



BHUSHAN STEEL LIMITED

BSL/CS/ 2018
August 31, 2018

The Secretary
Listing Department
BSE Limited,
Phiroze JeeJeeBhoy Towers,
Dalal Street, Mumbai – 400001
Maharashtra, India
Scrip code: BHUSANSTL 500055

The Secretary
Listing Department
National Stock Exchange of India Limited,
“Exchange Plaza”, 5th Floor, Plot No. C/1, G-Block,
Bandra – Kurla Complex, Bandra (E), Mumbai-
400051, Maharashtra, India
Scrip code: BHUSANSTL

Dear Sir/ Madam,

Sub: Abridged Annual Report 2017-2018 alongwith Notice of 35th Annual General Meeting

Please find attached herewith Abridged Annual report of Bhushan Steel Limited for financial year 2017-2018 alongwith Notice of 35th Annual General Meeting.

This is for your information and records.

Thanking You,

For **Bhushan Steel Limited**

O P Davra
Company Secretary
Encl.: A/a



BHUSHAN STEEL LIMITED

**ANNUAL REPORT (ABRIDGED)
2017-2018**

TABLE OF CONTENTS

Corporate Information	01
Directors' Report (Salient Features)	02
Independent Auditor's Report on Standalone Financial Statements.....	07
Independent Auditor's Report on the Abridged Standalone Financial Statements.....	14
Abridged Standalone Financial Statements	16
Independent Auditor's Report on Consolidated Financial Statements	32
Independent Auditor's Report on the Abridged Consolidated Financial Statements	36
Abridged Consolidated Financial Statements	38
Notice	54
Proxy Form	61
Map to the Annual General Meeting Venue	63

ANNUAL GENERAL MEETING

Date : September 25, 2018

Time : 12 Noon (IST)

**Venue : Kamani Auditorium, 1, Copernicus
Marg, New Delhi – 110 001**

GREEN INITIATIVES

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India and urges you to extend your support to the same by registering your email address with the Company's Registrar and Transfer Agent or your Depository Participant to receive communication, including the Annual Report, quarterly and half-yearly results, amongst others from the Company in electronic mode

CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on August 22, 2018)

Mr. T.V. Narendran

Non-executive Director and Chairman

Mr. Krishnava Dutt

Independent Director

Ms. Neera Saggi

Independent Director

Mr. Shashi Kant Maudgal

Independent Director

Mr. Srikumar Menon

Independent Director

Mr. Koushik Chatterjee

Non-executive Director

Mr. Anand Sen

Non-executive Director

Mr. Rajeew Singhal

Managing Director

Company Secretary

Mr. O. P. Davra

Registered Office

B - 9 to 12, Okhla Industrial Area, Phase-I
New Delhi-110020
Tel & Fax: 91-11-26811033
Email: bsl@bhushansteel.com
Website: www.bhushansteel.com

Corporate Office

23, Site IV, Sahibabad Industrial Area,
Distt.: Ghaziabad – 201010, Uttar Pradesh
Tel & Fax: 91-120-3028001

Works

P.O. Shibapur, Meramandali, Distt.: Dhenkanal – 759 121
Odisha, INDIA

23, Site-IV, Sahibabad Industrial Area Distt.: Ghaziabad – 201 010
Uttar Pradesh, INDIA

Village – Nifan, Savroli, Kharpada Road,
Taluka-Khalapur, Near Khopoli
Distt: Raigad – 410 203
Maharashtra, INDIA

Corporate Identity Number

CIN L74899DL1983PLC014942

Auditors

M/s Walker Chandiok & Co LLP
(Firm Registration No. 001076N/N500013)

Registrar and Share Transfer Agent

RCMC Share Registry Pvt. Ltd.

B -25/1, First Floor
Okhla Industrial Area Phase II
New Delhi – 110 020
Tel: 91-11-2638 7320, 2638 7321, 2638 7323
Fax: 91-11-2638 7322
Email: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com

DIRECTORS' REPORT

[SALIENT FEATURES PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013]

To the Members of

Bhushan Steel Limited

The Board of Directors of the Company as on August 22, 2018, presents to the Members the 35th Annual Report of the Company, which includes the Directors' Report ("**Annual Report**"). For the purpose of this abridged annual report for fiscal year 2018, the salient features of the Directors' Report in line with Section 134(3) of the Companies Act, 2013 read together with the circular of the Ministry of Corporate Affairs No. G.S.R. 191(E) dated February 27, 2018 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 is being presented.

The Company will make available the full Annual Report, including the Directors' Report and the Annexures thereto, upon a request received from any member of the Company. Any member interested in obtaining a copy of the Annual Report may send a request in writing to the Company Secretary.

Salient features of the report

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("**IBC/ Code**"), the Corporate Insolvency Resolution Process ("**CIRP Process**") of Bhushan Steel Limited ("**Company**") was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("**NCLT**") on July 26, 2017 ("**Insolvency Commencement Date**"). Mr. VijayKumar V. Iyer was appointed as the Interim Resolution Professional ("**IRP**") to manage the affairs of the Company. Subsequently, Mr. Iyer was confirmed as the Resolution Professional ("**RP**") by the committee of creditors ("**CoC**"). On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

The RP invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. Of the various resolution plans submitted, the CoC approved the resolution plan submitted by Tata

Steel Limited ("**TSL**"). The RP submitted the CoC approved resolution plan to the NCLT on March 23, 2018 for its approval and the NCLT approved the resolution plan submitted by TSL and approved by the CoC ("**Approved Resolution Plan**"). On May 15, 2018 ("**IBC/ NCLT Order**"). Pursuant to the NCLT order, TSL acquired the shares of the Company through its wholly-owned subsidiary, Bamnidal Steel Limited, on May 18, 2018 ("**Acquisition**"). Post the Acquisition, a new Board was constituted in the current financial year i.e. on May 18, 2018 ("**Reconstituted Board**" or "**Board**") and a new management was put in place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Members may kindly note that, the Directors of the Reconstituted Board ("**Directors**") were not in office for the period to which this report primarily pertains. During the CIRP Process (i.e. between July 26, 2017 to May 15, 2018), the RP was entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed thereunder ("**Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the Acquisition.

IBC is a new legislation in India and the Approved Resolution Plan of the Company is amongst the first such resolution plan approved under the IBC. Members are requested to read this report in light of the fact that the Reconstituted Board and the new management is currently implementing the resolution plan.

A. FINANCIAL RESULTS

₹ crore

Particulars	Bhushan Steel Standalone		Bhushan Steel Group	
	2017-18	2016-17	2017-18	2016-17
Gross revenue from operations	17,404.43	15,027.30	17,404.43	15,027.30
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	15,199.57	12,105.28	15,200.29	12,106.08
Operating Profit	2,204.85	2,922.02	2,204.14	2,921.22
Add: Other income	95.08	71.96	95.08	71.96
Profit / (Loss) before finance cost, depreciation, exceptional items and taxes	2,299.93	2,993.98	2,299.22	2,993.18
Less: Finance costs	6,304.90	5,426.76	6,304.90	5,426.76
Profit / (Loss) before depreciation, exceptional items and taxes	(4,004.97)	(2,432.78)	(4,005.68)	(2,433.58)
Less: Depreciation	1,785.66	1,685.61	1,785.66	1,685.61
Profit / (Loss) before share of profit / (loss) of joint ventures & associates, exceptional items & tax	(5,790.63)	(4,118.39)	(5,791.34)	(4,119.19)
Share of profit / (loss) of Joint Ventures & Associates	-	-	-	(121.65)
Profit / (Loss) before exceptional items & tax	(5,790.63)	(4,118.39)	(5,791.34)	(4,240.84)
Add / (Less): Exceptional Items	(23,344.68)	(6.69)	(23,096.69)	(6.69)
Profit / (Loss) before taxes	(29,135.31)	(4,125.08)	(28,888.03)	(4,247.53)
Less: Tax Expense / (income)	(4,321.84)	(623.96)	(4,321.84)	(623.96)

Particulars	Bhushan Steel Standalone		Bhushan Steel Group	
	2017-18	2016-17	2017-18	2016-17
(A) Profit / (Loss) after taxes	(24,813.47)	(3,501.12)	(24,566.19)	(3,623.57)
(B) Net Profit / (Loss) for the Period	(24,813.47)	(3,501.12)	(24,566.19)	(3,623.57)
Total Profit / (Loss) for the period attributable to:				
Owners of the Company			(24,565.88)	(3,623.57)
Non-controlling interests			(0.31)	(8.72)
(C) Total other comprehensive income / (Loss)	(2.93)	(0.61)	(2.87)	1.84
(D) Total comprehensive income for the period [B + C]	(24,816.40)	(3,501.73)	(24,569.06)	(3,621.73)

Notes: The exceptional items include:

Particulars	Year ended	
	March 31, 2018	March 31, 2017
(i) Provision for impairment in property, plant & equipment and other assets	(20,759.02)	(6.69)
(ii) Provision for impairment in financial assets	(238.34)	-
(iii) Other exceptional items (refer note below)	(2,347.33)	-
	(23,344.68)	(6.69)

(i) Provision for impairment on non-current assets includes non-cash write down of fixed assets, Capital Work in Progress (CWIP) ₹ 19,112.80 crore, Provision for MAT credit ₹ 806.06 crore, provision for impairment of investment in associate companies Bhushan Energy Limited and others ₹ 368.81 crore, provision for certain non-current advances ₹ 471.36 crore. The previous year provision of ₹ 6.69 crore relates to provision on account of investment exposure in joint venture with Andar East Coal Company Pvt. Ltd.

(ii) Provision for impairment of finance assets of ₹ 238.34 crore represents impairment of coal block advances paid towards acquisition of de-allocated coal mine of ₹ 148.34 crore and provision for security deposits paid to Bhushan Energy limited of ₹90 crore.

(iii) Other exceptional items for the year ended March 31, 2018 include prior period items of ₹ 2,019.91 crore comprising of the following:

- Amortisation of leasehold land accounted as operating lease - The Company has taken land properties on operating lease in previous years, which earlier were accounted as finance lease. Upon change in their classification as operating lease, the cumulative effect of amortisation from inception until previous year ended March 31, 2017 has been recognised in current year's profit or loss in 'exceptional items'.
- Accounting effect of oxygen plant accounted as finance lease - The Company entered into sale and leaseback arrangement for oxygen plant in earlier years (under the erstwhile management) which was accounted as

operating lease. However, the terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation. Cumulative effect of reversal of operating lease rentals and booking of depreciation and finance cost from inception until previous year ended March 31, 2017 has been recognised in current year's profit or loss in 'exceptional items'.

- Post the Acquisition, pursuant to the Approved Resolution Plan, the new management has with effect from May 18, 2018 taken complete control of the operations of the Company. Further, the effect of the Approved Resolution Plan on the financial statements (standalone and consolidated) of the Company for the quarter and year ended March 31, 2018 had to be carefully assessed in order to prepare the financial statements in a manner such that as far as reasonably possible, the said financial statements present a true and fair view for the quarter and year ended March 31, 2018. It is for these reasons, that the financial statements were approved by the Audit Committee and adopted by the Board of Directors as of date. Considering the extra-ordinary situation under which the financial statements for the quarter and year ended March 31, 2018 was prepared, the Company made an application to the Securities and Exchange Board of India ("SEBI") seeking extension of time to file the financial results. However, the request was not acceded to by SEBI.

B. FINANCIAL PERFORMANCE AND STATE OF AFFAIRS

During the year, the total turnover from operations was ₹ 17,404.43 crore. The increase in turnover was mainly due to increase in sales volume and increase in average realizations. During the year, the company recorded a net loss of ₹ 24,813.47 crore (previous year: Net Loss was ₹ 3,501.12 crore). The increase in loss is primarily due to higher exceptional charges over previous year. The basic and diluted earnings per share for financial year 2017 – 18 were at (₹ 1,095.45).

In accordance with the provisions of the Insolvency and Bankruptcy Code, the Company was admitted to the CIRP Process pursuant to the order of the NCLT on July 26, 2017. Pursuant to the IBC Order dated May 15, 2018, shares of the Company have been acquired by Bamnival Steel Limited, wholly-owned subsidiary of TSL. It is to be noted that during the CIRP Process (i.e. between July 26, 2017 to May 15, 2018), RP and prior to the Insolvency Commencement Date, the erstwhile Board of Directors were entrusted with and responsible for the management of the affairs of the Company.

C. DIVIDEND

In view of the net loss incurred during the financial year ended March 31, 2018, the Reconstituted Board does not recommend any dividend to the shareholders of the Company.

D. TRANSFER TO RESERVES

In view of the losses incurred by the Company, no amount has been transferred to reserves.

E. CAPEX AND LIQUIDITY

During the year, the Company has spent ₹ 314 crore on capital projects, largely towards balancing facilities and essential sustenance capital projects.

As on March 31, 2018, the liquidity position of the Company was ₹ 492 crore (excluding FD under Lien of ₹ 426 crore for LC opening) as against ₹ 129 crore as on March 31, 2017 (excluding FD under Lien of ₹ 26 crore).

During the year under review, the banking facilities of the company were frozen and no headroom was available as the Company was admitted to the CIRP Process.

F. MATERIAL CHANGES POST CLOSURE OF FINANCIAL YEAR

Pursuant to the Acquisition, the following key events took place in the Company:

(i) Increase in Authorized Capital of the Company

Pursuant to the NCLT order, the Board approved the increase in authorized capital of the Company from ₹ 300 crore (Rupees Three Hundred Crore) consisting of 40,00,00,000 (Forty Crore) equity shares of ₹ 2/- each and 2,20,00,000 (Two Crore Twenty Lakh) preference shares of ₹ 100/- each to ₹ 9,520 crore (Rupees Nine Thousand Five Hundred Twenty Crore) consisting of 4650,00,00,000 (Four Thousand Six Hundred and Fifty Crore) equity shares of ₹ 2/- each and 2,20,00,000 (Two Crore Twenty Lakh) preference shares of ₹ 100/- each.

(ii) Acquisition of control of the Company by Bamnival Steel Limited

Pursuant to the NCLT order and approved resolution plan, on May 18, 2018, 79,44,28,986 (Seventy Nine Crore Forty Four Lakh Twenty Eight Thousand Nine Hundred and Eighty Six) equity shares at ₹ 2/- per share for cash was allotted to Bamnival Steel Limited ("Bamnival"), a wholly owned subsidiary of TSL. Pursuant to the allotment, Bamnival holds 72.65% of the paid-up capital of the Company and has been classified as the promoter of the Company. Further, the erstwhile Promoters have been re-classified as retail shareholders.

(iii) Allotment of equity shares to eligible financial creditors

Pursuant to the NCLT order and approved resolution plan, on May 18, 2018, 7,24,96,036 (Seven Crore Twenty Four Lakh Ninety Six Thousand and Thirty Six) equity shares at ₹ 2/- per share were allotted to eligible financial creditors on conversion of their existing loan to the extent of the shares allotted to them.

Further debts of eligible financial creditors were also paid (₹ 35,200 Crore) in the manner provided in the Approved Resolution Plan.

(iv) Reconstitution of the Board of Directors

Consequent to the NCLT Order dated May 15, 2018, all the Directors as of the date of the order were deemed to have vacated/resigned from their office. Post the Acquisition, a new Board was constituted on May 18, 2018 consisting of Mr. Krishnava Dutt as Additional Director (Independent), Mr. Anand Sen, Mr. Shuva Mandal, Mr. Dibyendu Dutta as Additional Directors (Non-Executive) and Mr. Rajeev Singhal

as Additional Director (Executive). Mr. Krishnava Dutt has been appointed for a period of 5 (five) years effective May 18, 2018.

On June 7, 2018, the Board appointed Ms. Neera Saggi and Mr. Shashi Kant Maudgal as Additional Directors (Independent) for a period of 5 (five) years.

On July 11, 2018, the Board appointed Mr. T. V. Narendran and Mr. Koushik Chatterjee as Additional (Non-Executive) Directors. Mr. Shuva Mandal and Mr. Dibyendu Dutta resigned as Members of the Board effective July 12, 2018.

On August 9, 2018, the Board appointed Mr. Srikumar Menon as Additional Director (Independent) for a period of 5 (five) years.

The approval of the shareholders for appointment of all Directors except Mr. Srikumar Menon was obtained through postal ballot. The results of the postal ballot were declared on August 21, 2018.

(v) Key Managerial Personnel.

Mr. Nittin Johari resigned as the Chief Financial Officer of the Company effective May 18, 2018.

Mr. Neeraj Singal ceased to be the Managing Director effective May 18, 2018.

Pursuant to the Acquisition, the Board appointed Mr. Rajeev Singhal as Managing Director of the Company for a period of 3 (three) years effective May 18, 2018. The Board also appointed Mr. Sanjib Nanda as Chief Financial Officer of the Company for a period of 3 (three) years effective May 18, 2018.

