object of the Right Issue.
- b) 10% 1276700 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during

the year on private placement basis against the share application money received during the previous year amounting to ₹38301.00 Lacs. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 1st March, 2013.

- c) 10% 333400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the year on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 25th March, 2013.
- d) 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2011-12 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal instalments at the end of 3rd and 4th year i.e. on 4th March, 2015 and 4th March, 2016 respectively.
- e) 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012.
- f) 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012.
- g) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-2011 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares.
- h) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively.
- i) 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e. 28th March, 2011 in such tranches as stipulated in the subscription agreement.
- j) 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares shall be redeemed at an amount in INR, such

that the subscribers get yield of 11.7% per annum on the amount outstanding within 36 Months from the date of allotment, i.e 29th March, 2011 in such trenches as stipulated in the subscription agreement.

NOTE – 32

The Company has during the year commissioned Cold Rolling & Galvanized Plane Mill and other ancillary equipments.

NOTE – 33

Un-audited financial statements of Andal East Coal Company Pvt. Ltd. (Joint Venture), Bowen Energy Ltd. and Bhushan Steel (Australia) Pty Ltd. (Subsidiaries) have been considered for consolidation.

During the Year the Financial statement of Angul Sukinda Railway Ltd., an associate company, has not been consolidated due to non availability of financial statement.

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

NOTE – 34

The Bowen Energy Ltd, a foreign subsidiary has been reclassified as an integral foreign operation. As required by Accounting Standard (AS)-11, the translated amounts for non-monetary item as at 1st April, 2012 are treated as the historical cost for those items. Exchange differences which have been deferred are not recognised as income or expenses.

NOTE – 35

The Company has made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project is not made any headway the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited has issued final call notice for payment of unpaid call money failing which the shares are liable to be forfeited. The Company has disputed the call money which in its opinion is premature, illegal and arbitrary and has advised to withdraw said notice. Hence, no effect of the same has been taken into books of account.

In view of above said dispute the Company has not received the financial statement and other details / information for the year ended 31st March 2013 and accordingly the same could not be consolidated.

NOTE – 36

The Company hold 89.95% (Previous Year 84.87%) share in Bhushan Steel (Australia) Pty Ltd. Bhushan Steel (Australia) Pty Ltd. hold 100.00 % (Previous Year 89.81%) share in Bowen Energy Limited. Bhushan Steel (Australia) Pty Ltd. has invested the amount in Bowen Energy Ltd. out of the proceeds received from its Holding Company (i.e. Bhushan Steel Limited) which are being utilized by Bowen Energy Ltd. in exploration of mines.

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

“The Group has a recorded a loss of \$ 1,687,619 for the year ended 30 June 2012 (2011 : \$1,467,775) has cash outflows from operations of \$399,999(2011:\$755,053), current liabilities of the Group exceeded current assets by \$6,197,029 (2011:\$7,409,250) and the Group is also in a net liability position of \$1,165,594 (2011:\$4,043,124).

To ensure the ongoing viability of the Group the directors have negotiated a \$10m loan facility with Bhushan Steel (Australia) Pty Limited a subsidiary of Bhushan Steel Limited, the parent entity of Bowen Energy Limited. At the reporting date the Group had drawn down \$6.9m of this loan. The Directors believe that taking into consideration the minimum required expenditure to maintain title to existing exploration licenses, current levels of administrative expenditure, the available loan facility, assuming funding is made available under the terms and conditions of the loan, will be sufficient to ensure that the Group is able to settle its liabilities as they fall due in the ordinary course of business. Bhushan Steel (Australia) Pty Limited has also agreed not to recall loan payment of the loan payable by the Group until such time the group has surplus cash. On this basis the financial report has been prepared on the going concern basis”.

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

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

NOTE-37

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

- (I) List of related parties where control exists and related **parties with whom transactions have taken place and relationships:**
 - a) Associates
 - Bhushan Energy Ltd.
 - Angul Sukinda Railway Ltd.
 - b) Key Management Personnel
 - Shri Neeraj Singal (Vice Chairman & Managing Director)
 - Shri Nittin Johari (Whole time Director)
 - Shri P.K. Aggarwal (Whole time Director)
 - Shri Rahul Sengupta (Whole time Director)
 - c) Relatives of Key Management Personnel
 - Shri B.B. Singal (Chairman & Father of Vice Chairman & Managing Director)
 - Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)
 - Smt. Pushpa Garg
 - Brij Bhushan Singal (HUF)

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

Arshiya International Ltd.
 Bhushan Aviation Ltd.
 Bhushan Infrastructure Pvt. Ltd.

