

BHUSHAN STEEL LIMITED



BHUSHAN

Corporate Office :

Bhushan Centre, Hyatt Regency Complex,
Bhikaji Cama Place, New Delhi - 110066
Tel. : 91-11-71194000 Fax : 91-11-46518611

BSL/CS/SE16
November 26, 2016

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (E)
MUMBAI - 400051.

**SUB.: ANNEXURE - I STATEMENT ON IMPACT OF AUDIT QUALIFICATION (FOR
AUDIT REPORT WITH MODIFIED OPINION) (STANDALONE AND
CONSOLIDATED).**

Dear Sir,

This refers to your e-mail dated 25-11-2016 regarding non submission of Statement of Impact of Qualification (in case of audit reports with modified opinions) alongwith in the Annual Report as per Regulation 34(2) (a) of the SEBI (LODR) Regulations, 2015.

In this connection we have to state that Statement in Annexure -I on Impact of Audit Qualification (for audit report with modified opinion) (standalone and consolidated) have already been submitted vide our letter no. BSL/CS/SE16 dated 30-05-2016 along with Outcome of Board Meeting held on 30-05-2016, which is very much available on website of NSE.

We have already filed our Annual Report 2015-16 on 19-09-2016 which is very much available on website of NSE. However as required by your above e-mail, we are trying to submit the Statement in Annexure -I on Impact of Audit Qualification (for audit report with modified opinion) (standalone and consolidated) along with Annual Report for financial year 2015-16, but the system is not accepting the same in Compliance>annual report and message appeared that "Record for Financial year already exist".

In view of above compliance of your email is being done by submitting Statement in Annexure -I on Impact of Audit Qualification (for audit report with modified opinion) (standalone and consolidated) along with Annual Report for financial year 2015-16 through Compliance> Announcement.

This is for your information and record.

Thanking you,

Yours faithfully,
for **BHUSHAN STEEL LIMITED**

(O. P. DAVRA)
COMPANY SECRETARY



Encl. : as above

ANNEXURE - I

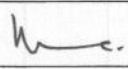
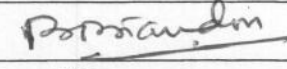
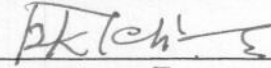
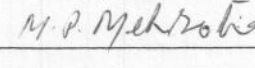
BHUSHAN STEEL LIMITED

Regd. Office : Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place, New Delhi-110066
 Telephone: 91-11-71194000 Fax : 91-11-46518611 Website : www.bhushansteel.com Email: bsl@bhushansteel.com CIN : L74899DL1983PLC014942

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Financial Results-(standalone)

Statement of Impact of Audit Qualifications for the Financial Year ended 31st March, 2016-(Standalone)

(See regulation 33/52 of the SEBI (LODR) (Amendment) Regulation, 2016)

		(Rs. In Lacs)		
I	SI No.	Particulars	Audited Figures (As reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications) **
	1	Turnover/Total Income	1182547	1182547
	2	Total Expenditure	1539932	1539932
	3	Net Profit / (Loss)	(283937)	(283937)
	4	Earning Per Share (Rs.)	(126.12)	(126.12)
	5	Total Assets	5415906	5415906
	6	Total Liabilities	4943424	4943424
	7	Net Worth	472482	472482
	8	Any Other financial items (as felt appropriate by the management)	-	-
	**	Refer Clause II (e) (ii) below		
II	Audit Qualification (each audit qualification seperately			
	a.	Details of Audit Qualification :	The Supreme Court of India, vide its order dated 24.09.2014, cancelled number of coal blocks allocated to various entities, which includes one coal block allocated to the company and one of its associated 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 the coal blocks.No effect has been taken on the value of investment made by the company in the de-allocated coal blocks amounting to Rs.56289.96 lacs (including expenditure incurred of Rs.13546.46 lacs and advance given of Rs.42743.50 lacs) and Rs.669.25 lacs in Equity Shares/advance for share capital in the associate company, whose coal blocks have been de-allocated. In the opinion of the management, the company / associated company will receive back the payments / expenditure paid / made, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks. The company has filed its claim for compensation during the year with Government of India, Ministry of Coal and accordingly the investment made by the company of Rs.56289.96 lacs has been reclassified to non-current assets from capital work in progress and capital advances.We are unable to comment on the impact on the value of investment made by the company and its associate in the de-allocated coal blocks and their consequent impact on the losses for the financial year ended March 31, 2016	
	b.	Type of Audit Qualification : Qualified Opinion/ Disclaimer of Opinion/ Adverse Opinion	Qualified Opinion	
	c.	Frequency of Qualification :	If nd Time	
	d.	For Audit Qualifications where the impact is quantified by the auditors,	No	
	e.	For Audit Qualifications where the impact is not quantified by the auditors	No	
	i	Management's estimation on the impact of audit qualification:	No	
	ii	If management is unable to estimate the impact, reasons for the same:	The Company and its associate company has filed its claim with Ministry of Coal for compensation & expect to recover the amount. No communication has been received by the company from Ministry of Coal, hence as such no quantification is possible .	
	iii	Auditors' comments on (i) or (ii) above:	Nil	
III	Signatures:			
	* Managing Directors/Whole Time Director			
	* Chief Financial Officer			
	* Audit Committee Chairman			
	* Satautory Auditors (1) Mehra Goel & company			
	* (2) Mehrotra & Mehrotra			
Place : New Delhi				
Date: 30th May, 2016				