Mr. O. P. Davra is the Company Secretary and Compliance Officer of the Company.

(vi) Redemption of redeemable preference shares

During the period, the Company redeemed 1,82,59,885 (One Crore Eighty Two Lakh Fifty Nine Thousand Eight Hundred Eighty Five) redeemable preference shares for an amount of ₹ 100 per preference shareholder.

(vii) Re-classification of erstwhile promoters

Post the Acquisition, the Company submitted an application to the stock exchanges where its securities are listed, for re-classifying (i) Neeraj Singal; (ii) Brij Bhushan Singal; (iii) Ritu Singal; (iv) Aishwarya Singal; (v) Brij Bhushan Singal (HUF); and (vi) Bhushan Infrastructure Private Limited (collectively referred to as the "Erstwhile Promoter Group") as public shareholders under Regulation 31A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company received the approval from BSE Limited and National Stock Exchange of India Limited on June 25, 2018.

G. DIRECTORS' RESPONSIBILITY STATEMENT

Members may kindly note that, the Directors of the Reconstituted Board were not in office for the period to which this report primarily pertains. During the CIRP Process (i.e. between July 26, 2017 to May 15, 2018), RP and prior to the Insolvency Commencement Date, the erstwhile Board of Directors was entrusted with and responsible for the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the Act and Listing Regulations and the Directors, as on date, are not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the Acquisition.

IBC is a new legislation in India and the Approved Resolution Plan of the Company is amongst the first such resolution plan approved under the IBC and the members are requested to read this report in light of the fact that the Reconstituted Board and the new management is currently implementing the resolution plan.

As pointed out above, the Reconstituted Board of Directors has been in office only since May 18, 2018. Consequently, the Reconstituted Board has only a limited overview of the effectiveness of the internal financial and other controls of the Company for the fiscal year 2018.

Accordingly, pursuant to Section 134(5) of the Act, the Reconstituted Board of Directors, based on the knowledge/information gained by them, about the affairs of the Company, in a limited period of time and based on understanding of the then existing processes of the Company and to the best of their knowledge state:

- a) that in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that we have selected such accounting policies and made judgments and estimates that are reasonable and prudent so as to give a reasonably true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 and of the profit or loss of the Company for that period; and
- c) that the annual accounts for the financial year ended March 31, 2018 have been prepared on a going concern basis.

H. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company has 3 (three) wholly-owned subsidiary companies in India and 4 (four) subsidiaries in Australia as on March 31, 2018. Further the Company has 3 (three) associate companies and 1 (one) joint venture as on March 31, 2018.

The Consolidated Financial Statements presented by the Company include financial results of all its subsidiaries. The Audited Financial Statements of the subsidiary companies have been reviewed by the Audit Committee and the Board.

Most of the subsidiaries and joint ventures of the Company have not commenced operations and their contribution to the overall performance of the Company is insignificant.

Pursuant to an order of Hon'ble Calcutta High Court dated January 24, 2017, Andal East Coal Company Pvt. Ltd, a joint venture of the Company is under liquidation.

Further, Bhushan Energy Limited (BEL), an associate of the Company, has been admitted to the corporate insolvency resolution process under the Code since January 08, 2018 and is managed by the resolution professional approved by the committee of creditors. The Board of BEL has been suspended.

In terms of the applicable Accounting Standards, the Company has lost significant influence over BEL and this has been accordingly dealt with while preparing the consolidated financial statements of the Company.

I. AUDITORS

Statutory Auditors

Members of the Company at the Annual General Meeting ("AGM") held on September 16, 2017, ratified the appointment of M/s. Mehrotra & Mehrotra, Chartered Accountants as the statutory auditor from the conclusion of the 34th AGM till the conclusion of the 35th AGM.

Post the Acquisition, M/s. Mehrotra & Mehrotra, Chartered Accountants resigned as the statutory auditor of the Company with effect from May 29, 2018.

The Board, on the recommendation of the Audit Committee, appointed M/s Walker Chandio & Co LLP, Chartered Accountants (Registration No: 001076N/N500013) ("WCC") as the statutory auditor to fill the vacancy caused by the resignation of the existing statutory auditor, subject to the approval of the shareholders. WCC shall hold office upto the conclusion of the ensuing AGM. The Company sought the approval of members of the Company in respect of the aforesaid appointment by postal ballot notice dated July 11, 2018. The results of the postal ballot were announced on August 21, 2018. The resolution appointing WCC as statutory auditors of the Company was duly passed.

The tenure of WCC as the statutory auditor will expire on the conclusion of the ensuing AGM. The Board, on the recommendation of the Audit Committee, has proposed the appointment of WCC as the statutory auditor for a period of 5 (five) years. The resolution for appointment of auditors forms part of the notice convening the AGM.

WCC has audited the book of accounts of the Company for the financial year ended March 31, 2018 and has issued a qualified auditors' report thereon. The qualifications in the auditor's report are given hereunder:

- a) The statutory auditors of the Company have expressed a qualified opinion on the standalone and consolidated financial results of the Company for the year ended March 31, 2018. The cumulative impact of the same on turnover, total expenditure, profit or loss and earning per share of the Company for the year ended is ₹ Nil, ₹ 2,019.11 crore, ₹1,968.76 crore and decrease of ₹86.92 per share respectively. As the qualification pertains to the prior period adjustments in the financial results for the year ended March 31, 2018, there is no cumulative impact thereof on the balance sheet of the Company as of that date.

In connection with the same qualification, the auditors expressed that during the period under review (April 2017 through March 2018) the Internal Financial Controls over financial reporting is materially weak. Given that the qualification pertains to the prior period, we are not in a position to comment on the said qualification. However, the Company is putting in place appropriate systems and processes to strengthen the internal financial controls.

- b) The auditors report that the Directors of the Company as on March 31, 2018, were disqualified from being appointed as Directors in terms of Section 164(2) of the Act. Post the NCLT order dated May 15, 2018, the erstwhile Directors of the Company are deemed to have resigned/vacated the office. Hence none of the erstwhile Directors continue as Members of the Board.

- c) The statutory auditors of the Company have stated in their report that "Pursuant to the initiation of CIRP and the requirements of Section 25(2)(j) of IBC, the Resolution Professional appointed by the NCLT identified certain transactions covered under Sections 43 to 51 and 66 of the IBC. These transactions were submitted with NCLT, crystallisation of amount / Future course of action will be carried out based on the judgement/order of NCLT. Further, based on the information and explanations provided to us, certain former key management personnel of the Company are subject matter of investigations by the Government Authorities, which is currently underway and the Company is yet to get any communication in this respect from the government agencies till the balance sheet date. Except these transactions, no fraud by the Company or on the Company by its officers or employees has been noticed during the period covered by our audit."

The qualification/emphasis of matter in the auditors report pertains to the period prior to the Directors of the Reconstituted Board taking office. The Reconstituted Board is continuously working from May 18, 2018, towards analyzing the financial and operational affairs of the Company for any fraudulent transactions, errors or omissions.

The Company states that it will address the issues arising from the discovery of fraudulent transactions or any other issues relating to the financial and operational affairs of the Company, if and when discovered, in accordance with law. The Company reserves its right under the applicable laws to seek appropriate remedies.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a cost accountant. Cost records are made and maintained by the Company as required under Section 148(1) of the Act. The Board of Directors at its meeting held on July 5, 2017 appointed M/s Kabra & Associates, Cost Auditors to conduct the Cost Audit for the Financial Year 2017-2018.

For the financial year ending March 31, 2019, the Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee as the cost auditors of the Company. M/s Shome & Banerjee have vast experience in the field of cost audit.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, an appropriate resolution for the proposed remuneration of ₹ 7 Lakh (Rupees Seven Lakh) plus applicable taxes and out-of-pocket expenses payable to the cost auditors for the Financial Year ending March 31, 2019, forms part of the notice convening the next AGM.

Secretarial Auditors

Section 204 of the Act inter-alia requires every listed company to annex with its Board's report, a secretarial audit report given by a Company Secretary in practice, in the prescribed form.

The Board appointed R. K Rai, practicing Company Secretaries, as secretarial auditor to conduct a secretarial audit of the Company for the financial year 2017-18. The secretarial auditor has made certain observations in the report. Pursuant to the Acquisition and the IBC Order dated May 15, 2018 passed by the NCLT, there has been a change in the Board and the management of the Company. Given that the observations pertain to the prior period, we are not in a position to comment on the said observations.

Post-Acquisition, the Board, at its meeting held on August 9, 2018 has appointed M/s PI & Associates to conduct a secretarial audit of the Company for the financial year 2018-19.

J. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

On May 15, 2018, the NCLT approved the resolution plan submitted by TSL. Pursuant to the IBC Order, Bamnival acquired the shares of the Company on May 18, 2018 in accordance and compliance with the provisions of the Code.

The IBC Order was challenged by the members of the Erstwhile Promoter Group of the Company and various other parties before the National Company Law Appellate Tribunal ("NCLAT"). The NCLAT, while dismissing the appeals, has confirmed and upheld the NCLT Order as passed by the NCLT thereby approving the Acquisition, through its order dated August 10, 2018.

It is pertinent to reiterate that the Approved Resolution Plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved. Contravention of any provisions of the Approved Resolution Plan may attract penal consequences in accordance with the provisions of the Code. Accordingly, the Company will be taking measures towards ensuring implementation of the Approved Resolution Plan.

Besides the above, to the best of our knowledge there seems to have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

However, members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statements.

On behalf of the Board of Directors

sd/-
TV NARENDRA
Chairman
DIN: 03083605

August 22, 2018
Jamshedpur

INDEPENDENT AUDITOR'S REPORT STANDALONE FINANCIAL STATEMENTS

To the Members of Bhushan Steel Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Bhushan Steel Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's

Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these standalone financial statements.

Basis for Qualified Opinion

8. As explained in note 28(iii) to the standalone financial statements, the Company has accounted for certain prior period errors in the financial statements for the year ended 31 March 2018. Under Ind AS 8, "Accounting policies, changes in accounting estimates and errors", errors that occurred prior to 1 April 2016 should have been retrospectively corrected by restating the balances of respective assets and liabilities and equity as at 1 April 2016 and errors that occurred in year ended 31 March 2017 should have been retrospectively corrected by restating the comparative amounts as at 31 March 2017 and for the year then ended.

Had the prior period errors been appropriately accounted for in accordance with Ind AS 8:

- Other non-current assets, non-current borrowings and other financial liabilities as at 1 April 2016 would have increased by ₹ 18,814.00 lacs, ₹ 89,645.86 lacs and ₹ 2,962.18 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 121,349.09 lacs, ₹ 2,775.54 lacs and ₹ 192,367.59 lacs respectively;
- Depreciation, finance costs and deferred tax credit for the year ended 31 March 2017 would have increased by ₹ 9,486.52 lacs, ₹ 12,277.82 lacs and ₹ 2,257.94 lacs respectively and other expenses for the year then ended would have decreased by ₹ 14,997.82 lacs respectively. Accordingly, the loss after tax for the year ended 31 March 2017 would have increased by ₹ 4,508.58 lacs;
- Other non-current assets, non-current borrowings and other financial liabilities as at 31 March 2017 would have increased by ₹ 18,571.82 lacs, ₹ 86,074.90 lacs and ₹ 3,570.96 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 130,835.61 lacs, ₹ 5,033.48 lacs and ₹ 196,876.17 lacs respectively; and
- Exceptional items in the statement of profit and loss for the year ended 31 March 2018 would have decreased by ₹ 201,909.65 lacs and accordingly, loss after tax would have decreased by ₹ 196,876.17 lacs.

Further, as at 31 March 2017, the Company had classified certain financial liabilities as non-current liabilities even though the Company was in breach of material provisions of certain long-term loan arrangements and the lenders had not agreed, before the date of approval of the financial statements for the year then ended, to not demand payment as a consequence of the breach. Accordingly, the liabilities towards such lenders had become payable on demand, and in accordance with the requirements of Ind AS 1, 'Presentation of financial statements', should have been classified as current liabilities. In the absence of the requisite information, the impact of such misstatement on the balance sheet as at 31 March 2017 cannot be ascertained.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 42 to the standalone financial statements which describes the status of Corporate Insolvency Resolution Process that the Company underwent, which was subsequently concluded on 15 May 2018. We also draw attention to Note 28 to the standalone financial statements which describes certain related exceptional items (other than the prior period errors dealt with above) recognised during the year ended 31 March 2018. Our opinion is not modified in respect of these matters.

Other Matter

11. The comparative financial information for the year ended 31 March 2017 included in the accompanying standalone financial statements was jointly audited by M/s Mehra Goel & Co. and M/s Mehrotra & Mehrotra, whose audit report dated 5 July 2017 expressed qualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
- we have sought and except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - the standalone financial statements dealt with by this report are in agreement with the books of account;

- except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- the directors of the Company as of 31 March 2018 are disqualified from being appointed as directors in terms of Section 164(2) of the Act (also refer Note 44 to the accompanying standalone financial statements);
- the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 9 August 2018 as per Annexure B expressed qualified opinion;
- with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - the Company, as detailed in Note 41(A) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: August 9, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF BHUSHAN STEEL LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management subsequent to the year by engaging the outside expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:
 - title deeds to freehold land with gross carrying amount and net carrying amount of ₹ 1,265.55 lakhs and ₹ 1,265.55 lakhs respectively were not readily available.
 - title deeds to building with gross carrying amount and net carrying amount of ₹ 245.24 lakhs and ₹ 171.62 lakhs respectively were not readily available.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and subsequent to the year (by engaging the outside expert) and discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the Statute	Nature of the dues	Amount (₹ in lacs)	Period to which the amount relates	Due date	Date of Payment
The Central Excise Act, 1944	Excise duty, interest and penalty on outstanding payment	154,68.49	April 2015 to March 2018	Immediate	Not yet paid
Odisha Electricity (Duty) Act 1961 (as amended)	Electricity duty and interest	7,577.11	April 2006 to March 2017	Immediate	Not yet paid

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	82.68	AY 1994-95	High Court
Income Tax Act, 1961	Income Tax	1,495.40	AY 1995-96	Supreme Court
Income Tax Act, 1961	Income Tax	1,574.54	AY 1996-97	Supreme Court

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,194.06	AY 1997-98	High Court
Income Tax Act, 1961	Income Tax	963.52	AY 1998-99	Supreme Court
Income Tax Act, 1961	Income Tax	1,730.83	AY 1999-00	High Court
Income Tax Act, 1961	Income Tax	2,932.75	AY 2000-01	Supreme Court
Income Tax Act, 1961	Income Tax	3,703.98	AY 2001-02	Supreme Court
Income Tax Act, 1961	Income Tax	3,691.52	AY 2002-03	High Court
Income Tax Act, 1961	Income Tax	3,456.19	AY 2003-04	High Court
Income Tax Act, 1961	Income Tax	4,079.03	AY 2004-05	High Court
Income Tax Act, 1961	Income Tax	5,785.43	AY 2005-06	High Court
Income Tax Act, 1961	Income Tax	5,130.33	AY 2006-07	High Court
Income Tax Act, 1961	Income Tax	6,554.00	AY 2007-08	ITAT
Income Tax Act, 1961	Income Tax	7,091.46	AY 2008-09	ITAT
Income Tax Act, 1961	Income Tax	31,501.09	AY 2009-10	ITAT
Income Tax Act, 1961	Income Tax	12,359.84	AY 2010-11	ITAT
Income Tax Act, 1961	Income Tax	13,315.62	AY 2011-12	CIT(A)
Income Tax Act, 1961	Income Tax	7,601.91	AY 2012-13	CIT(A)
Income Tax Act, 1961	Income Tax	40,578.57	AY 2013-14	ITAT
Income Tax Act, 1961	Income Tax	53,585.28	AY 2014-15	ITAT
Income Tax Act, 1961	Income Tax	70,413.06	AY 2015-16	ITAT
Finance Act, 1994	Service Tax	1,585.74	April 2009 to Dec 2010	CESTAT Kolkata
Finance Act, 1994	Service Tax	666.76	Oct 2009 to Sept 2010	CESTAT Kolkata
Finance Act, 1994	Service Tax	3,500.71	April 2010 to Mar 2011	CESTAT Kolkata
The Customs Act, 1962	Custom Duty	385.08	2009-10	CESTAT - Bangalore
The Customs Act, 1962	Custom Duty	60.61	2010-11	CESTAT - Bangalore
The Customs Act, 1962	Custom Duty	7.19	2011-12	CESTAT - Bangalore
The Odisha Entry Tax Act, 1999	Entry Tax	30,312.98	April 2005 to Jan 2008	High Court – Odisha
The Odisha Entry Tax Act, 1999	Entry Tax	4,582.92	April 2007 to March 2008	Commissioner Appeals
Uttar Pradesh Tax on entry of goods into Local Areas Act, 2007	Entry Tax	26.68	2000-01	High Court - Allahabad
Uttar Pradesh Tax on entry of goods into Local Areas Act, 2007	Entry Tax	11.08	2007-08	Adjudicating Authority
Uttar Pradesh Tax on entry of goods into Local Areas Act, 2007	Entry Tax	1,687.78	2008-09 to 2014-15	Commissioner Appeals
Central Excise Act, 1944	Excise Duty	35,349.94	Aug 2005 to Jan 2011	CESTAT, Kolkata
Central Excise Act, 1944	Excise Duty	63.87	Apr 2010 to Jan 2011	Orissa High Court
Central Excise Act, 1944	Excise Duty	3,377.52	Apr 2001 to Mar 2009	Bombay High Court
Central Excise Act, 1944	Excise Duty	5,079.53	Jul 2009 to Sep 2010	Supreme Court
Central Excise Act, 1944	Excise Duty	1,932.21	Apr 2010 to Mar 2014	CESTAT - Bombay
Central Excise Act, 1944	Excise Duty	1.44	Apr 2015 to Mar 2016	Adjudicating authority
Central Excise Act, 1944	Excise Duty	7,672.11	Jun 2001 to Mar 2013	High court - Allahabad
Central Excise Act, 1944	Excise Duty	10,162.52	Sept 1998 to Jun 2014	Cestat - Allahabad
Central Excise Act, 1944	Excise Duty	217.93	Dec 2004 to Dec 2015	Commissioner Appeals - Sahibabad
The Central Sales tax Act, 1956	CST	1,222.66	Jan 2008 to Mar 2008, April 2010 to March 2011, April 2012 to March 2013, Apr 2015 to Jun 2015	Commissioner Appeals - Sahibabad
The Central Sales tax Act, 1956	CST	5,574.22	April 2009 to March 2010, April 2011 to March 2015	Adjudicating Authority