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

PARTICULARS						(₹ in Lacs)	
		Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total	
Remuneration and Perks	Current Year	-	327.85	36.07	-	363.92	
	Previous Year	-	250.89	32.87	-	283.76	
Directors Sitting Fees	Current Year	-	-	7.65	-	7.65	
	Previous Year	-	-	7.65	-	7.65	
Allotment of Shares and Share Application Money Pending Allotment	Current Year	-	11921.47	7665.93	3086.87	22674.27	
	Previous Year	30000.00	23100.00	10200.00	5000.01	68300.01	
Purchase of Goods / Services	Current Year	62308.32	-	-	9961.60	72269.92	
	Previous Year	62914.19	-	-	7078.55	69992.74	
Sales of Goods / Services	Current Year	9859.45	-	-	-	9859.45	
	Previous Year	3973.42	-	-	-	3973.42	
Rent Received	Current Year	-	-	-	1.20	1.20	
	Previous Year	-	-	-	1.20	1.20	
Outstanding							
Receivable	Current Year	-	-	-	67.51	67.51	
	Previous Year	-	-	-	-	-	
Payable	Current Year	2238.30	12.32	-	161.29	2411.91	
	Previous Year	3349.21	14.25	-	428.87	3792.33	
Share Application Money Pending Allotment	Current Year	-	-	-	-	-	
	Previous Year	1000.00	-	-	-	1000.00	

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

1. Remuneration & Perks include payment to Shri Neeraj Singal ₹140.56 Lacs (Pre. Year ₹106.93 Lacs), Shri P.K. Aggarwal ₹50.49 Lacs (Pre. Year ₹35.17 Lacs), Shri Nittin Johari ₹86.40 Lacs (Pre. Year ₹61.25 Lacs), Shri Rahul Sengupta ₹50.40 Lacs (Pre. Year ₹42.70 Lacs), Smt. Ritu Singal ₹36.07 Lacs (Pre. Year ₹32.87 Lacs) and others ₹ Nil (Pre. Year ₹4.84 Lacs).
2. Directors sitting fees is paid to Shri B.B. Singal ₹7.65 Lacs (Pre. Year ₹7.65 Lacs).
3. 10% Non Convertible Redeemable Preference Shares have been allotted to Bhushan Energy Ltd. ₹Nil (Pre. Year ₹30000.00 Lacs) and Share Application Pending Allotment is received from Shri Neeraj Singal ₹Nil (Pre. Year ₹23100.00 Lacs) and from Shri B.B. Singal ₹Nil (Pre. Year ₹10200.00 Lacs). Equity Share Capital received from Shri Neeraj Singal ₹11921.47 Lacs (Pre. Year ₹ Nil), Shri Brij Bhushan Singal ₹6818.16 Lacs (Pre. Year Nil), Smt. Ritu Singal ₹734.94 Lacs (Pre. Year ₹ Nil), Smt. Pushpa Garg ₹111.72 Lacs (Pre. Year ₹ Nil), Brij Bhushan Singal (HUF) ₹1.11 Lacs (Pre. Year ₹ Nil) and Bhushan Infrastructure Pvt. Ltd. ₹3086.87 Lacs (Pre Year ₹ 5000.01 Lacs).
4. Purchase of Goods / Services is from Arshiya International Ltd. ₹8535.75 Lacs (Pre. Year ₹5500.16 Lacs), Bhushan Energy Ltd. ₹62308.32 Lacs (Pre. Year ₹62914.19 Lacs) and Bhushan Aviation Ltd. ₹1425.85 Lacs (Pre. Year ₹1578.39 Lacs).
5. Sale of goods / Services to Bhushan Energy Ltd. ₹9859.45 Lacs (Pre. Year ₹3973.42 Lacs).
6. Rent Received is from Bhushan Aviation Ltd. ₹1.20 Lacs (Pre. Year ₹1.20 Lacs).