ANNEXURE - I

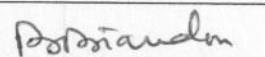
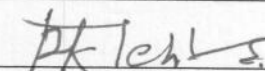
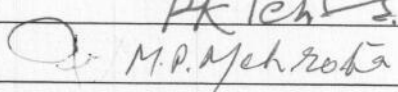
BHUSHAN STEEL LIMITED

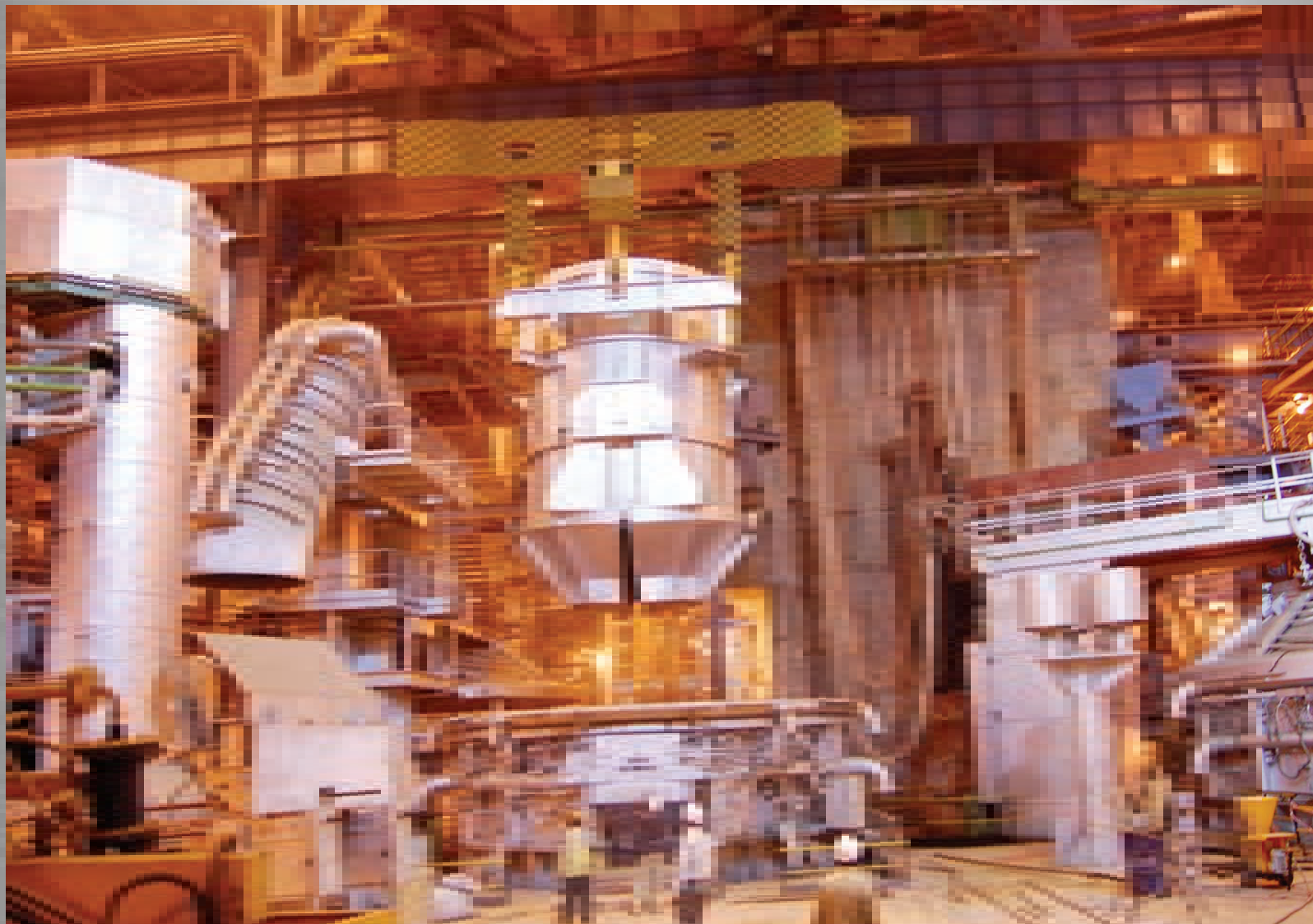
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Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Financial Results-(Consolidated)