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
The Orissa Value Added Tax Act, 2004	VAT	58,677.43	Apr 2005 to Mar 2008, Apr 2010 to Mar 2012	High Court - Orissa
The Orissa Value Added Tax Act, 2004	VAT	57.56	July 2006 to November 2010	Commissioner Appeals - Orissa
The Orissa Value Added Tax Act, 2004	VAT	5.70	April 2012 to March 2013	Commissioner Appeals - Orissa
Uttar Pradesh Sales Tax Act, 1948	Sales Tax	0.37	April 1991 to March 1992	Tribunal Allahabad
Uttar Pradesh Sales Tax Act, 1948	Sales Tax	720.77	April 2002 to Mar 2004	Joint Commissioner
Uttar Pradesh Sales Tax Act, 1948	Sales Tax	558.43	April 2004 to Mar 2005	Commissioner Appeals - Sahibabad
Uttar Pradesh Sales Tax Act, 1948	Sales Tax	290.75	April 2007 to Dec 2007	High Court - Allahabad
Uttar Pradesh Sales Tax Act, 1948 and The Central Sales tax Act, 1956	VAT and CST	548.12	Apr 2005 to Mar 2007	High Court - Allahabad
The Uttar Pradesh Value added tax act, 2008	VAT	1,076.06	April 2013 to March 2014	Joint Commissioner
The Uttar Pradesh Value added tax act, 2008	VAT	11,781.44	Jan 2008 to Mar 2011, Apr 2015 to Dec 2016	Commissioner Appeals - Sahibabad
The Uttar Pradesh Value added tax act, 2008	VAT	12,684.63	Apr 2011 to Oct 2014	Tribunal Ghaziabad
The Uttar Pradesh Value added tax act, 2008	VAT	313.51	Apr 2012 to Mar 2013, Apr 2014 to Sep 2014	Commissioner Appeals - Sahibabad
The Uttar Pradesh Value added tax act, 2008	VAT	14,472.56	Apr 2009 to Mar 2010, Oct 2011 to Jul 2012, Apr 2011 to Mar 2015	Adjudicating Authority
The Uttar Pradesh Value added tax act, 2008 and The Central Sales tax Act, 1956	VAT and CST	5,843.47	Jan 2008 to March 2008	High Court - Allahabad

(viii) The Company has defaulted in repayment of loans and borrowings to the banks and financial institutions and in repayment of dues to debenture-holders during the year. Pursuant to the continuing defaults of the Company, a corporate insolvency resolution process ('CIRP') under The Insolvency and Bankruptcy Code, 2016 ('IBC') was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ('NCLT') dated 26 July 2017. Accordingly, no payments could be made thereafter to the banks, financial institutions and debenture holders, until the resolution process is concluded. The details of outstanding amounts as on 26 July 2017 is as follows:

Particulars	Amount outstanding as on 26 July 2017 (₹ In lacs)	Period of default
i. Name of the Lenders		
In case of:		
a. Banks		
Indian Overseas Bank	74,840.66	Refer Note below
Allahabad Bank	189,932.32	
Andhra Bank	86,593.03	
South Indian Bank	15,015.52	
Axis Bank	193,980.44	
Bank of Baroda	157,402.50	
Bank of India	231,908.49	

Particulars	Amount outstanding as on 26 July 2017 (₹ In lacs)	Period of default
Bank of Maharashtra	124,167.85	Refer Note below
Bank of Tokyo	11,045.45	
Bayerische Landesbank	9,844.77	
Canara Bank	279,765.06	
Central Bank of India	114,005.83	
Corporation Bank	91,666.78	
Credit Agricole Corporate & Investment Bank	8,617.82	
DBS Bank	52,429.53	
Dena Bank	59,647.50	
Deutsche Bank	23,090.66	
DZ Bank AG	117,573.54	
J&K Bank	74,073.88	
EBNER Industriefenbau GmbH	3,004.71	
EXIM Bank	57,270.12	
ICI Bank	244,894.98	
IDBI Bank	171,102.02	
Indian Bank	93,238.20	
Indian Overseas Bank	20,998.02	

Particulars	Amount outstanding as on 26 July 2017 (₹ In lacs)	Period of default
IndusInd Bank	10,220.09	Refer Note below
ING Bank NV	306.14	
Karur Vysya Bank	19,054.79	
Lakshmi Vilas Bank	3,731.19	
Natixis	31,175.11	
Norddeutsche Landesbank Girozentrale	76,500.05	
Office Du Ducroire	1,092.60	
Oriental Bank of Commerce	156,613.29	
Phoenix ARC Private Limited	33,638.97	
Punjab & Sind Bank	69,347.14	
Punjab National Bank	490,437.42	
SBI	1,286,486.53	
SBI (Mauritius)	37,156.30	
SBI Canada	13,601.00	
Standard Chartered	13,202.52	
Syndicate Bank	173,002.20	
UCO Bank	111,907.03	
Union Bank of India	157,727.28	
United Bank of India	77,701.60	
Vijaya Bank	41,628.46	
Yes Bank	29,218.60	
b. Financial Institutions		
IFCI Limited	44,737.74	
L&T finance	11,283.36	
SI COM	1,772.77	
STCI Finance	9,226.61	
Tata Capital	898.53	
ii. Debentures	194,428.65	

There are no loans or borrowings payable to government.

Note: As mentioned in note 15(A)(15) to the financial statements, subsequent to the year-end, on 15 May 2018, the NCLT has approved the terms of the Resolution Plan submitted by Tata Steel Limited, pursuant to which debts owed by the Company as at that date have been partially settled through repayment and balance amount has been novated by the financial creditors to the Company's immediate

holding company, which has been subsequently been waived off. Accordingly, the table above provides appropriate and relevant information in respect of such debts.

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) Pursuant to the initiation of CIRP and the requirements of Section 25(2)(j) of IBC, the Resolution Professional appointed by the NCLT identified certain transactions covered under Sections 43 to 51 and 66 of the IBC. These transactions were submitted with NCLT, crystallisation of amount / future course of action will be carried out based on the judgement / order of NCLT. Further, based on the information and explanations provided to us, certain former key management personnel of the Company are subject matter of investigations by the Government Authorities, which is currently underway and the Company is yet to get any communication in this respect from the government agencies till the balance sheet date. Except these transactions, no fraud by the Company or on the Company by its officers or employees has been noticed during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: August 9, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF BHUSHAN STEEL LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Bhushan Steel Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2018:

The Company did not have appropriate internal controls over financial reporting towards correcting the identified material prior period errors by restating the comparative amounts for the respective prior period(s) presented in which the error occurred, in accordance with Ind AS 8, "Accounting policies, changes in accounting estimates and errors" and other accounting principles generally accepted in India, which has resulted in material misstatements in multiple elements of the annual financial statements during the current year, as explained in Note 28(iii) to the accompanying financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2018, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma

Partner

Membership No.: 502103

Place: Mumbai

Date: August 9, 2018

INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED STANDALONE FINANCIAL STATEMENTS

To the Members of Bhushan Steel Limited

Report on the Abridged Standalone Financial Statements

1. The accompanying abridged standalone financial statements, which comprise the abridged balance sheet as at 31 March 2018, the abridged statement of profit and loss (including other comprehensive income), the abridged cash flow statement and the abridged statement of changes in equity for the year then ended, and notes forming part of the abridged standalone financial statements, are derived from the audited standalone financial statements of Bhushan Steel Limited ('the Company') for the year ended 31 March 2018. We expressed a qualified audit opinion on those standalone financial statements in our audit report dated 9 August 2018 and the report included an Emphasis of Matter therein.
2. These abridged standalone financial statements do not contain all the disclosures required by the Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('Act') and accounting principles generally accepted in India, which were applied in the preparation of the audited standalone financial statements of the Company. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

Management's Responsibility for the Abridged Standalone Financial Statements

3. The Company's Board of Directors is responsible for the preparation of summary of the audited standalone financial statements in accordance with section 136(1) of the Act read with rule 10 of the Companies (Accounts) Rules, 2014 (as amended) and which are based on the audited standalone financial statements for the year ended 31 March 2018, prepared in accordance with the Ind AS specified under section 133 of the Act and the accounting principles generally accepted in India.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the abridged standalone financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, Engagements to Report on Summary Financial Statements, issued by the Institute of Chartered Accountants of India.

Opinion

5. In our opinion, the abridged standalone financial statements, prepared in accordance with rule 10 of the Companies (Accounts) Rules, 2014 (as amended) and which are derived from the audited standalone financial statements of the Company for the year ended 31 March 2018, prepared in accordance with the Ind AS specified under section 133 of the Act and accounting principles generally accepted in India, are a fair summary of those standalone financial statements. However, the abridged standalone financial statements are misstated to the equivalent extent as the audited standalone financial statements of the Company for the year ended 31 March 2018.

The misstatement of the audited standalone financial statements is described in our qualified audit opinion in our report dated 9 August 2018. Our qualified audit opinion is based on the fact that, as explained in note 13(iii) to the abridged standalone financial statements, the Company has accounted for certain prior period

errors in the financial statements for the year ended 31 March 2018. Under Ind AS 8, "Accounting policies, changes in accounting estimates and errors", errors that occurred prior to 1 April 2016 should have been retrospectively corrected by restating the balances of respective assets and liabilities and equity as at 1 April 2016 and errors that occurred in year ended 31 March 2017 should have been retrospectively corrected by restating the comparative amounts as at 31 March 2017 and for the year then ended.

Had the prior period errors been appropriately accounted for in accordance with Ind AS 8:

- Other non-current assets, non-current borrowings and other financial liabilities as at 1 April 2016 would have increased by ₹ 18,814.00 lacs, ₹ 89,645.86 lacs and ₹ 2,962.18 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 121,349.09 lacs, ₹ 2,775.54 lacs and ₹ 192,367.59 lacs respectively;
- Depreciation, finance costs and deferred tax credit for the year ended 31 March 2017 would have increased by ₹ 9,486.52 lacs, ₹ 12,277.82 lacs and ₹ 2,257.94 lacs respectively and other expenses for the year then ended would have decreased by ₹ 14,997.82 lacs respectively. Accordingly, the loss after tax for the year ended 31 March 2017 would have increased by ₹ 4,508.58 lacs;
- Other non-current assets, non-current borrowings and other financial liabilities as at 31 March 2017 would have increased by ₹ 18,571.82 lacs, ₹ 86,074.90 lacs and ₹ 3,570.96 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 130,835.61 lacs, ₹ 5,033.48 lacs and ₹ 196,876.17 lacs respectively; and
- Exceptional items in the statement of profit and loss for the year ended 31 March 2018 would have decreased by ₹ 201,909.65 lacs and accordingly, loss after tax would have decreased by ₹ 196,876.57 lacs.

Further, our qualified audit opinion on the standalone financial statements is also based on the fact that, as at 31 March 2017, the Company had classified certain financial liabilities as non-current liabilities even though the Company was in breach of material provisions of certain long-term loan arrangements and the lenders had not agreed, before the date of approval of the financial statements for the year then ended, to not demand payment as a consequence of the breach. Accordingly, the liabilities towards such lenders had become payable on demand, and in accordance with the requirements of Ind AS 1, 'Presentation of financial statements', should have been classified as current liabilities. In the absence of the requisite information, the impact of such misstatement on the balance sheet as at 31 March 2017 cannot be ascertained.

Our qualified audit opinion on the standalone financial statements states that, except for the effects (to the extent ascertained) of the described matter, those standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other

comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

6. Our auditor's report on the audited standalone financial statements includes the following emphasis of matter paragraph which is applicable to the abridged standalone financial statements as well:

We draw attention to Note 14 to the abridged standalone financial statements which describes the status of Corporate Insolvency Resolution Process that the Company underwent, which was subsequently concluded on 15 May 2018. We also draw attention to Note 13 to the abridged standalone financial statements which describes certain related exceptional items (other than the prior period errors dealt with above) recognised during the year ended 31 March 2018. Our opinion is not modified in respect of these matters.

Other matter

7. The comparative financial information for the year ended 31 March 2017, prepared by the management which is included in the accompanying abridged standalone financial statements are based on the audited standalone financial statements for the year ended 31 March 2017 which was jointly audited by M/s Mehra Goel & Co. and M/s Mehrotra & Mehrotra, whose audit report dated 5 July 2017 expressed qualified opinion. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: August 9, 2018

ABRIDGED STANDALONE BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017
A ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	3,036,155.81	5,176,409.37
(b) Capital work-in-progress	117,965.24	117,060.76
(c) Intangible assets	10.65	13.74
(d) Investments in subsidiaries, associates and joint ventures	15.00	36,895.62
(e) Financial assets		
(i) Non-current investments	107.67	95.79
(ii) Loans	7,265.35	9,808.64
(iii) Other financial assets	46,666.61	56,468.63
(f) Other non-current assets	80,836.20	67,503.57
(g) Income tax assets	2,900.20	2,555.17
Total non-current assets	3,291,922.73	5,466,811.29
(2) Current assets		
(a) Inventories	402,519.54	314,891.77
(b) Financial assets		
(i) Trade receivables	121,957.81	152,555.10
(ii) Cash and cash equivalents	59,421.01	12,480.58
(iii) Other balances with banks	32,352.42	2,992.61
(iv) Loans	9,173.73	10,296.68
(v) Other financial assets	-	1,019.92
(c) Other current assets	66,812.17	85,292.02
Total current assets	692,236.68	579,528.68
Total Assets	3,984,159.41	6,046,339.97
B EQUITY & LIABILITIES		
(1) Equity		
(a) Equity share capital	4,530.30	4,530.30
(b) Other Equity	(2,610,536.30)	(128,895.92)
Total equity	(2,606,006.00)	(124,365.62)
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	70,652.60	3,057,955.30
(ii) Other financial liabilities	3,940.04	3,283.15
(b) Provisions	5,632.08	4,011.13
(c) Deferred tax liabilities (net)	-	351,545.94
(d) Other non-current liabilities	266.18	-
Total non-current liabilities	80,490.90	3,416,795.52
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,381,286.08	1,568,267.78
(ii) Trade payables	130,512.81	110,996.20
(iii) Other financial liabilities	4,952,780.37	1,044,132.49
(b) Other current liabilities	44,364.11	30,017.97
(c) Provisions	731.14	495.63
Total current liabilities	6,509,674.51	2,753,910.07
Total Equity and Liabilities	3,984,159.41	6,046,339.97

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

Neeraj Sharma
Partner
Membership No.: 502103

Place: Mumbai
Date: August 9, 2018

T. V. Narendran
Chairman
(DIN: 03083605)

Shashi Kant Maudgal
Independent Director
(DIN: 00918431)

Rajeev Singhal
Managing Director
(DIN: 02719570)

For and on behalf of the Board of Directors

Krishnava Dutt
Independent Director
(DIN: 02792753)