NOTE – 38

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

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

	(₹ in Lacs)	
	Current Year	Previous Year
Within India	990866.53	926869.97
Outside India	181289.45	147513.09
Total	1172155.98	1074383.06

Trade Receivables of the company as per Geographical Segment are as follows:

Within India	229603.70	120799.41
Outside India	4707.27	1238.22
Total	234310.97	122037.63

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

NOTE – 39

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

NOTE – 40

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

	(₹ in Lacs)	
	Current Year	Previous Year
Opening Balance	232985.87	112488.17
Add: Pre-operative Expenses		
1. Transferred from Statement of Profit and Loss including Trial Run Loss / (Gain)	63606.70	66892.06
2. Depreciation	805.58	2354.59
3. Finance Costs (During Construction and Trial Run)	146138.90	210551.18
	443537.05	349248.68
Less : Interest earned during construction period	268.76	428.89
Provision Written Back	368.53	637.29
	442899.76	348819.79
Less: Capitalised		
- Pre-Operative Expenses [Including Trial Run Loss / (Gain)]	92188.17	113692.42
- Depreciation	267.03	92455.20
TOTAL	350444.56	232985.87

	Current Year	Previous Year
NOTE – 41		
Earning Per Share		
(i) Weighted Average No. of Equity Shares		
Weighted Average No. of Equity Shares {Including effect of Right issue as required by Accounting Standard (AS)-20}	215919627	212358310
(ii) Equity Shares for Calculating Diluted Earning per Share		
Weighted Average No. of Equity Shares	215919627	212358310
(iii) Profit After Tax including Minority interest and share of Profit of Associates (₹ in Lacs)	90694.10	101483.08
Less:- Dividend on Preference Shares (Including Dividend Tax)	1054.17	877.16
Profit after Dividend on Preference Shares	89639.93	100605.92
(iv) Adjustment Factor on Right Issue	-	1.0145
(v) Earning Per Share (₹)		
- Basic	41.52	46.70*
- Diluted	41.52	46.70*

* Recalculated for Right Issue as required by Accounting Standard (AS)-20.

NOTE – 42

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

Tax difference between the amount payable and amount paid under NPV, amounting to ₹6036.54 Lacs (Previous Year ₹6030.15 Lacs), being capital receipt, has been credited to Capital reserve.

NOTE – 43

DERIVATIVES

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

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
a) Amount receivable in Foreign Currency on Account of				
Sale of Goods	86.69	4707.27	24.34	1238.22
Advance against goods / Capital Goods	401.41	21796.77	1625.79	82703.76
b) Amount payable in Foreign Currency on Account of				
Acceptances	3293.52	178838.33	3159.38	160717.45
Bills Discounted	190.97	10369.85	115.95	5898.27
Trade Payables / Capital Creditors / Customers Credit balances	1480.36	80383.31	325.54	16560.12
Loans / Interest Payable	17387.36	944133.60	17923.29	911757.64
Security Deposit Received from customers	200.00	10860.00	-	-

NOTE – 44

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

A. Defined Contribution Plans:

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

(₹ in Lacs)

	Current Year	Previous Year
a) Employer contribution to Provident Fund / Other Funds	192.26	179.32
b) Employer contribution to State Plans:		
i) Employee State Insurance	78.54	100.09
ii) Maharashtra Labour Welfare Fund	0.15	0.14

B. Defined Benefit Plans:

- a) Leave Encashment / Compensated Absence.
b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

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

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
i) Actuarial Assumptions				
Discount Rate (per annum)	8%	8%	8%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	8%	8%
Expected Average remaining working lives of employees (years)	26	26	26	26
ii) Change in the obligation during the year ended 31st March, 2013				
Present value of obligation as at 31st March, 2012	1074.39	1068.57	1650.37	1273.06
Impact of Transition provision of (AS) -15	-	-	-	-
Interest cost	85.95	85.49	132.03	97.62
Past Service cost	-	-	-	-
Current service cost	317.31	281.38	327.44	320.09
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(83.66)	(180.03)	(48.23)	(105.52)
Actuarial (gain) / loss on Obligations	(82.43)	(181.02)	10.06	65.11
Present value of obligation as at 31st March, 2013	1311.56	1074.39	2071.67	1650.36
iii) Change in fair value of plan Assets				
Fair value of Plan Assets as at 31st March, 2012	-	-	1419.28	1039.43
Expected return on Plan Assets	-	-	113.54	95.18
Contributions	-	-	149.98	401.24
Benefits Paid	-	-	(48.23)	(105.52)
Actuarial gain / (loss) on Obligations	-	-	8.43	(11.06)
Fair value of Plan Assets as at 31st March, 2013	-	-	1643.00	1419.27