Statement of Impact of Audit Qualifications for the Financial Year ended 31st March, 2016-(Consolidated)

(See regulation 33/52 of the SEBI (LODR) (Amendment) Regulation, 2016)

		(Rs. In Lacs)		
I	SI No.	Particulars	Audited Figures (As reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications) **
	1	Turnover/Total Income	1182530	1182530
	2	Total Expenditure	1539877	1539877
	3	Net Profit /(Loss)	(291139)	(291139)
	4	Earning Per Share (Rs.)	(129.30)	(129.30)
	5	Total Assets	5411813	5411813
	6	Total Liabilities	4945997	4945997
	7	Net Worth	465816	465816
	8	Any Other financial items (as felt appropriate by the management)	-	-
	**	Refer Clause II (e) (ii) below		
II	Audit Qualification (each audit qualification seperately			
	a.	Details of Audit Qualification :	The Supreme Court of India, vide its order dated 24.09.2014, cancelled number of coal blocks allocated to various entities, which includes one coal block allocated to the company and one of its associated 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 the coal blocks.No effect has been taken on the value of investment made by the company in the de-allocated coal blocks amounting to Rs.56289.96 lacs (including expenditure incurred of Rs.13546.46 lacs and advance given of Rs.42743.50 lacs) and Rs.669.25 lacs in Equity Shares/advance for share capital in the associate company, whose coal blocks have been de-allocated. In the opinion of the management, the company / associated company will receive back the payments / expenditure paid / made, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks. The company has filed its claim for compensation during the year with Government of India, Ministry of Coal and accordingly the investment made by the company of Rs.56289.96 lacs has been reclassified to non-current assets from capital work in progress and capital advances.We are unable to comment on the impact on the value of investment made by the company and its associate in the de-allocated coal blocks and their consequent impact on the losses for the financial year ended March 31, 2016	
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	c.	Frequency of Qualification :	II nd Time	
	d.	For Audit Qualifications where the impact is quantified by the auditors,	No	
	e.	For Audit Qualifications where the impact is not quantified by the auditors:		
	i	Management's estimation on the impact of audit qualification:	No	
	ii	If management is unable to estimate the impact, reasons for the same:	The Company and its associate company has filed its claim with Ministry of Coal for compensation & expect to recover the amount. No communication has been received by the company from Ministry of Coal, hence as such no quantification is possible .	
	iii	Auditors' comments on (i) or (ii) above:	Nil	
III	Signatures:			
	*	Managing Directors/Whole Time Director		
	*	Chief Financial Officer		
	*	Audit Committee Chairman		
	*	Satatutory Auditors (1) Mehra Goel & company		
	*	(2) Mehrotra & Mehrotra		
	Place : New Delhi			
	Date: 30th May,2016			



BHUSHAN STEEL LIMITED

The Future of Steel

Annual Report 2015-16

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brij Bhushan Singal

Non-Executive Chairman

Mr. Neeraj Singal

Vice-Chairman & Managing Director

Mr. Nittin Johari

Whole-time Director (Finance) & Chief Financial Officer

Mr. Rahul Sen Gupta

Whole-time Director (Technical)

Mr. P. K. Aggarwal

Whole-time Director (Commercial)

Mr. B.B. Tandon

Director

Mr. M.V. Suryanarayana

Director

Mr. Ashwani Kumar

Director

Mr. Rakesh Singhal

Director

Mr. Pradeep Patni

Director

Mr. Sahil Goyal

Director

Mr. Pankaj Sharma

Director

Mr. Kapil Vaish

Director

Mr. A. K. Deb

Nominee Director of SBI

Dr. Rajesh Yaduvanshi

Nominee Director of PNB

Mr. Vipin Anand

Nominee Director of LIC

LEAD BANKERS

State Bank of India

Punjab National Bank

WORKS

P.O. Shibapur, Meramandali

Distt.: Dhenkanal - 759 121

(Odisha) INDIA

Site IV, Sahibabad Industrial Area,

Distt. Ghaziabad - 201 010

(U.P.) INDIA

Village: Nifan, Savroli,

Kharpada Road,

Taluka-Khalapur, Near Khopoli,

Distt.: Raigad - 410 203

(Maharashtra) INDIA

COMPANY SECRETARY

Mr. O.P. Davra

AUDITORS

Mehra Goel & Co.