Anand Sen
Director
(DIN: 00237914)

Sanjib Nanda
Chief Financial Officer

Neera Saggi
Independent Director
(DIN: 00501029)

Koushik Chatterjee
Director
(DIN: 00004989)

O.P. Davra
Company Secretary

ABRIDGED STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue		
(a) Revenue from operations	1,740,442.76	1,502,730.17
(b) Other income	9,508.06	7,196.46
Total income	1,749,950.82	1,509,926.63
II Expenses		
(a) Raw materials consumed	991,528.83	706,163.28
(b) Purchases of finished, semi-finished steel & other products	712.03	18.01
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,789.63)	(51,148.96)
(d) Excise duty	39,187.18	132,135.99
(e) Employee benefit expense	59,330.05	49,061.83
(f) Finance costs	630,489.74	542,676.32
(g) Depreciation and amortisation expenses	178,566.53	168,561.21
(h) Other expenses	431,988.82	374,298.37
Total expenses	2,329,013.55	1,921,766.05
III Loss before exceptional items and tax (I-II)	(579,062.73)	(411,839.42)
IV Exceptional Items	(2,334,467.77)	(669.25)
V Loss before tax (III+ IV)	(2,913,530.50)	(412,508.67)
VI Tax expenses		
(a) Current Tax	-	-
(b) Deferred Tax	(432,183.47)	(62,396.54)
Total tax expenses	(432,183.47)	(62,396.54)
VII Loss for the year (V-VI)	(2,481,347.03)	(350,112.13)
VIII Other comprehensive income/(loss)		
(a) Items that will not be reclassified subsequently to the statement of profit and loss	(261.37)	(105.30)
(b) Income tax on items that will not be reclassified subsequently to the statement of profit and loss	(31.98)	44.07
(c) Items that will be reclassified subsequently to the statement of profit and loss	-	-
(d) Income tax on items that will be reclassified subsequently to the statement of profit and loss	-	-
Total other comprehensive loss	(293.35)	(61.23)
IX Total comprehensive loss for the year (VII+VIII)	(2,481,640.38)	(350,173.36)
X Earnings per share		
Basic (in Rupees)	(1,095.45)	(154.56)
Diluted (in Rupees)	(1,095.45)	(154.56)

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

T. V. Narendran
Chairman
(DIN: 03083605)

Krishnava Dutt
Independent Director
(DIN: 02792753)

Neera Saggi
Independent Director
(DIN: 00501029)

Neeraj Sharma
Partner
Membership No.: 502103

Shashi Kant Maudgal
Independent Director
(DIN: 00918431)

Anand Sen
Director
(DIN: 00237914)

Koushik Chatterjee
Director
(DIN: 00004989)

Place: Mumbai
Date: August 9, 2018

Rajeev Singhal
Managing Director
(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

ABRIDGED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity Share Capital

(₹ in Lacs)

Particulars	No. of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at April 01, 2016	226,514,746	4,530.30
Changes during the year	-	-
As at March 31, 2017	226,514,746	4,530.30
Changes during the year	-	-
As at March 31, 2018	226,514,746	4,530.30

(B) Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus					Equity instruments through other comprehensive income	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earning		
As at April 01, 2016	693.34	72,576.10	36,512.50	527,837.59	(416,374.86)	32.77	221,277.44
Loss for the year	-	-	-	-	(350,112.13)	-	(350,112.13)
Other comprehensive income/ (loss)	-	-	-	-	(83.26)	22.03	(61.23)
As at March 31, 2017	693.34	72,576.10	36,512.50	527,837.59	(766,570.25)	54.80	(128,895.92)
Loss for the year	-	-	-	-	(2,481,347.03)	-	(2,481,347.03)
Other comprehensive income/ (loss)	-	-	-	-	(305.25)	11.90	(293.35)
As at March 31, 2018	693.34	72,576.10	36,512.50	527,837.59	(3,248,222.53)	66.70	(2,610,536.30)

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**
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Director
(DIN: 00004989)

Place: Mumbai
Date: August 9, 2018

Rajeev Singhal
Managing Director
(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

ABRIDGED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from Operating Activities	1,78,889.89	75,206.96
Cash flows used in Investing Activities	(64,464.70)	(8,001.17)
Cash flows used in Financing Activities	(67,484.76)	(57,914.21)
Net increase /(decrease) in Cash and Cash Equivalents	46,940.43	9,291.58
Cash and Cash Equivalents at the beginning of period	12,480.58	3,189.00
Cash and Cash Equivalents at the end of the period	59,421.01	12,480.58

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**

Chartered accountants

Firm Registration No. : 001076N/N500013

T. V. Narendran

Chairman

(DIN: 03083605)

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(DIN: 00918431)

Anand Sen

Director

(DIN: 00237914)

Koushik Chatterjee

Director

(DIN: 00004989)

Place: Mumbai

Date: August 9, 2018

Rajeev Singhal

Managing Director

(DIN: 02719570)

Sanjib Nanda

Chief Financial Officer

O.P. Davra

Company Secretary

ACCOUNTING POLICIES UNDER IND AS

STANDALONE FINANCIAL STATEMENTS OF BHUSHAN STEEL LIMITED FOR THE YEAR ENDED MARCH 31, 2018

1. Company Information and basis of preparation

Bhushan Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in New Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is the 3rd largest secondary steel producer with an overall steel producing capacity of 5.6 million tonne per annum. The Company has presence across the entire value chain of steel manufacturing. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, cold rolled full hard, galvanised coils and sheets, high tensile steel strips, colour coated tiles, precision tubes etc. The Company has the unique facilities of producing cold roll and sheets upto a width of 1700 mm and galvanised coil and steel up to a width of 1350 mm.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, as amended time to time.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except:

- certain assets and liabilities that are required to be carried at fair values by Ind AS; and
- property, plant & equipment which have been fair valued at the transition date (,ie, 01April 2015) as 'deemed cost' upon transition to Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

These are abridged standalone financial statements (the 'financial statements') for the year ended March 31, 2018 were approved by the Board of Directors and approved for issue on August 09, 2018. The Company has also prepared abridged consolidated financial statements for the year ended 31 March 2018 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 09 August 2018.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset /liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. Having regard to the nature of business being carried out by the Company the Company has determined its operating cycle as twelve months. The Company classifies all other assets/liabilities as non-current.

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

b) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost/ deemed cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

c) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided on a straight line basis to the cost/deemed cost of property, plant and equipment and intangible assets, including those held under finance leases to their residual value. Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, revised.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

	Estimated useful Life (years)
Buildings	Upto 60 years*
Roads	30 years
Plant and Machinery	Upto 40 years*
Railway Sidings	Upto 30 years*
Vehicles	8 to 10 years
Furniture, Fixtures and Office Equipment	5 to 10 years
Computer Software	3 years

* for these class of assets useful lives are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Based on the technical evaluation carried by a chartered engineer and internal assessments made, the Company believes that useful lives mentioned above are best representative of the period over which the Company expects to use the assets.

d) Borrowing Costs

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

Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

e) Impairment of non-financial assets

The Company, at each balance sheet date, reviews carrying values of its property plant and equipment and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount being higher of fair value less costs to sell and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

f) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever

considered necessary. Cost is ascertained on a weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business based on market price at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts including other items are carried on weighted average basis.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. Exports sales are net of ocean freight, insurance.

Dividend income is recognised when the right to receive payment is established.

Interest income is recorded using the effective interest rate (EIR) for all debt instruments measured either at amortised cost. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

h) Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the balance sheet date.

For foreign currency loans taken before 31 March 2016 for, adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31 March 2016, exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition

of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

i) **Income Taxes**

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits (including Minimum Alternative tax (MAT) credit) and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the

same taxable entity and the same taxation authority.

j) **Employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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 recognised as an expense when employees have rendered services entitling them to the contribution.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

k) **Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease, all other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to

settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

m) Earnings per share

Basic earnings per equity share is computed by dividend net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

n) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

p) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

q) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

s) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

- i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

- iii. **Investments in equity instruments of subsidiaries, joint ventures and associates** - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

Investments in equity instruments - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

t) Recent accounting pronouncement

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those

goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

The effect on adoption of Ind AS 115 is expected to be insignificant.

NOTES TO ABRIDGED FINANCIAL STATEMENTS

3 Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at <http://www.bhushan-group.org/home.html>. Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

4 The amounts shown here are same as shown in the corresponding aggregated heads in the financial statements prepared as per Schedule III to the Companies Act 2013.

5 Note No. 41 of Audited Standalone Financial Statements

A. Contingent Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Sales Tax	120,810.98	120,953.36
Excise Duty/Custom duty/ Service Tax	70,296.19	57,105.35
Entry Tax	47,507.68	79,755.57
Income Tax	280,427.52	51,188.67
Water Conservation Fund	15,075.12	14,333.80
Claims / Disputed bills not acknowledged	-	22,562.00
Others	13,150.49	11,688.34
	547,267.98	357,587.09

The above is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described above would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Subsequent to the year end, pursuant to NCLT order dated May 15, 2018 w.r.t. ongoing insolvency proceeding (refer note 12), the Company was absolved of all contingent liabilities existing as of the balance sheet date.

B. Commitments

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	27,660.66	60,357.25
ii) Other commitments:		
- Non cancellable lease	8,838.21	9,437.20

C. Other matters

(i) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the company which were under development. Subsequently, the government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the effected parties in regard to investment in coal blocks. De-allocated coal block amounting to ₹ 56,289.95 Lacs includes Expenditure incurred of ₹ 14,833.52 Lacs and advance given to ₹ 41,456.44 Lacs. During the year, Company has provided provision for expenses incurred. In the opinion of the management, the company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the company had filed a Writ Petition bearing No 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Union of India and others. The Counter Affidavit(s) were filed by Union of India in November, 2016 and subsequent thereto pleadings were completed. The matter was taken up on November 29, 2017 and is now further posted for February 22, 2018

On May 24, 2018 the above matter came up for hearing before Delhi High Court. Our Advocate stated that vide office Memorandum dated March 20, 2018 New Patrapara Coal Block has been earmarked for allotment to Odisha Government. Union of India Counsel stated that as substantial progress is likely to be made within next 6-8 months, matter should be adjourned. BSL Advocate further pointed out that an amount of ₹ 37,056.43 Lacs has been paid to IDCO, out of which ₹ 14,000 Lacs is still with IDCO. Court has enquired from IDCO about the status of land acquisition proceedings /compensation and stated that Industry is not going to collect their money from the Landowners to whom money has been disbursed, and it is state government who has to give back money to Industry. Court has directed State Government/IDCO to file status report on land acquisition status/proceedings upto 10 days prior to next date of hearing. Thereafter matter was adjourned to September 27, 2018.

NOTES TO ABRIDGED FINANCIAL STATEMENTS

6 Note No. 34 of Audited Standalone Financial Statements

Related party transaction & balances

(₹ in Lacs)

Transactions		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	March 31, 2018	-	-	-	1,332.35	38.84	-	1,371.19
	March 31, 2017	-	-	-	486.25	101.46	-	587.71
Directors Sitting Fees	March 31, 2018	-	-	-	6.03	1.60	-	7.63
	March 31, 2017	-	-	-	14.93	6.25	-	21.18
Redemption of Preference Share Capital	March 31, 2018	-	-	-	-	-	-	-
	March 31, 2017	-	-	-	-	-	2,133.00	2,133.00
Purchase of Goods/ Services	March 31, 2018	-	-	58,929.01	-	-	470.24	59,399.25
	March 31, 2017	-	-	60,435.38	-	-	1,470.00	61,905.38
Sales of Goods/ Services	March 31, 2018	-	-	-	-	-	3.48	3.48
	March 31, 2017	-	-	-	-	-	1.12	1.12
Balances								
Advance to Supplier	March 31, 2018	-	-	-	-	-	-	-
	March 31, 2017	-	-	24,171.70	-	-	-	24,171.70
Payable	March 31, 2018	1,303.42	-	-	-	-	-	1,303.42
	March 31, 2017	1,289.33	-	-	22.04	-	616.46	1,927.83
Security Deposit Paid	March 31, 2018	-	-	-	-	-	-	-
	March 31, 2017	-	-	9,000.00	-	-	-	9,000.00

- Remuneration & Perks include payment to Shri Neeraj Singal ₹ 48.90 Lacs (March 31, 2017: ₹ 145.83 Lacs), Shri P.K. Aggarwal ₹ 32.82 Lacs (March 31, 2017 ₹ 99.62 Lacs), Shri Nittin Johari ₹ 46.19 Lacs (March 31, 2017: ₹ 141.40 Lacs), Shri Rahul Sengupta ₹ 32.76 Lacs (March 31, 2017: ₹ 99.40 Lacs), and Smt. Ritu Singal ₹ 38.84 Lacs (March 31, 2017: ₹ 101.46 Lacs), Shri Vijay Kumar Iyer (Resolution Professional) ₹ 1,171.68 Lacs (March 31, 2017: ₹ Nil).
- Directors sitting fees is paid to Shri B.B. Singal ₹ 1.60 Lacs (March 31, 2017: ₹ 6.25 Lacs), Shri Ajoy Kumar (SBI) ₹ 0.20 Lacs (March 31, 2017: ₹ 1.01 Lacs), Shri Ashwani Kumar ₹ 0.80 Lacs (March 31, 2017: ₹ 2.22 Lacs), Shri B. B. Tondon ₹ 1.21 Lacs (March 31, 2017: ₹ 2.82 Lacs), Shri Kapil Vaish ₹ 0.20 Lacs (March 31, 2017: ₹ 0.81 Lacs), Shri Vipin Anand (LIC) ₹ 0.40 Lacs (March 31, 2017: ₹ 0.61 Lacs), Shri M V Suryanarayana ₹ 1.21 Lacs (March 31, 2017: ₹ 2.62 Lacs), Smt. Monica Aggarwal ₹ 0.40 Lacs (March 31, 2017: ₹ 0.40 Lacs), Shri Pankaj Sharma ₹ 0.40 Lacs (March 31, 2017: ₹ 0.81 Lacs), Dr. Rajesh Yaduvanshi (PNB) ₹ 0.20 Lacs (March 31, 2017: ₹ 0.61 Lacs), Shri Pradeep Patni ₹ 0.20 Lacs (March 31, 2017: ₹ 0.40 Lacs), Smt. Promila Bhardwaj ₹ Nil (March 31, 2017: RS.0.20 Lacs), Shri Rakesh Singhal ₹ 0.40 Lacs (March 31, 2017: ₹ 1.21 Lacs) and Shri Sahil Goyal ₹ 0.40 Lacs (March 31, 2017: RS. 1.21 Lacs).
- Redemption of Preference Share Capital includes Bhushan Infrastructure Private Limited ₹ Nil (March 31, 2017: ₹ 2,133.00 Lacs).
- Purchase of Goods/Services is from Bhushan Energy Ltd. ₹ 58,929.01 Lacs (March 31, 2017: ₹ 60,435.38 Lacs), Bhushan Aviation Ltd. ₹ 470.24 Lacs (March 31, 2017 ₹ 1,470.00 Lacs).
- Sale of Goods/Services to Bhushan Power & Steel Limited ₹ 3.48 Lacs (March 31, 2017: ₹ 1.12 Lacs).
- Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil), except ₹ 10,748.92 Lacs (March 31, 2017: Nil) against balances receivable from and ₹ 350.00 Lacs investment in equity shares of Bhushan Energy Limited (ceased to be an Associate with effect from 08 January 2018). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO ABRIDGED FINANCIAL STATEMENTS

- g. During the year, the Company has recognised an amount of ₹ 1,332.35 Lacs (March 31, 2017 : ₹ 486.25 Lacs) as remuneration to key management personnel. The details of such remuneration is as below:

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Short term employee benefits	1,332.35	486.25
(ii) Post employment benefits	-	-
(iii) Other long term benefits	-	-
	1,332.35	486.25

7 Note No. 11 of Audited Standalone Financial Statements Cash & cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Cash in hand	18.42	64.37
b) Balance with banks		
- In current accounts	51,717.17	12,416.21
- Deposit with original maturity of less than three months	7,685.42	-
	59,421.01	12,480.58

8 Note No. 19 of Audited Standalone Financial Statements Revenue from operations

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products	1,676,061.67	1,457,005.12
Other operating revenue		
Other sales	52,559.65	37,308.58
Export incentives	11,821.44	8,416.47
Total	1,740,442.76	1,502,730.17

9 Note No. 21 of Audited Standalone Financial Statements Raw materials consumed

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cost of raw materials consumed	994,455.85	708,578.77
Less: Expenses transferred to capital work in progress	(2,927.02)	(2,415.49)
Cost of materials consumed	991,528.83	706,163.28

10 Note No. 25 of Audited Standalone Financial Statements Finance Costs

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on borrowings	636,731.20	560,285.64
Other borrowing cost	5,809.77	5,703.94
	642,540.97	565,989.58
Less: Expenses transferred to capital work in progress	(12,051.23)	(23,313.26)
Total	630,489.74	542,676.32

NOTES TO ABRIDGED FINANCIAL STATEMENTS

11 Note No. 27 of Audited Standalone Financial Statements Other Expenses

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores, spares and consumables	80,902.70	68,311.70
Packing material consumed	6,398.17	5,960.93
Purchase of power and consumption of fuel	97,228.76	125,412.72
Rent	91,716.73	26,415.97
Insurance charges	1,504.44	1,495.67
Rates and taxes	2,900.93	1,902.58
Repairs and maintenance:		
- Building	193.33	210.90
- Machinery	9,704.87	4,795.21
Payment to Auditors:		
As Auditor:		
Audit fees	350.00	100.00
Tax Audit fee	35.00	18.50
Selling and distribution expenses	80,387.21	76,972.00
Commission to selling agents	7,129.19	6,669.90
Loss on sale of property, plant and equipment	207.95	-
Bad debts written off	245.37	148.02
Allowance for doubtful debt and advances	11,240.75	3,927.25
Other expenses	48,854.37	51,870.03
Excise duty on closing stock	(6,836.78)	325.78
	432,162.99	374,537.16
Less: Expenses transferred to capital work in progress	(174.17)	(238.79)
Total	431,988.82	374,298.37

12 Note No. 15 of Audited Standalone Financial Statements

The Company defaulted in repayment of loans and borrowings to the banks and financial institutions during the year and the Company has also defaulted in repayment of dues to debenture-holders during the year. Pursuant to the continuing defaults of the Company, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated July 26, 2017. Owing to the breach of covenants and initiation of CIRP, the borrowings are considered current payable and therefore, classified under other financial liabilities as 'current maturities of long term borrowings'. In the absence of a resolution to CIRP upto year end, the original repayment schedule is not applicable.