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets				
Present value of obligation as at 31st March, 2013	1311.56	1074.39	2071.67	1650.36
Fair value of Plan Assets as at 31st March, 2013	-	-	1643.00	1419.27
Funded Status	(1311.56)	(1074.39)	(428.67)	(231.09)
Present value of un-funded obligation as at 31st March, 2013	-	-	-	-
Un-funded Actuarial (gains) / losses	-	-	-	-
Un-funded Net Asset / (Liability) recognized in Balance Sheet	(1311.56)	(1074.39)	(428.67)	(231.09)
V) Expenses / Pre-Operative Expenses recognized in the Statement of Profit and Loss				
Current service cost	317.31	281.38	327.44	320.09
Past Service cost	-	-	-	-
Interest cost	85.95	85.49	132.03	97.62
Expected return on Plan Assets	-	-	(113.54)	(95.18)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain) / loss recognized during the year	(82.43)	(181.02)	1.63	76.17
Total Expense recognized in Statement of Profit and Loss / Pre-operative expenses	320.83	185.85	347.56	398.70

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above details do not include expenditure/payables of joint venture amounting to ₹0.58 Lacs / ₹1.63 Lacs (Previous Year ₹1.24 Lacs / ₹0.71 Lacs) provided on accrual basis.

NOTE – 45

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

NOTE – 46

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

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

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

Sd/-
B. B. SINGAL
CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

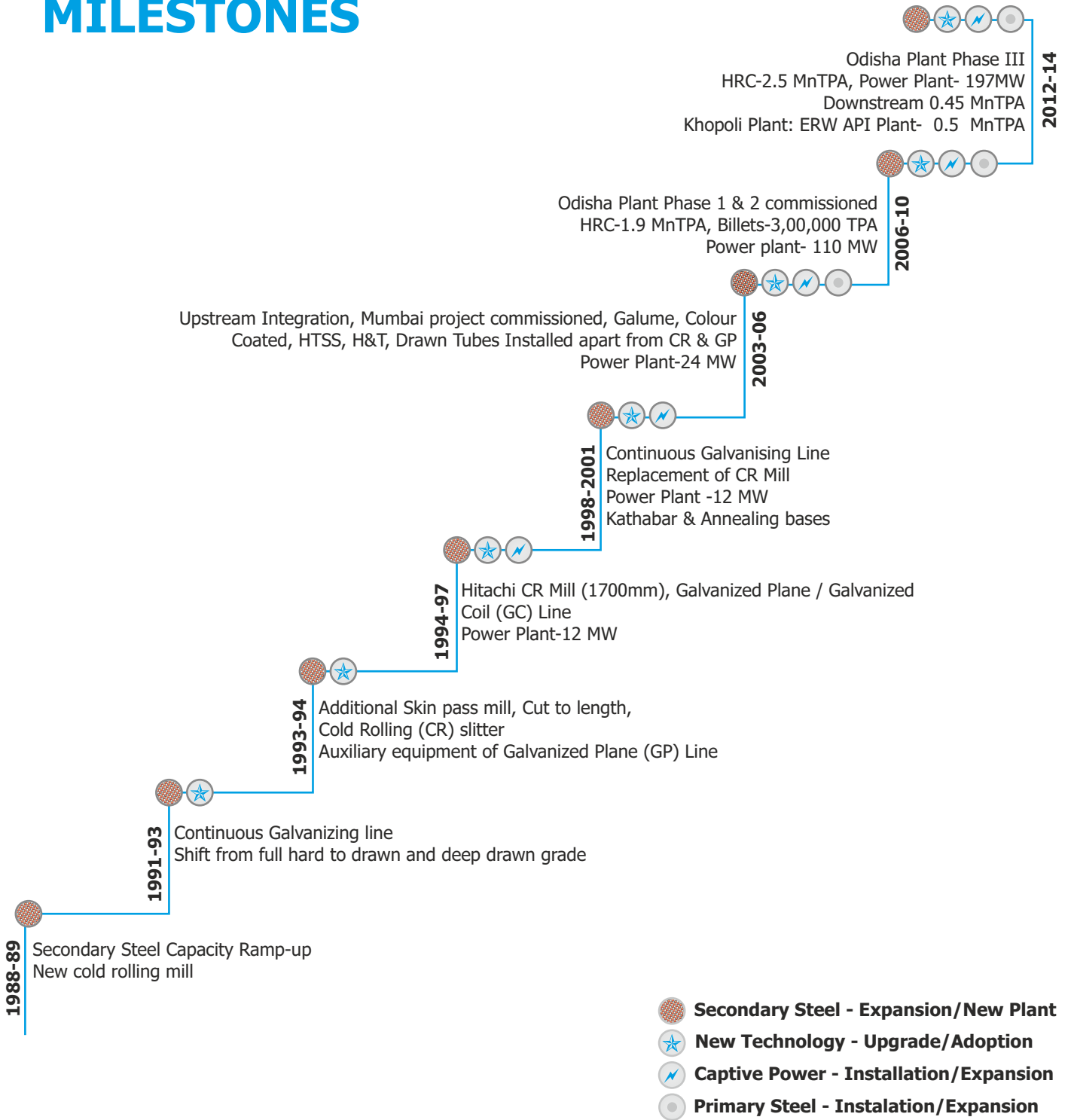
Place: New Delhi
Dated: 27th May, 2013

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR
(FINANCE)

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

BHUSHAN STEEL MILESTONES





BHUSHAN

BHUSHAN STEEL LIMITED

The Future of Steel

F-Block, 1st Floor, International Trade Tower

Nehru Place, New Delhi - 110019

Tel.: (011) 42297777, 39194000

Fax: (011) 26478750

www.bhushansteel.com