Chartered Accountants

Mehrotra & Mehrotra

Chartered Accountants

REGISTERED AND CORPORATE OFFICE

Bhushan Centre, Ground Floor, Hyatt Regency

Complex, Bhikaji Cama Place

New Delhi-110066

Phone No.: 011- 71194000

Fax No.: 011- 46518611

e-mail : bsl@bhushansteel.com

Website : www.bhushansteel.com

CIN : L74899DL1983PLC014942

REGISTRAR & SHARE TRANSFER AGENTS

M/S RCMC SHARE REGISTRY PVT. LTD.

B-25/1, First Floor, Okhla Industrial Area Phase II,

New Delhi - 110020.

Phone : 011 – 26387320, 26387321, 26387323

Fax : 011 - 26387322

e-mail : shares@rcmcdelhi.com

BOARD'S REPORT

Dear Shareholders,

Your directors are pleased to present the 33rd Annual Report and the Audited Statement of Accounts for the financial year ended March 31, 2016.

FINANCIAL RESULTS

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Gross Revenue	1312406.77	1173501.72
Profit /Loss Before Depreciation and Tax	(247410.20)	(31655.01)
Depreciation &Amortisation	109974.44	93839.85
Profit /Loss Before Tax	(357384.64)	(125494.86)
Provision for Deferred Tax	(73447.93)	(112.06)
Profit /Loss After Tax	(283936.71)	(125382.80)
Profit /Loss brought forward from Previous Year	(124270.06)	1112.74
Profits/Loss available for appropriation	(408206.77)	(124270.06)

DIVIDEND

In view of the loss incurred during the year the Board does not consider it expedient to recommend any dividend.

STATE OF COMPANY'S AFFAIRS

► GROSS REVENUE:

During the year your Company has achieved the Gross sales of ₹ 13124 Crores in comparison of previous year's level of ₹ 11735 Crores.

Enormous increase in finance cost, continuous slump in the steel industry and delay in stabilizing the expansion of Phase-3 of the Company has impacted the business and are the primary reasons for the losses incurred by the Company during the FY 2015-16.

The Company has been facing severe stress in its debt servicing from past few years. This is due to several reasons and circumstances faced by the company which led to adding on stress on cash flows and consequently on debt servicing. The problems got aggravated in last two financial years when there has been sharp surge in imports of steel in India which led to substantial fall in domestic steel prices impacting the margins and cash flows significantly. Further, Joint Lender's Forum(JLF) has already been formed under the RBI Guidelines and JLF meetings are being conducted regularly to arrive at a long term viable solution for the company. The cash losses incurred by the company in last two years are as under:

Figures ₹ In Crore

Particulars	Loss After Tax	Cash Loss
FY 2015-16	(2839.37)	(2474.10)
FY 2014-15	(1253.83)	(316.55)

► EXPORTS:

The company has achieved the Export Turnover of ₹ 1198.33 crores, in comparison of previous year's level of ₹ 1536 crores. The export turnover during the FY 2015-16 is lower due to submerged demand in international market. There has been volatility and sluggish demand in the international market due to oversupply of steel by the China and Russia.

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

Our products are being exported across the globe.

► COMPLETION OF BALANCE CAPEX FACILITIES:

Your company is under implementation of completion of balance capex facilities like Coal Washery & Raw Material Handling System,

Downstream Facilities, Boilers, Coke Dry Quenching, HSM Extension and Reheating Furnace. These facilities are expected to be completed in FY 2017.

The banks have sanctioned ₹ 905 Crores for completion of said balance facilities.

► FINANCE:

The Working Capital facilities available to the company for its Sahibabad, Khopoli and Orissa Plants amounts to ₹ 12280 crore (Fund Based limit of ₹ 5651 crores and Non Fund Based limit of ₹ 6629 crores).The enhanced working capital for the year 2015-16 has not been sanctioned by the banks.

ISSUE AND REDEMPTION OF PREFERENCE SHARES

The Company has made an allotment of 2,00,000 12% Redeemable Cumulative Preference Shares of ₹ 100 each in November 2015 and redeemed 7,12,587 10% Redeemable Cumulative Preference shares of ₹ 100 each as per the terms of the Issue out of the proceeds of the fresh issue of shares.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in the composition of the Board of Directors and other Key Managerial Personnel

Smt. Promila Bhardwaj, as an Additional Independent Director and Mr. Vipin Anand as Nominee Director of Life Insurance Corporation of India (LIC) were inducted in the Board in its meeting held on 30th May 2016.