For details of the resolution plan, refer note 14 below.

13 Note No. 28 of Audited Standalone Financial Statements Exceptional Items

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for impairment on property, plant & equipment and other assets (refer note 17)	2,075,901.76	669.25
Provision for impairment on financial assets	23,833.52	-
Other exceptional items	234,732.49	-
	2,334,467.77	669.25

NOTES TO ABRIDGED FINANCIAL STATEMENTS

Note:

- (i) Provision for impairment on non-current assets includes –
- (a) Provision for impairment of property, plant & equipment (including CWIP) - ₹ 19,11,279.90 Lacs (for details, refer note 17),
 - (b) Derecognition of Minimum Alternate Tax credit ₹ 80,605.55 Lacs,
 - (c) Provision for impairment of investment in associates – Bhushan Energy Limited and others ₹ 36,880.62 Lacs,
 - (d) Certain non-current advances ₹ 47,135.93 Lacs.
- The previous year provision of ₹ 669.25 Lacs relates to provision on account of investment exposure in joint venture with Andar East Coal Company Pvt. Ltd.
- (ii) Provision for impairment of finance assets of ₹ 23,833.52 Lacs represents impairment of coal block advances paid towards acquisition of Pathrapada coal mines of ₹ 14,833.52 Lacs and provision for security deposits paid to Bhushan energy limited of ₹ 9,000.00 Lacs.
- (iii) Other exceptional items for the year ended March 31, 2018 include prior period items of ₹ 2,01,909.65 Lacs comprising of the following:
- (a) Amortisation of leasehold land accounted as operating lease - The company has taken land properties on operating lease in earlier years, which earlier were accounted as finance lease. Upon change in their classification as operating lease, the cumulative effect of amortisation from inception until previous year ended March 31, 2017 has been recognised in current year's profit or loss in 'exceptional items'. Further, these leasehold land properties were recognised at fair value on transition to Ind AS as on April 01, 2015 and such fair valuation adjustment has also been reversed in current year's profit or loss in 'exceptional items'.
 - (b) Accounting effect of oxygen plant accounted as finance lease - The Company entered into sale and leaseback arrangement for oxygen plant in earlier years which was accounted as operating lease. However, the terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation. Cumulative effect of reversal of operating lease rentals and booking of depreciation and finance cost from inception until previous year ended March 31, 2017 has been recognised in current year's profit or loss in 'exceptional items'.

14 Note No. 42 of Audited Standalone Financial Statements

A corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated July 26, 2017. Subsequent to the year-end, on May 15, 2018, the NCLT has approved the terms of the Resolution Plan submitted by Tata Steel Limited ("TSL"), which provides, inter alia, the acquisition of the Company by TSL, through its wholly owned subsidiary Bamnival Steel Limited. The approval of the Resolution Plan subsequent to March 31, 2018 has been considered as a non-adjusting event for the purpose of financial statements for the year ended March 31, 2018. Pursuant to such approval of the Resolution Plan, the financial statements for the year ended March 31, 2018 have been prepared on a going concern basis.

15 Note No. 43 of Audited Standalone Financial Statements

Goods and Service Tax ("GST") has been implemented with effect from July 1, 2017 and therefore, Revenue from Operations for the year ended March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended March 31, 2017 being inclusive of excise duty are not comparable with corresponding figures of year ended March 31, 2018.

16 Note No. 33 of Audited Standalone Financial Statements

The business activity of the company falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

17 Note No. 3 of Audited Standalone Financial Statements

During the year, the Company has recognised an impairment loss against property, plant & equipment including capital work in progress aggregating to ₹19,11,279.90 Lacs.

Pursuant to the admission to corporate insolvency resolution process in 2017, the liquidation value of the assets was assessed to be substantially lower than carrying values. Further, the company's inability to procure raw materials at favourable or commercially feasible credit terms resulted in rise in input costs as well as decline in orders from its customers. The overall deterioration in the business conditions led to a significant decline in the market capitalisation of the Company as well.

NOTES TO ABRIDGED FINANCIAL STATEMENTS

With these indicators, the Company carried out an impairment assesment of its property, plant & equipment. For the purpose of impairment assesment, the Company's business is divided into three cash generating units (CGUs) comprising of three plants which are capable of generating independent cash flows. Any corporate assets have been allocated to such CGUs, since they independently do not meet the definition of CGU. The impairment test is carried out by comparing the carrying values with recoverable amounts for each CGU. For this, the recoverable amount has been determined as 'fair value less costs to sell', as follows:

(₹ in Lacs)

Cash generating unit	Carrying values	Fair values less cost to sell
Sahibabad plant	183,400.00	139,700.00
Khopoli plant	244,100.00	242,200.00
Orissa plant	4,637,900.95	2,772,221.05
Total	5,065,400.95	3,154,121.05

For determining recoverable amount as fair value less costs to sell, such fair values have been determined using as follows:

- (i) Land: Valuation of freehold land has been determined using market approach, ie, current prices in an active market for similar properties of the same area and localities have been taken. Fair value of leasehold interest in land has been considered based on current market quotes for similar leases.
- (ii) Property, plant & equipment (other than land): Fair values have been determined cost approach, that reflects the amount that would be required currently to replace the service capacity of an asset, adjusted for obsolescence ('current replacement cost'). Key assumptions used in determining recoverable amount as 'fair value less costs to sell' are as follows:
 - (a) Input Tax Credit (ITC) and other tax credits have been considered for replacement cost estimation.
 - (b) Soft cost has been considered as 20%-30% of hard cost.
 - (c) Construction period has been considered as 36 months for finance cost capitalisation. Interest rate considered is 11% with debt : equity = 75:25.
 - (d) Residual value has been estimated at 5% of the replacement cost.

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

T. V. Narendran
Chairman
(DIN: 03083605)

Krishnava Dutt
Independent Director
(DIN: 02792753)

Neera Saggi
Independent Director
(DIN: 00501029)

Neeraj Sharma
Partner
Membership No.: 502103

Shashi Kant Maudgal
Independent Director
(DIN: 00918431)

Anand Sen
Director
(DIN: 00237914)

Koushik Chatterjee
Director
(DIN: 00004989)

Place: Mumbai
Date: August 9, 2018

Rajeev Singhal
Managing Director
(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

INDEPENDENT AUDITOR'S REPORT CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Bhushan Steel Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Bhushan Steel Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and joint venture are responsible for 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

Basis for Qualified Opinion

8. As explained in note 28(iii) to the consolidated financial statements, the Company has accounted for certain prior period errors in the financial statements for the year ended 31 March 2018. Under Ind AS 8, 'Accounting policies, changes in accounting estimates and errors', errors that occurred prior to 1 April 2016 should have been retrospectively corrected by restating the balances of respective assets and liabilities and equity as at 1 April 2016 and errors that occurred in year ended 31 March 2017 should have been retrospectively corrected by restating the comparative amounts as at 31 March 2017 and for the year then ended.

Had the prior period errors been appropriately accounted for in accordance with Ind AS 8:

- Other non-current assets, non-current borrowings and other financial liabilities as at 1 April 2016 would have increased by ₹ 18,814.00 lacs, ₹ 89,645.86 lacs and ₹ 2,962.18 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 121,349.09 lacs, ₹ 2,775.54 lacs and ₹ 192,367.59 lacs respectively;
- Depreciation, finance costs and deferred tax credit for the year ended 31 March 2017 would have increased by ₹ 9,486.52 lacs, ₹ 12,277.82 lacs and ₹ 2,257.94 lacs respectively and other expenses for the year then ended would have decreased by ₹ 14,997.82 lacs. Accordingly, the loss after tax for the year ended 31 March 2017 would have increased by ₹ 4,508.58 lacs;
- Other non-current assets, non-current borrowings and other financial liabilities as at 31 March 2017 would have increased by ₹ 18,571.82 lacs, ₹ 86,074.90 lacs and ₹ 3,570.96 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 130,835.61 lacs, ₹ 5,033.48 lacs and ₹ 196,876.17 lacs respectively; and
- Exceptional items in the statement of profit and loss for the year ended 31 March 2018 would have decreased by ₹ 201,909.65 lacs and accordingly, loss after tax would have decreased by ₹ 196,876.17 lacs.

Further, as at 31 March 2017, the Company had classified certain financial liabilities as non-current liabilities even though the Company was in breach of material provisions of certain long-term loan arrangements and the lenders had not agreed, before the date of approval of the financial statements for the year then ended, to not demand payment

as a consequence of the breach. Accordingly, the liabilities towards such lenders had become payable on demand, and in accordance with the requirements of Ind AS 1, "Presentation of financial statements", should have been classified as current liabilities. In the absence of the requisite information, the impact of such misstatement on the balance sheet as at 31 March 2017 cannot be ascertained.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph above the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, its associates and joint venture as at 31 March 2018, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matters

10. We draw attention to Note 42 to the consolidated financial statements which describes the status of Corporate Insolvency Resolution Process that the Company underwent, which was subsequently concluded on 15 May 2018. We also draw attention to Note 28 to the consolidated financial statements which describes certain related exceptional items (other than the prior period errors dealt with above) recognised during the year ended 31 March 2018. Our opinion is not modified in respect of these matters.

Other Matters

11. We did not audit the financial statements / financial information of seven subsidiaries, whose financial statements / financial information reflect total assets of ₹ 1,441.87 lacs and net liabilities of ₹ 1,621.88 lacs as at 31 March 2018, total revenue of ₹ Nil and net cash outflows amounting to ₹ 47.84 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ Nil for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of three associates and one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint venture, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

12. The comparative financial information for the year ended 31 March 2017 included in the accompanying consolidated financial statements was jointly audited by M/s Mehra Goel & Co. and M/s Mehrotra & Mehrotra, whose audit report dated 5 July 2017 expressed qualified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and except for the effect (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for the effect (to the extent ascertained) of the matter described in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the financial statements of the Holding Company;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) Except for the effect (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) the directors of the Holding Company as of 31 March 2018 are disqualified from being appointed as directors in terms of Section 164(2) of the Act (also refer Note 44 to the accompanying consolidated financial statements);
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the Holding Company;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture as detailed in Note 41(A) to the consolidated financial statements.
 - (ii) the Group, its associates and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma

Partner

Membership No.: 502103

Place: Mumbai

Date: August 9, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF BHUSHAN STEEL LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Bhushan Steel Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2018:

The Company did not have appropriate internal controls over financial reporting towards correcting the identified material prior period errors by restating the comparative amounts for the respective prior period(s) presented in which the error occurred, in accordance with

Ind AS 8, "Accounting policies, changes in accounting estimates and errors" and other accounting principles generally accepted in India, which has resulted in material misstatements in multiple elements of the annual financial statements during the current year, as explained in Note 28(iii) to the accompanying financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, because of the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company as at and for the year ended 31 March 2018, and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma

Partner

Membership No.: 502103

Place: Mumbai

Date: August 9, 2018

INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Bhushan Steel Limited

Report on the Abridged Consolidated Financial Statements

1. The accompanying abridged consolidated financial statements, which comprise the abridged consolidated balance sheet as at 31 March 2018, the abridged consolidated statement of profit and loss (including other comprehensive income), the abridged consolidated cash flow statement and the abridged consolidated statement of changes in equity for the year then ended, and notes forming part of the abridged consolidated financial statements, are derived from the audited consolidated financial statements of Bhushan Steel Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture for the year ended 31 March 2018. We expressed a qualified audit opinion on those consolidated financial statements in our audit report dated 9 August 2018 and the report included an Emphasis of Matter therein.
2. These abridged consolidated financial statements do not contain all the disclosures required by the Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('Act') and accounting principles generally accepted in India, which were applied in the preparation of the audited consolidated financial statements of the Group, its associates and joint venture. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group, its associates and its joint venture.

Management's Responsibility for the Abridged Consolidated Financial Statements

3. The Holding Company's Board of Directors is responsible for the preparation of summary of the audited consolidated financial statements in accordance section 136(1) of the Act read with rule 10 of the Companies (Accounts) Rules, 2014 (as amended) which are based on the audited consolidated financial statements for the year ended 31 March 2018, prepared in accordance with the Ind AS specified under section 133 of the Act and the accounting principles generally accepted in India.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, Engagements to Report on Summary Financial Statements, issued by the Institute of Chartered Accountants of India.

Opinion

5. In our opinion, the abridged consolidated financial statements, prepared in accordance with rule 10 of the Companies (Accounts) Rules, 2014 (as amended) and which are derived from the audited consolidated financial statements of the Group, its associates and joint venture for the year ended 31 March 2018, prepared in accordance with the Ind AS specified under section 133 of the Act and accounting principles generally accepted in India, are a fair summary of those consolidated financial statements. However, the abridged consolidated financial statements are misstated to the equivalent extent as the audited consolidated financial statements of the Company for the year ended 31 March 2018.

The misstatement of the audited consolidated financial statements is described in our qualified audit opinion in our report dated 9 August 2018. Our qualified audit opinion is based on the fact that as explained in note 13(iii) to the abridged consolidated financial statements, the Company has accounted for certain prior period errors in the financial statements for the year ended 31 March 2018. Under Ind AS 8, 'Accounting policies, changes in accounting estimates and errors', errors that occurred prior to 1 April 2016 should have been retrospectively corrected by restating the balances of respective assets and liabilities and equity as at 1 April 2016 and errors that occurred in year ended 31 March 2017 should have been retrospectively corrected by restating the comparative amounts as at 31 March 2017 and for the year then ended.

Had the prior period errors been appropriately accounted for in accordance with Ind AS 8:

- Other non-current assets, non-current borrowings and other financial liabilities as at 1 April 2016 would have increased by ₹ 18,814.00 lacs, ₹ 89,645.86 lacs and ₹ 2,962.18 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 121,349.09 lacs, ₹ 2,775.54 lacs and ₹ 192,367.59 lacs respectively;
- Depreciation, finance costs and deferred tax credit for the year ended 31 March 2017 would have increased by ₹ 9,486.52 lacs, ₹ 12,277.82 lacs and ₹ 2,257.94 lacs respectively and other expenses for the year then ended would have decreased by ₹ 14,997.82 lacs respectively. Accordingly, the loss after tax for the year ended 31 March 2017 would have increased by ₹ 4,508.58 lacs;
- Other non-current assets, non-current borrowings and other financial liabilities as at 31 March 2017 would have increased by ₹ 18,571.82 lacs, ₹ 86,074.90 lacs and ₹ 3,570.96 lacs, respectively and property, plant and equipment, deferred tax liabilities and equity as at that date would have decreased by ₹ 130,835.61 lacs, ₹ 5,033.48 lacs and ₹ 196,876.17 lacs respectively; and
- Exceptional items in the statement of profit and loss for the year ended 31 March 2018 would have decreased by ₹ 201,909.65 lacs and accordingly, loss after tax would have decreased by ₹ 196,876.57 lacs.