BHUSHAN STEEL LIMITED



BHUSHAN

Registered Office :

F- Block 1st Floor,
International Trade Tower,
Nehru Place, New Delhi - 110 019
Tel. : 91-11-39194000
Fax : 91-11-26478750, 46518611

BSL/CS/SE13
August 27, 2013

The Manager,
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400001

SUB.: IN COMPLIANCE WITH CLAUSE 31(a) OF THE LISTING AGREEMENT

Dear Sir,


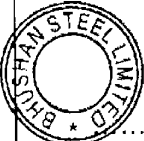

Pursuant to provisions of Clause 31(a) of the Listing Agreement, we are enclosing herewith six Copies of the Statutory and Directors' Annual Reports along with Form A.

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the company	BHUSHAN STEEL LIMITED
2.	Annual financial statements for the year ended	31st March 2013.
3.	Type of Audit observation	Un-qualified / Matter of Emphasis <i>The Auditors Report is Unqualified.</i> <i>However few matters of emphasis are given in Point 5 to 7 in the Auditors Report on Consolidated Financial Statement.(vide page 87 of Annual Report 2012-13)</i>



<p>4. Frequency of observation</p>	<p>Whether appeared first time...../ repetitive...../ since how long period</p> <p><i>Point No 5 & 6 are repetitive and appearing since financial year 2007-08.</i></p> <p><i>Point No 7 has appeared for the first time.</i></p>
<p>5. To be signed by-</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><i>[Signature]</i></p> <p>Neeraj Singal Managing Director</p> </div> <div style="text-align: center;">  <p><i>[Signature]</i></p> <p>Nittin Johari Chief Financial Officer</p> </div> </div>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><i>[Signature]</i></p> <p>R. K. Mehra M/s Mehra Goel & Co. Auditors of the Company</p> </div> <div style="text-align: center;"> <p><i>[Signature]</i></p> <p>B. B. Tandon Audit Committee Chairman</p> </div> </div>

This is for your information and record.

Thanking You,

Yours faithfully

For BHUSHAN STEEL LIMITED,

[Handwritten initials]

COMPANY SECRETARY



Encl. : as above