Further, our qualified audit opinion on the consolidated financial statements is also based on the fact that, as at 31 March 2017, the Company had classified certain financial liabilities as non-current liabilities even though the Company was in breach of material provisions of certain long-term loan arrangements and the lenders had not agreed, before the date of approval of the financial statements for the year then ended, to not demand payment as a consequence of the breach. Accordingly, the liabilities towards such lenders had become payable on demand, and in accordance with the requirements of Ind AS 1, 'Presentation of financial statements', should have been classified as current liabilities. In the absence of the requisite information, the impact of such misstatement on the balance sheet as at 31 March 2017 cannot be ascertained.

Our qualified audit opinion on the consolidated financial statements

states that, except for the effects (to the extent ascertained) of the described matter, those consolidated 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 including Ind AS specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

6. Our auditor's report on the audited consolidated financial statements includes the following emphasis of matter paragraph which is applicable for abridged consolidated financial statements as well:

We draw attention to note 14 to the abridged consolidated financial statements which describes the status of Corporate Insolvency Resolution Process that the Company underwent, which was subsequently concluded on 15 May 2018. We also draw attention to note 13 to the abridged consolidated financial statements which describes certain related exceptional items (other than the prior period errors dealt with above) recognised during the year ended 31 March 2018. Our opinion is not modified in respect of these matters.

Other Matters

7. We did not audit the financial statements / financial information of seven subsidiaries whose financial statements / financial information reflect total assets of ₹ 1,441.87 lacs and net liabilities of ₹ 1,621.88 lacs as at 31 March 2018, and total revenues of ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ Nil for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of three associates and one joint venture, whose financial statements / financial information have not been

audited by us. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the financial statements/financial information certified by the management.

8. The comparative financial information for the year ended 31 March 2017, prepared by the management which is included in the accompanying abridged consolidated financial statements are based on the audited consolidated financial statements for the year ended 31 March 2017 which was jointly audited by M/s Mehra Goel & Co. and M/s Mehrotra & Mehrotra, whose audit report dated 5 July 2017 expressed qualified opinion. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Sharma

Partner

Membership No.: 502103

Place: Mumbai

Date: August 9, 2018

ABRIDGED CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

(₹ in Lacs)

	As at March 31, 2018	As at March 31, 2017
A ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	3,036,155.81	5,176,409.37
(b) Capital work-in-progress	117,965.24	117,060.76
(c) Intangible assets	10.65	13.74
(d) Investments accounted using equity method	-	12,081.86
(e) Financial assets		
(i) Non-current investments	107.67	95.79
(ii) Loans	7,265.35	9,808.64
(iii) Other financial assets	46,666.61	56,468.63
(f) Other non-current assets	80,836.20	67,503.57
(g) Income tax assets	2,900.20	2,555.17
Total non-current assets	3,291,907.73	5,441,997.53
(2) Current assets		
(a) Inventories	402,519.54	314,891.77
(b) Financial assets		
(i) Trade receivables	121,957.81	152,555.10
(ii) Cash and cash equivalents	59,470.03	12,577.69
(iii) Other balances with banks	32,362.82	3,002.70
(iv) Loans	9,173.73	10,296.68
(v) Other financial assets	-	1,019.92
(c) Other current assets	66,891.35	85,296.11
Total current assets	692,375.28	579,639.97
Total Assets	3,984,283.01	6,021,637.50
B EQUITY & LIABILITIES		
(1) Equity		
(a) Equity share capital	4,530.30	4,530.30
(b) Other equity	(2,609,697.88)	(152,823.80)
(c) Non-controlling interests	(144.81)	(112.42)
Total equity	(2,605,312.39)	(148,405.92)
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	70,652.60	3,057,955.30
(ii) Other financial liabilities	3,940.04	3,802.89
(b) Provisions	5,632.08	4,011.13
(c) Deferred tax liabilities (net)	-	351,545.94
(d) Other non-current liabilities	266.18	-
Total non-current liabilities	80,490.90	34,17,315.26
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,382,011.30	15,68,367.78
(ii) Trade payables	130,519.35	110,999.17
(iii) Other financial liabilities	4,951,478.60	1,042,847.61
(b) Other current liabilities	44,364.11	30,017.97
(c) Provisions	731.14	495.63
Total current liabilities	6,509,104.50	27,52,728.16
Total Equity and Liabilities	3,984,283.01	6,021,637.50

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Consolidated Financial Statements)

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

T. V. Narendran
Chairman
(DIN: 03083605)

Krishnavia Dutt
Independent Director
(DIN: 02792753)

Neera Saggi
Independent Director
(DIN: 00501029)

Neeraj Sharma
Partner
Membership No.: 502103

Shashi Kant Maudgal
Independent Director
(DIN: 00918431)

Anand Sen
Director
(DIN: 00237914)

Koushik Chatterjee
Director
(DIN: 00004989)

Place: Mumbai
Date: August 9, 2018

Rajeev Singhal
Managing Director
(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

ABRIDGED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue		
(a) Revenue from operations	1,740,442.76	1,502,730.17
(b) Other income	9,508.26	7,196.46
Total income	1,749,951.02	1,509,926.63
II Expenses		
(a) Raw materials consumed	991,528.83	706,163.28
(b) Purchases of finished, semi-finished steel & other products	712.03	18.01
(c) Changes in inventories of finished goods, work-in progress & stock-in trade	(2,789.63)	(51,148.96)
(d) Excise duty	39,187.18	132,135.99
(e) Employee benefits expense	59,330.05	49,061.83
(f) Finance costs	630,489.74	542,676.60
(g) Depreciation and amortisation expenses	178,566.53	168,561.21
(h) Other expenses	432,060.38	374,377.60
Total expenses	2,329,085.11	1,921,845.56
III Loss before share of profit/(loss) of joint venture & associates, exceptional items & tax (I-II)	(579,134.09)	(411,918.93)
IV Share of equity accounted investees	-	(12,165.13)
V Loss before exceptional items & tax (III+IV)	(579,134.09)	(424,084.06)
VI Exceptional Items	(2,309,669.01)	(669.25)
VII Loss before tax (V+ VI)	(2,888,803.10)	(424,753.31)
VIII Tax expenses		
(a) Current Tax	-	-
(b) Deferred Tax	(432,183.47)	(62,396.54)
Total tax expenses	(432,183.47)	(62,396.54)
IX Loss for the Year (VII-VIII)	(2,456,619.63)	(362,356.77)
X Profit/(Loss) for the period attributable to:		
Owners of the company	(2,456,588.85)	(361,484.92)
Non-controlling interests	(30.78)	(871.85)
XI Other comprehensive income/(loss)		
(a) Items that will not be reclassified subsequently to the statement of profit and loss	(261.37)	140.26
(b) Income tax on items that will not be reclassified subsequently to the statement of profit and loss	(31.98)	44.07
(c) Items that will be reclassified subsequently to the statement of profit and loss	6.51	-
(d) Income tax on items that will be reclassified subsequently to the statement of profit and loss	-	-
Total other comprehensive income/ (loss) for the year	(286.84)	184.33
XII Total comprehensive loss for the year (IX+XI)	(2,456,906.47)	(362,172.44)
XIII Total Comprehensive loss for the period attributable to:		
Owners of the Company	(2,456,874.08)	(361,300.59)
Non-controlling interests	(32.39)	(871.85)
XIV Earnings per equity share		
Basic (in Rupees)	(1,084.52)	(159.59)
Diluted (in Rupees)	(1,084.52)	(159.59)

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Consolidated Financial Statements)

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report of even date attached.

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(DIN: 00004989)

Place: Mumbai
Date: August 9, 2018

Rajeev Singhal
Managing Director
(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

(A) Equity Share Capital

(₹ in Lacs)

Particulars	No. of Shares	Amount
Equity shares of ₹ 2 each issued, subscribed and fully paid		
As at April 01, 2016	226,514,746	4,530.30
Changes during the year	-	-
As at March 31, 2017	226,514,746	4,530.30
Changes during the year	-	-
As at March 31, 2018	226,514,746	4,530.30

(B) Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus						Equity instruments through other comprehensive income & Foreign currency translation reserve	Total
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Capital Reserve	General Reserve	Retained Earning		
As at April 01, 2016	693.34	72,576.10	36,512.50	1,942.03	527,837.59	(429,665.19)	(1,419.58)	208,476.79
Loss for the year	-	-	-	-	-	(361,484.92)	-	(361,484.92)
Other comprehensive income/ (loss)	-	-	-	-	-	(83.26)	267.59	184.33
As at March 31, 2017	693.34	72,576.10	36,512.50	1,942.03	527,837.59	(791,233.37)	(1,151.99)	(152,823.80)
Loss for the year	-	-	-	-	-	(2,456,588.85)	-	(2,456,588.85)
Other comprehensive income/ (loss)	-	-	-	-	-	(305.25)	20.02	(285.23)
As at March 31, 2018	693.34	72,576.10	36,512.50	1,942.03	527,837.59	(3,248,127.47)	(1,131.97)	(2,609,697.88)

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Consolidated Financial Statements)

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report of even date attached.

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Place: Mumbai
Date: August 9, 2018

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Managing Director
(DIN: 02719570)

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Chief Financial Officer

O.P. Davra
Company Secretary

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from Operating Activities	1,78,841.91	75,260.07
Cash flows used in Investing Activities	(64,464.81)	(8,000.91)
Cash flows used in Financing Activities	(67,484.76)	(57,914.48)
Net increase /(decrease) in Cash and Cash Equivalents	46,892.34	9,344.68
Cash and Cash Equivalents at the beginning of period	12,577.69	3,233.01
Cash and Cash Equivalents at the end of the period	59,470.03	12,577.69

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Consolidated Financial Statements)

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
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Place: Mumbai
Date: August 9, 2018

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(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

ACCOUNTING POLICIES UNDER IND AS

CONSOLIDATED FINANCIAL STATEMENTS OF BHUSHAN STEEL LIMITED FOR THE YEAR ENDED MARCH 31, 2018

1. Company Information

Bhushan Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in New Delhi, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is the 3rd largest secondary steel producer with an overall steel producing capacity of 5.6 million tonne per annum. The Company has presence across the entire value chain of steel manufacturing. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, cold rolled full hard, galvanised coils and sheets, high tensile steel strips, colour coated tiles, precision tubes etc. The Company has the unique facilities of producing cold roll and sheets upto a width of 1700 mm and galvanised coil and steel up to a width of 1350 mm.

Statement of compliance

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, as amended time to time.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except:

- certain assets and liabilities that are required to be carried at fair values by Ind AS; and
- property, plant & equipment which have been fair valued at the transition date (i.e., 01 April 2015) as 'deemed cost' upon transition to Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

2. Significant accounting policies

The significant accounting policies applied by the Company & its subsidiaries (collectively referred to as 'the Group') in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

b) Investment in associates

Associates are those enterprises in which the Group has significant influence, but does not have control. Investments in associates are accounted for using the equity method and are initially recognised at cost, from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition

of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

c) Interests in joint arrangement

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the

Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group's accounting policies.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset /liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. Having regard to the nature of business being carried out by the Group the Group has determined its operating cycle as twelve months. The Group classifies all other assets/liabilities as non-current.

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

e) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including

regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost/ deemed cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

f) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided on a straight line basis to the cost/deemed cost of property, plant and equipment and intangible assets, including those held under finance leases to their residual value. Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, revised.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

	Estimated useful Life (years)
Buildings	Upto 60 years*
Roads	30 years
Plant and Machinery	Upto 38 years*
Railway Sidings	Upto 20 years*
Vehicles	8 to 10 years
Furniture, Fixtures and Office Equipment	5 to 10 years
Computer Software	3 year

* for these class of assets useful lives are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 . Based on the technical evaluation carried by a chartered engineer and internal assessments made, the Group believes that useful lives mentioned above are best representative of the period over which the Group expects to use the assets.

g) Borrowing Costs

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

Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

h) Impairment of non-financial assets

The Group, at each balance sheet date, reviews carrying values of its property plant and equipment and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount being higher of fair value less costs to sell and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

i) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. Cost is ascertained on a weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business based on market price at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts including other items are carried on weighted average basis.

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. Exports sales are net of ocean freight, insurance.

Dividend income is recognised when the right to receive payment is established.

Interest income is recorded using the effective interest rate (EIR) for all debt instruments measured either at amortised cost. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

k) Foreign currencies

The Group's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the balance sheet date.

For foreign currency loans taken before 31 March 2016 for, adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalised. For foreign currency loans taken after 31 March 2016, exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

l) Income Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits (including Minimum Alternative tax (MAT) credit) and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Group'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 recognised as an expense when employees have rendered services entitling them to the contribution.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or

credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

n) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease, all other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic

resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

p) Earnings per share

Basic earnings per equity share is computed by dividend net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

q) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

s) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer

quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Group operates in a single operating segment and geographical segment.

v) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in mutual funds** – Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

iii. **Investments in equity instruments of subsidiaries, joint ventures and associates** - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

- iv. **Investments in equity instruments** - Investments in equity instruments, where the Group has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an

existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

w) Recent accounting pronouncement

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

The effect on adoption of Ind AS 115 is expected to be insignificant.

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

3 Complete Balance Sheet, Statement of Changes in Equity, Statement of Profit and Loss, Statement of Cash Flows and other statements and notes thereto prepared as per the requirements of Division II to the Schedule III to the Act are available at the Company's website at <http://www.bhushan-group.org/home.html>. Copy of financial statement is also available for inspection at the registered office of the company during working hours for a period of 21 days before the date of AGM.

4 The amounts shown here are same as shown in the corresponding aggregated heads in the financial statements prepared as per Schedule III to the Companies Act 2013.

5 Note No. 41 of Audited Consolidated Financial Statements

A. Contingent Liabilities

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Sales Tax	120,810.98	120,953.36
Excise Duty/Custom duty/ Service Tax	70,296.19	57,105.35
Entry Tax	47,507.68	79,755.57
Income Tax	280,427.52	51,188.67
Water Conservation Fund	15,075.12	14,333.80
Claims / Disputed bills not acknowledged	-	22,562.00
Others	13,150.49	11,688.34
	547,267.98	357,587.09

The above is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described above would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Subsequent to the year end, pursuant to NCLT order dated May 15, 2018 w.r.t. ongoing insolvency proceeding (refer note 12), the Company was absolved of all contingent liabilities existing as of the balance sheet date.

B. Commitments

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	27,660.66	60,357.25
ii) Other commitments:		
- Non cancellable lease	8,838.21	9,437.20

C. Other matters

(i) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the company which were under development. Subsequently, the government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the effected parties in regard to investment in coal blocks. De-allocated coal block amounting to ₹ 56,289.95 Lacs includes Expenditure incurred of ₹ 14,833.52 Lacs and advance given to ₹ 41,456.44 Lacs. During the year, Company has provided provision for expenses incurred. In the opinion of the management, the company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the company had filed a Writ Petition bearing No 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Union of India and others. The Counter Affidavit(s) were filed by Union of India in November, 2016 and subsequent thereto pleadings were completed. The matter was taken up on November 29, 2017 and is now further posted for February 22, 2018

On May 24, 2018 the above matter came up for hearing before Delhi High Court. Our Advocate stated that vide office Memorandum dated March 20, 2018 New Patrapara Coal Block has been earmarked for allotment to Odisha Government. Union of India Counsel stated that as substantial progress is likely to be made within next 6-8 months, matter should be adjourned. BSL Advocate further pointed out that an amount of ₹ 37,056.43 Lacs has been paid to IDCO, out of which ₹ 14,000 Lacs is still with IDCO. Court has enquired from IDCO about the status of land acquisition proceedings /compensation and stated that Industry is not going to collect their money from the Landowners to whom money has been disbursed, and it is state government who has to give back money to Industry. Court has directed State Government/IDCO to file status report on land acquisition status/proceedings upto 10 days prior to next date of hearing. Thereafter matter was adjourned to September 27, 2018.

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

6 Note No. 34 of Audited Consolidated Financial Statements

Related party transaction & balances

(₹ in Lacs)

Transactions		Joint Venture	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	March 31, 2018	-	-	1,332.35	38.84	-	1,371.19
	March 31, 2017	-	-	486.25	101.46	-	587.71
Directors Sitting Fees	March 31, 2018	-	-	6.03	1.60	-	7.63
	March 31, 2017	-	-	14.93	6.25	-	21.18
Redemption of Preference Share Capital	March 31, 2018	-	-	-	-	-	-
	March 31, 2017	-	-	-	-	2,133.00	2,133.00
Purchase of Goods/ Services	March 31, 2018	-	58,929.01	-	-	470.24	59,399.25
	March 31, 2017	-	60,435.38	-	-	1,470.00	61,905.38
Sales of Goods/ Services	March 31, 2018	-	-	-	-	3.48	3.48
	March 31, 2017	-	-	-	-	1.12	1.12
Balances							
Advance to Supplier	March 31, 2018	-	-	-	-	-	-
	March 31, 2017	-	24,171.70	-	-	-	24,171.70
Payable	March 31, 2018	-	-	-	-	-	-
	March 31, 2017	-	-	22.04	-	616.46	638.50
Security Deposit Paid	March 31, 2018	-	-	-	-	-	-
	March 31, 2017	-	9,000.00	-	-	-	9,000.00

- Remuneration & Perks include payment to Shri Neeraj Singal ₹ 48.90 Lacs (March 31, 2017: ₹ 145.83 Lacs), Shri P.K.Aggarwal ₹ 32.82 Lacs (March 31, 2017 ₹ 99.62 Lacs), Shri Nittin Johari ₹ 46.19 Lacs (March 31, 2017: ₹ 141.40 Lacs), Shri Rahul Sengupta ₹ 32.76 Lacs (March 31, 2017: ₹ 99.40 Lacs), and Smt. Ritu Singal ₹ 38.84 Lacs (March 31, 2017: ₹ 101.46 Lacs), Shri Vijay Kumar Iyer (Resolution Professional) ₹ 1,171.68 Lacs (March 31, 2017: ₹ Nil).
- Directors sitting fees is paid to Shri B.B.Singal ₹ 1.60 Lacs (March 31, 2017: ₹ 6.25 Lacs), Shri Ajoy Kumar (SBI) ₹ 0.20 Lacs (March 31, 2017: ₹ 1.01 Lacs), Shri Ashwani Kumar ₹ 0.80 Lacs (March 31, 2017: ₹ 2.22 Lacs), Shri B. B. Tondon ₹ 1.21 Lacs (March 31, 2017: ₹ 2.82 Lacs), Shri Kapil Vaish ₹ 0.20 Lacs (March 31, 2017: ₹ 0.81 Lacs), Shri Vipin Anand(LIC) ₹ 0.40 Lacs (March 31, 2017: ₹ 0.61 Lacs), Shri M V Suryanarayana ₹ 1.21 Lacs (March 31, 2017: ₹ 2.62 Lacs), Smt. Monica Aggarwal ₹ 0.40 Lacs (March 31, 2017: ₹ 0.40 Lacs), Shri Pankaj Sharma ₹ 0.40 Lacs (March 31, 2017: ₹ 0.81 Lacs), Dr. Rajesh Yaduvanshi(PNB) ₹ 0.20 Lacs (March 31, 2017: ₹ 0.61 Lacs), Shri Pradeep Patni ₹ 0.20 Lacs (March 31, 2017: ₹ 0.40 Lacs), Smt. Promila Bhardwaj ₹ Nil (March 31, 2017: RS.0.20 Lacs), Shri Rakesh Singhal ₹ 0.40 Lacs (March 31, 2017: ₹ 1.21 Lacs) and Shri Sahil Goyal ₹ 0.40 Lacs (March 31, 2017: RS. 1.21 Lacs).
- Redemption of Preference Share Capital includes Bhushan Infrastructure Private Limited ₹ Nil (March 31, 2017: ₹ 2,133.00 Lacs).
- Purchase of Goods/ Services is from Bhushan Energy Ltd. ₹ 58,929.01 Lacs (March 31, 2017: ₹ 60,435.38 Lacs), Bhushan Aviation Ltd. ₹ 470.24 Lacs (March 31, 2017 ₹ 1,470.00 Lacs).
- Sale of Goods/ Services to Bhushan Power & Steel Limited ₹ 3.48 Lacs (March 31, 2017: ₹ 1.12 Lacs).
- Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31,2017: Nil), except ₹ 10,748.92 Lacs (March 31, 2017: Nil) against balances receivable from and ₹350,00 Lacs investment in equity shares of Bhushan Energy Limited (ceased to be an Associate with effect from 08 January 2018). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

- g. During the year, the Company has recognised an amount of ₹ 1,332.35 Lacs (March 31, 2017 : ₹ 486.25 Lacs) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Short term employee benefits	1,332.35	486.25
(ii) Post employment benefits	-	-
(iii) Other long term benefits	-	-
	1,332.35	486.25

7 Note No. 11 of Audited Consolidated Financial Statements Cash & cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
a) Cash in hand	19.44	65.42
b) Balance with banks		
- In current accounts	51,765.17	12,512.27
- Deposit with original maturity of less than three months	7,685.42	-
	59,470.03	12,577.69

8 Note No. 19 of Audited Consolidated Financial Statements Revenue from operations

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products	1,676,061.67	1,457,005.12
Other operating revenue		
Other sales	52,559.65	37,308.58
Export incentives	11,821.44	8,416.47
Total	1,740,442.76	1,502,730.17

9 Note No. 21 of Audited Consolidated Financial Statements Raw materials consumed

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cost of raw materials consumed	994,455.85	708,578.77
Less: Expenses transferred to capital work in progress	(2,927.02)	(2,415.49)
Cost of materials consumed	991,528.83	706,163.28

10 Note No. 25 of Audited Consolidated Financial Statements Finance Costs

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on borrowings	636,731.20	560,285.64
Other borrowing cost	5,809.77	5,704.22
	642,540.97	565,989.86
Less: Expenses transferred to capital work in progress	(12,051.23)	(23,313.26)
Total	630,489.74	542,676.60

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

11 Note No. 27 of Audited Consolidated Financial Statements

Other Expenses

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores, spares and consumables	80,902.70	68,311.70
Packing material consumed	6,398.17	5,960.93
Purchase of power and consumption of fuel	97,228.76	125,412.72
Rent	91,716.73	26,415.98
Insurance charges	1,504.49	1,495.90
Rates and taxes	2,901.10	1,902.63
Repairs and maintenance:		
- Building	193.33	210.90
- Machinery	9,704.87	4,795.21
Payment to Auditors:		
As Auditor:		
Audit fees	350.00	100.51
Tax Audit fee	35.00	18.50
Selling and distribution expenses	80,387.21	76,972.00
Commission to selling agents	7,129.19	6,669.90
Loss on sale of property, plant and equipment	207.95	-
Bad debts written off	245.37	148.02
Allowances for doubtful debt & advances	11,240.75	3,927.25
Other expenses	48,925.71	51,948.46
Excise duty on closing stock	(6,836.78)	325.78
	432,234.55	374,616.39
Less: Expenses transferred to capital work in progress	(174.17)	(238.79)
Total	432,060.38	374,377.60

12 Note No. 15 of Audited Consolidated Financial Statements

The Company defaulted in repayment of loans and borrowings to the banks and financial institutions during the year and the Company has also defaulted in repayment of dues to debenture-holders during the year. Pursuant to the continuing defaults of the Company, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated July 26, 2017. Owing to the breach of covenants and initiation of CIRP, the borrowings are considered current payable and therefore, classified under other financial liabilities as 'current maturities of long term borrowings'. In the absence of a resolution to CIRP upto year end, the original repayment schedule is not applicable.

13 Note No. 28 of Audited Consolidated Financial Statements

Exceptional Items

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for impairment on Property, Plant & Equipment & Other Assets	2,051,103.00	669.25
Provision for impairment on value of financial assets	23,833.52	-
Other exceptional items	234,732.49	-
	2,309,669.01	669.25

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

Note:

- (i) Provision for impairment on non-current assets includes –
 - (a) Provision for impairment of property, plant & equipment (including CWIP) - ₹ 19,11,279.90 Lacs (for details, refer note 17),
 - (b) Derecognition of Minimum Alternate Tax credit ₹ 80,605.55 Lacs,
 - (c) Provision for impairment of investment in associates – Bhushan Energy Limited and others ₹ 12,081.86 Lacs,
 - (d) Certain non-current advances ₹ 47,135.93 Lacs.

The previous year provision of ₹ 669.25 Lacs relates to provision on account of investment exposure in joint venture with Andar East Coal Company Pvt. Ltd.
- (ii) Provision for impairment of finance assets of ₹ 23,833.52 Lacs represents impairment of coal block advances paid towards acquisition of Pathrapada coal mines of ₹ 14,833.52 Lacs and provision for security deposits paid to Bhushan energy limited of ₹ 9,000.00 Lacs.
- (iii) Other exceptional items for the year ended March 31, 2018 include prior period items of ₹ 2,01,909.65 Lacs comprising of the following:
 - (a) Amortisation of leasehold land accounted as operating lease - The company has taken land properties on operating lease in earlier years, which earlier were accounted as finance lease. Upon change in their classification as operating lease, the cumulative effect of amortisation from inception until previous year ended March 31, 2017 has been recognised in current year's profit or loss in 'exceptional items'. Further, these leasehold land properties were recognised at fair value on transition to Ind AS as on April 01, 2015 and such fair valuation adjustment has also been reversed in current year's profit or loss in 'exceptional items'.
 - (b) Accounting effect of oxygen plant accounted as finance lease - The Company entered into sale and leaseback arrangement for oxygen plant in earlier years which was accounted as operating lease. However, the terms of the lease require such arrangement to be classified as finance lease. Consequently, the asset has been recognised with corresponding finance lease obligation. Cumulative effect of reversal of operating lease rentals and booking of depreciation and finance cost from inception until previous year ended March 31, 2017 has been recognised in current year's profit or loss in 'exceptional items'.

14 Note No. 42 of Audited Consolidated Financial Statements

A corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated July 26, 2017. Subsequent to the year-end, on May 15, 2018, the NCLT has approved the terms of the Resolution Plan submitted by Tata Steel Limited ("TSL"), which provides, inter alia, the acquisition of the Company by TSL, through its wholly owned subsidiary Bannipal Steel Limited. The approval of the Resolution Plan subsequent to March 31, 2018 has been considered as a non-adjusting event for the purpose of financial statements for the year ended March 31, 2018. Pursuant to such approval of the Resolution Plan, the financial statements for the year ended March 31, 2018 have been prepared on a going concern basis.

15 Note No. 43 of Audited Consolidated Financial Statements

Goods and Service Tax ("GST") has been implemented with effect from July 1, 2017 and therefore, Revenue from Operations for the year ended March 31, 2018 are net of GST. Revenue from operations and expenses for the year ended March 31, 2017 being inclusive of excise duty are not comparable with corresponding figures of year ended March 31, 2018.

16 Note No. 33 of Audited Consolidated Financial Statements

The business activity of the company falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Institute of Chartered Accountants of India is not considered applicable.

17 Note No. 3 of Audited Consolidated Financial Statements

During the year, the Company has recognised an impairment loss against property, plant & equipment including capital work in progress aggregating to ₹19,11,279.90 Lacs.

Pursuant to the admission to corporate insolvency resolution process in 2017, the liquidation value of the assets was assessed to be substantially lower than carrying values. Further, the company's inability to procure raw materials at favourable or commercially feasible credit terms resulted in rise in input costs as well as decline in orders from its customers. The overall deterioration in the business conditions led to a significant decline in the market capitalisation of the Company as well.

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

With these indicators, the Company carried out an impairment assessment of its property, plant & equipment. For the purpose of impairment assessment, the Company's business is divided into three cash generating units (CGUs) comprising of three plants which are capable of generating independent cash flows. Any corporate assets have been allocated to such CGUs, since they independently do not meet the definition of CGU. The impairment test is carried out by comparing the carrying values with recoverable amounts for each CGU. For this, the recoverable amount has been determined as 'fair value less costs to sell', as follows:

(₹ in Lacs)

Cash generating unit	Carrying values	Fair values less cost to sell
Sahibabad plant	183,400.00	139,700.00
Khopoli plant	244,100.00	242,200.00
Orissa plant	4,637,900.95	2,772,221.05
Total	5,065,400.95	3,154,121.05

For determining recoverable amount as fair value less costs to sell, such fair values have been determined using as follows:

- (i) Land: Valuation of freehold land has been determined using market approach, ie, current prices in an active market for similar properties of the same area and localities have been taken. Fair value of leasehold interest in land has been considered based on current market quotes for similar leases.
- (ii) Property, plant & equipment (other than land): Fair values have been determined cost approach, that reflects the amount that would be required currently to replace the service capacity of an asset, adjusted for obsolescence ('current replacement cost'). Key assumptions used in determining recoverable amount as 'fair value less costs to sell' are as follows:
 - (a) Input Tax Credit (ITC) and other tax credits have been considered for replacement cost estimation.
 - (b) Soft cost has been considered as 20%-30% of hard cost.
 - (c) Construction period has been considered as 36 months for finance cost capitalisation. Interest rate considered is 11% with debt : equity = 75:25.
 - (d) Residual value has been estimated at 5% of the replacement cost.

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 & 2 of Audited Abridged Consolidated Financial Statements)

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**
Chartered accountants
Firm Registration No. : 001076N/N500013

T. V. Narendran
Chairman
(DIN: 03083605)

Krishnava Dutt
Independent Director
(DIN: 02792753)

Neera Saggi
Independent Director
(DIN: 00501029)

Neeraj Sharma
Partner
Membership No.: 502103

Shashi Kant Maudgal
Independent Director
(DIN: 00918431)

Anand Sen
Director
(DIN: 00237914)

Koushik Chatterjee
Director
(DIN: 00004989)

Place: Mumbai
Date: August 9, 2018

Rajeev Singhal
Managing Director
(DIN: 02719570)

Sanjib Nanda
Chief Financial Officer

O.P. Davra
Company Secretary

BHUSHAN STEEL LIMITED

Registered Office: B-9 to 12, Okhla Industrial Area Phase-I, New Delhi -110020

Tel & Fax.: 91-11-26811033

Corporate Office: 23, Site IV, Sahibabad Industrial Area, Distt. Ghaziabad -201010, Uttar Pradesh

Tel & Fax.: 91-120-3028001

Website: www.bhushansteel.com | E-mail: bsl@bhushansteel.com | CIN: L74899DL1983PLC014942

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 35th ANNUAL GENERAL MEETING OF THE MEMBERS OF BHUSHAN STEEL LIMITED WILL BE HELD ON TUESDAY, SEPTEMBER 25, 2018 AT 12:00 NOON (IST) AT THE KAMANI AUDITORIUM, 1 COPERNICUS MARG, NEW DELHI - 110001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESSES:

Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Report of the Auditors thereon.

Item No. 3 – Re-Appointment of a Director

To appoint a Director in place of Mr. Anand Sen (DIN:00237914), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 ("Act") and, being eligible, seeks re-appointment.

Item No. 4 – Appointment of Statutory Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification or variation thereof, and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Walker Chandiok & Co LLP (Firm Registration No. 001076N/N500013), be and are hereby appointed as the Auditors of the Company for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting to be held in the year 2023, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."

SPECIAL BUSINESSES:

Item No. 5 - Appointment of Mr. Srikumar Menon as an Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Srikumar Menon (DIN 00470254) who was appointed by the Board of Directors as an Additional Director of the Company effective August 9, 2018 and who holds office up to the date of

this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 164 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act, including any amendment, modification or variation thereof, Mr. Srikumar Menon, who meets the criteria for independence as provided under Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing August 9, 2018 through August 8, 2023."

Item No. 6- To change the name of the Company and consequent amendments in the Memorandum and Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 4, 13, 14, 15 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with applicable Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification or variation thereof or any other applicable law(s), regulation(s), guideline(s), and subject to the approvals, consents, sanctions and permissions of the Central Government / Stock Exchange(s) / appropriate regulatory and statutory authorities, consent be and is hereby accorded to change the name of the Company from **"Bhushan Steel Limited"** to **"Tata Steel BSL Limited"** or such other name as may be approved by the Registrar of Companies.

RESOLVED FURTHER THAT pursuant to Section 13 and other applicable provisions, if any, of the Act, the name **"Bhushan Steel Limited"** wherever it appears in the Memorandum and Articles of Association of the Company be substituted by the new name **"Tata Steel BSL Limited"** or such other name as may be approved by the Registrar of Companies.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings as, in its absolute discretion, it may be considered necessary, expedient or desirable, including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit."

Item No.7- Ratification of remuneration of the Cost Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification

or variation thereof, the Company hereby ratifies the remuneration of ₹ 7 Lakh (Rupees Seven Lakh) plus applicable taxes and out-of-pocket expenses payable to M/s Shome & Banerjee, Cost Accountants (Firm Registration Number-000001) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2019.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."

NOTES FOR MEMBERS ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/ HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- a) Pursuant to the provisions of Section 105 of the Act, read with applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - b) The proxy form, in order to be effective, should be duly stamped, signed and completed in all respects and must be deposited/ received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
 - c) A Proxy Form is annexed to this Notice. Proxies submitted on behalf of the Companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.
2. A Member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the said Meeting, provided he has given to the Company a notice, in writing, of his intention to inspect not less than three days before the commencement of the Meeting.
 3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to deposit certified copy of the board resolution/letter of authority/power of attorney, together with the respective specimen signature(s) of the representative(s) authorized under the said document to attend and vote on their behalf at the Meeting at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
 4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 5. Information as per the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in respect of Directors seeking appointment / re-appointment at the Meeting is provided in the Annexure to this Notice.
 6. The Explanatory Statement pursuant to Section 102(1) of the Act, which sets out details relating to special businesses (Items 5 to 7) to be transacted at the Meeting forms part of this Notice.

7. The Notice of the Meeting is being sent to those Members /Beneficial Owners, whose names appear in the Register of Members/List of Beneficiaries as on Friday, August 24, 2018.

8. Copy of the Abridged Annual Report and Notice of the Meeting 2017-18 are being sent electronically to the Members who have registered their email addresses with the Company/Depository Participant ("DP")/Company's Registrar and Transfer Agent ("RTA"). Members are requested to update their preferred email address with the Company/DPS/RTA, which will be used for the purpose of future communications.

Member(s) whose email address is not registered with the Company are being sent physical copies of the Notice of the Meeting and Abridged Annual Report at their registered address through permitted modes.

Member(s) whose email address is registered with the Company and who wish to receive a printed copy of the Annual Report may send their request to the Company at its Registered Office or Corporate Office or to the RTA at RCMC Share Registry Pvt. Ltd., B-25/1, Okhla Industrial Area, Phase - II (near Rana Motors), New Delhi – 110020. The Members may also send their requests to the Company's investor email id: bsl@bhushansteel.com.

In support of the "Green Initiative, Members who have not registered their e-mail addresses are requested to register the same for receiving Annual Reports and other communications from the Company electronically in the future.

9. Notice of the Meeting and Annual Report 2017-18 will also be available on the Company's website www.bhushansteel.com.

10. The Register of Members and the Share Transfer books of the Company will remain closed from September 19, 2018 to September 25, 2018 (both days inclusive) in accordance with the provisions of Section 91 of the Act and the Listing Regulations for the purpose of the Meeting.

11. Route Map of the Meeting Venue is annexed with this notice.

12. Updation of Members Details

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their details to the Company's RTA.

SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company /RTA for registration of transfer of securities.

13. Members may please note that pursuant to the amendment in the Listing Regulations vide notification dated June 8, 2018, except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed after December 5, 2018 unless the securities are held in dematerialized form with the depository.

Accordingly, Members holding shares in physical form are requested to consider converting their holding to dematerialized form for ease of portfolio management. Members may contact the Company or its RTA for assistance in this regard.

14. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the Notice and accompanying explanatory statement, are open for inspection at the

Registered Office of the Company on all working days during business hours up to the date of the Meeting and will also be available for inspection at the venue during the Meeting.

15. In order to enable us to register your attendance at the Meeting, we request you to please carry details of your folio number/demat account number/DP ID-Client ID to the venue to enable us to give you an attendance slip for your signature and participation at the Meeting.
 16. As per the provisions of the Act, facility for making nomination is available to the Members in respect of shares held by them. Nomination forms can be obtained from the Company's RTA by Members holding shares in physical form.
- Members holding shares in electronic form may obtain Nomination forms from their respective DPs.
- Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.
17. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's RTA the details of such folios together with the share certificates for consolidating their holding in one folio.
 18. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
 19. Members are requested to notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
 20. Process and manner of voting through electronic means
 - a) In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, including any amendment, modification or variation thereof and the SS-2 issued by the Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to their members to exercise their right to vote on the resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").
 - b) The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but can opt for only one mode of voting i.e. remote e-voting or voting at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical voting at the meeting will not be considered.
 - c) The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Agency to provide e-voting facility.
 - d) Members holding shares in physical form or dematerialized form as on Tuesday, September 18, 2018 ("Cut-Off Date") shall be eligible to cast their vote by remote e-voting.

e) The remote e-voting period begins on Friday, September 21, 2018 at 9:00 a.m. (IST) and ends on Monday, September 24, 2018 at 5:00 p.m. (IST). During this period shareholders of the Company holding shares either in physical form or in dematerialized form as on the Cut-Off Date, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting after 5:00 p.m. on Monday, September 24, 2018.

21. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
22. The facility for voting through electronic voting system or ballot paper shall be made available at the Meeting and the Members attending the Meeting and who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
23. The voting rights of the Members/Beneficial Owners shall be reckoned on the paid-up value of shares registered in their name as at close of business hours on the Cut-Off date. A person who is not a Member as on the Cut-Off date should treat this Notice for information purposes only.
24. Any person (s) who acquires shares of the Company and becomes a Member(s) of the Company after dispatch of the Notice and holding shares as on the Cut-Off Date may follow the e-voting instructions forming part of this Notice.
25. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practising Company Secretaries, as Scrutinizer to scrutinize the remote e-voting process as well as voting at the Meeting in a fair and transparent manner.
26. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and shall within 2 days of conclusion of the Meeting submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman in writing, who shall countersign the same.
27. The Chairman or any other person authorised by him in writing shall declare the result of voting forthwith.
28. The results declared along with Scrutinizer's Report, will be placed on the Company's website www.bhushansteel.com and the website of NSDL immediately after the result is declared. The results shall simultaneously be communicated to BSE Limited and National Stock Exchange of India Limited where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of Meeting subject to receipt of the requisite number of votes in favour of the resolutions.

29. E-Voting Instructions

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

STEP A: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

- v. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

- viii. Now, you will have to click on "Login" button.

- ix. After you click on the "Login" button, Home page of e-Voting will open.

STEP B: Cast your vote electronically on NSDL e-Voting system

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote. The EVEN No. for Bhushan Steel is - 109245
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhushansteel.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Registered Office:

B-9 to 12, Okhla Industrial Area

Phase-I,

New Delhi 110020

CIN: L74899DL1983PLC014942

Website: www.bhushansteel.com

Dated : August 22, 2018

Place : New Delhi

By order of the Board

Sd/

(O.P. Davra)

Vice President (Corporate affairs) & Company Secretary
FCS 3036

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5:

The Board of Directors ("**Board**"), upon recommendation of the Nomination and Remuneration Committee ("**NRC**"), appointed Mr. Srikumar Menon as an Additional Director (Independent) of the Company, not liable to retire by rotation, effective August 9, 2018. Pursuant to the provisions of Section 161 of the Act and Article 164 of the Articles of Association of the Company, Mr. Menon will hold office up to the date of the ensuing Annual General Meeting ("**Meeting**") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, proposing the candidature of Mr. Menon for the office of Director.

The Company has received from Mr. Menon (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

The brief profile of Mr. Menon in accordance with the Listing Regulations and SS-2 are provided as annexure to this notice.

The resolution seeks the approval of the Members in terms of Section 149 read with Schedule IV and other applicable provisions of the Act and the Rules made thereunder, for appointment of Mr. Menon as an Independent Director of the Company for a period commencing August 9, 2018 through August 8, 2023. Mr. Menon, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Menon is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Menon as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days (Monday to Friday) up to the date of the Meeting.

The Board of Directors are of the opinion that Mr. Srikumar Menon will add significant strength to the Board and accordingly recommends the Resolution set forth in Item No.5 of the Notice.

None of the Directors, Key Managerial Persons or their relatives, except Mr. Srikumar Menon, to whom the resolution relates, is concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 6:

Pursuant to the resolution plan approved by Hon'ble National Company Law Tribunal ("**NCLT**") vide its order dated May 15, 2018, Tata Steel Limited

acquired the Company through its wholly owned subsidiary, Barnnival Steel Limited. Thus, in order to align to the Tata brand and also to give the Company a singular identity with the Tata Group, it is desirable to change the name of the Company.

The Board of Directors at its meeting held on August 9, 2018 has approved the proposal to change the name of the Company from "Bhushan Steel Limited" to "Tata Steel BSL Limited" or such other name as may be approved by the Registrar of Companies.

Pursuant to Section 13 of the Act, change in name of the Company and consequent amendment in the Memorandum and Articles of the Company requires approval of the shareholders of the Company by way of special resolution.

The Board of Directors recommends passing of the Special Resolution contained in Item No. 6 of the accompanying Notice.

None of the Directors, Key Managerial Persons or their relatives are in anyway, concerned or interested financially or otherwise in the said resolution.

ITEM NO. 7:

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice.

The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, as the Cost Auditor of the Company for the Financial Year 2018-19.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2019.

The Board recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

Annexure to the Notice

Details of Directors in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2)

Name	Mr. Anand Sen	Mr. Srikumar Menon
Date of Birth/ Age	17 th September 1959/ 58 years	22 nd June 1952/66 years
Profile	- Mr. Anand Sen is currently President - TQM & Steel Business in Tata Steel Limited and is responsible for the Steel Business including Marketing & Sales, Technology and for the promotion of TQM across Tata Steel India. - Mr. Sen has worked across Marketing and Sales, Strategy and Business Leadership, Operations, Maintenance, Supply Chain and Projects, in his more than three decades long career. - Mr. Anand Sen serves on the board of various Tata Steel Group companies including NatSteel Holdings Pvt. Ltd., Tata BlueScope Ltd., The Tinplate Company of India Ltd. etc. He is also on the board of Xavier Institute of Management, Bhubaneswar. - Mr. Sen is the Vice President of the Indian Institute of Metals and the Chairman of its Ferrous Division. He is a member of the advisory committees of the Centre of Excellence in Steel Technology at IIT Bombay and IIT Madras. He is an elected Corporate Member of the All India Management Association (AIMA) and Chairman of CII's Logistics & Supply Chain Taskforce for the Eastern Region	- Mr. Menon commenced his career in October 1978 with Balmer Lawrie where he devoted 16 years in finance functions holding various positions on pan India level and thereafter joined a joint venture of Balmer Lawrie, as CFO in 1994. - Mr. Menon joined Linde India Ltd (previously BOC India) in 1998, Pidilite Industries in 2000 and again joined Linde India Ltd in October 2001 as Finance Director and took over as the Managing Director of the company in October 2008. He was an integral part of the team that turned around the company from the losses of the early 2000's. He retired as the Managing Director, South Asia for the Linde Group. - Mr. Menon is currently serving as the Independent Director in Tata steel Processing and Distribution Limited, Tata Bluescope Steel Limited etc. - Mr. Menon has also held various positions in prestigious organizations viz. past President of The Tollygunge Club, member of its General Committee, Council Member of the Eastern Region of the Indo-German Chamber of Commerce, a member of General Committee of CII etc.
Nature of his expertise in specific functional areas	- Business Administration - Marketing and Sales - Strategy and Business Leadership - Operations - Supply Chain and Projects	- Business Administration - Strategy - Leadership - Entrepreneurship - Corporate Finance
Date of first appointment on the Board	May 18, 2018	August 9, 2018
Qualifications	B. Tech from IIT Kharagpur - MBA from IIM Kolkata - Executive MBA from CEDEP at INSEAD	- Chartered Accountant - Commerce Graduate (Hons) from Hindu College, Delhi University.
Experience	More than 30 years	More than 40 years
Terms and conditions of appointment	Non-Executive Director liable to retire by rotation	Independent Director for a period of 5 years, not liable to retire by rotation
Details of remuneration sought to be paid	Not Applicable	Sitting fees and Commission, if any, as approved by the Board
Last drawn remuneration, if applicable	Not Applicable	Not Applicable
Shareholding in the company held either by himself or on a beneficial basis for any other persons	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not Applicable	Not Applicable

Name	Mr. Anand Sen	Mr. Srikumar Menon
The number of meetings of the Board attended during the Year	NIL (2017-18)	NIL (2017-18)
Directorship held in other companies as on date	1. Tayo Rolls Limited 2. The Tinsplate Company of India Ltd 3. Tata Steel Processing and Distribution Limited 4. Jamshedpur Continuous Annealing & Processing Company Private Limited 5. Tata Bluescope Steel Limited	1. Balmer Lawrie-Van Leer Limited 2. Tata Steel Processing and Distribution Limited 3. Etrans Solutions Private Limited 4. Calcutta Promotions 5. Tata Bluescope Steel Limited 6. Ramp Insurance Brokers Private Limited
Membership/ Chairmanship of Committees of other Companies as on date	1. Tayo Rolls Limited Shareholders Grievance Committee-Chairman Nomination and Remuneration Committee- Member 2. The Tinsplate Company of India Ltd Corporate Social Responsibility Committee- Chairman Shareholders Grievance Committee-Member 3. Tata Steel Processing and Distribution Limited Nomination and Remuneration Committee- Member 4. Jamshedpur Continuous Annealing & Processing Company Private Limited Nomination and Remuneration Committee- Chairman 5. Tata Bluescope Steel Limited Nomination and Remuneration Committee- Chairman Corporate Social Responsibility Committee- Member	1. Balmer Lawrie-Van Leer Limited Audit Committee-Chairman 2. Tata Steel Processing and Distribution Limited Nomination and Remuneration Committee- Chairman Audit Committee- Member 3. Tata Bluescope Steel Limited Audit Committee- Member Corporate Social Responsibility Committee- Member

Note: Pursuant to BSE Circular No. LIST/COMP/14/ 018-19, dated June 20, 2018, the Company hereby confirms that Mr. Anand Sen and Mr. Srikumar Menon are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

BHUSHAN STEEL LIMITED

Registered Office: B-9 to 12, Okhla Industrial Area Phase-I, New Delhi -110020
Tel & Fax.: 91-11-26811033
Corporate Office: 23, Site IV, Sahibabad Industrial Area, Distt. Ghaziabad -201010, Uttar Pradesh
Tel & Fax.: 91-120-3028001
Website: www.bhushansteel.com | E-mail: bsl@bhushansteel.com | CIN: L74899DL1983PLC014942

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014, as amended]

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ DP ID & Client Id:	

I/We, being the holder(s) of shares of the above named Company, hereby appoint:

1.	Name:	
	Address:	
	E-mail id:	
	Signature:	Or failing him

2.	Name:	
	Address:	
	E-mail id:	
	Signature:	Or failing him

3.	Name:	
	Address:	
	E-mail id:	
	Signature:	

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Tuesday, September 25, 2018 at 12:00 Noon (IST) at Kamani Auditorium, 1 Copernicus Marg, New Delhi - 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

(* Optimal)

Sl. No.	Resolution	For	Against
Ordinary Businesses			
1.	Consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon		
2.	Consider and adopt the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Report of the Auditors thereon		
3.	Appointment of Director in place of Mr. Anand Sen (DIN:00237914), who retires by rotation and being eligible, seeks re-appointment		
4.	To appoint M/s. Walker Chandiok & Co LLP as the Statutory Auditors of the Company		
Special Businesses			
5.	Appointment of Mr. Srikumar Menon (DIN:00470154) as an Independent Director		
6.	Change in name of the Company to "Tata Steel BSL Limited" or such other name as may be approved by the Registrar of Companies and consequent amendments in the Memorandum and Articles of Association of the Company		
7.	Ratification of remuneration of Messrs Shome & Banerjee, Cost Auditors of the Company		

Affix Re
1.revenue
stamp

Signed this..... day of.....2018

Signature of shareholder

Signature of the Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited/received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 35th Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a Proxy does not prevent a Member from attending in person if he so wishes
5. In case of Joint Holder, the signature of any one holder will be sufficient, but names of all Joint Holders should be stated,

ROUTE MAP



Time from Mandi House Metro Station - 3 min.

Time from India Gate - 5 min.

Time from ITO Metro Station - 6 min.

Time from Barakhamba Road Metro Station - 6 min.

Venue : Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001

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Tel & Fax.: 91-11-26811033

Corporate Office: 23, Site IV, Sahibabad Industrial Area, Distt. Ghaziabad -201010, Uttar Pradesh

Tel & Fax.: 91-120-3028001

Website: www.bhushansteel.com | E-mail: bsl@bhushansteel.com | CIN: L74899DL1983PLC014942

ATTENDANCE SLIP

35th Annual General Meeting on Tuesday, September 25, 2018 at 12:00 Noon (IST)

At Kamani Auditorium, 1 Copernicus Marg, New Delhi - 110001

Sr. No.

Name and Registered Address
of the Sole / First named Shareholder :

Name(s) of Joint Holder(s), (If any) :

Folio No. / DP ID / Client ID :

Full name of the Member: _____ Signature: _____

Full name of the Proxy holder _____ Signature: _____

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company held on Tuesday, September 25, 2018 at 12:00 Noon (IST) at Kamani Auditorium, 1 Copernicus Marg, New Delhi - 110001.

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

Strike out whichever is not applicable

E-VOTING INFORMATION

EVEN (Electronic Voting Event Number)	User ID	Password
109245		



BHUSHAN

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