Smt. Sunita Sharma and Smt. Promila Bhardwaj were ceased to be directors of the Company. The Board placed on record its appreciation of the valuable contribution and guidance provided by them.

Currently the Board of Directors of the Company consists of 16 directors, out of which Eight are Independent directors, Three are Nominee directors, Four are Executive directors and One is Non-executive Chairman.

Due to the loss incurred during the year, the Company has applied to the Central Government for the approval of managerial remuneration and Central Government has granted approval for payment of Managerial Remuneration.

Clarification has been sought from the Central Government vide letter dated 05.05.2016 and 13.06.2016 for payment of leave encashment , provident fund and car perquisites to managerial personnel. Reply from the Central Government is still awaited.

Independent Directors' Declarations

All Independent directors have given declarations that they meet the criteria of independence as laid down under section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board meeting.

Retirement by rotation

In terms of Section 152 of the Companies Act, 2013 Mr. Brij Bhushan Singal and Mr. P. K. Aggarwal, Directors would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. Brij Bhushan Singal and Mr. P. K. Aggarwal, Directors of the Company have offered themselves for the reappointment.

Further as per the requirement of Companies Act, 2013 and Listing Agreement, the following policies of the Company are attached herewith marked as **Annexure 'A'** and **Annexure 'B'**.

- Policy for selection of Directors and determining Directors independence; and
- Remuneration Policy for Directors, Key Managerial Personnel and other employees.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provision of Section 135 of the Companies Act 2013 read with CSR Rules the Company has constituted a CSR Committee consisting of three Directors, of which one is Independent Director. The composition, terms of reference etc. of the CSR Committee are laid out in the Corporate Governance Report which forms part of this Annual Report.

The CSR policy of the Company has been uploaded on the Company's website www.bhushansteel.com.

In pursuance of the provisions of the Companies Act, 2013 and CSR Policy of the Company it is required to spend two percent of the average net profits of the Company for the three immediately preceding financial years. The average net profits for three financial years were ₹ 54.38 Cr. and the Company was required to spend 2% i.e. ₹ 1.09 Cr. on CSR activities. However the Company has incurred losses amounting to ₹ 2838.99 Cr. during the financial year 2015-16. And it is facing uphill task in meeting its financial Obligations. Hence the Company is unable to spend any funds on CSR Activities for the time being. The Company will incur the sum on CSR activities as soon as financial position of the Company improved.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report and presented in a separate section as **Annexure 'C'**. The requisite certificate from the Auditors of the Company confirming compliances with the conditions of corporate governance is part of the report on Corporate Governance.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34(2) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section as **Annexure 'D'** forming part of the Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Consolidated Financial Statements presented by the Company include financial results of all its subsidiaries, joint ventures and associates. The Audited Financial Statements of the Subsidiary Companies have been reviewed by the Audit Committee and the Board.

A policy for determining material subsidiaries is displayed on the website of the Company - www.bhushansteel.com.

No Company has become Joint venture during the financial year 2015-16. A report on the performance and the financial position of the Subsidiaries, Associates and Joint venture as per Form AOC-1 are presented in the consolidated financial statement and hence not repeated here for the sake of brevity. Most of the Subsidiaries and Joint Venture of the Company have not commenced operations and their contributions to the overall performance of the Company is insignificant.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company has a Board approved policy on Related Party Transactions, which has been disclosed on the website of the Company and can be viewed at www.bhushansteel.com

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval as per provision of Companies Act 2013 read with applicable rules and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

All related Party Transactions are placed before the Audit Committee for approval. Prior Omnibus approval of the Audit Committee is obtained for the transactions which are of for seen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee from time to time..

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

RISK MANAGEMENT

Bhushan Steel follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Senior Management assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

INTERNAL FINANCIAL CONTROLS

The Board has laid down Internal Financial Controls within the meaning of the explanation to Section 134 (5) (e) of the Companies Act, 2013. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134(3) (c) of the Companies Act, your directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the loss of the Company for the year ended 31st March 2016;
- the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Policy is displayed at Company's website –www.bhushansteel.com.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, the directors individually as well as the evaluation of the working of various committees. The Independent directors also carried out the evaluation of the Chairman and the non-independent directors, the details of which are covered in the Corporate Governance Report.

- ▶ Criteria for evaluation of Directors – For the purpose of proper evaluation, the Directors of the Company have been divided into 3 (three) categories i.e. Independent, Non-independent and non-executive and executive directors. The criteria for evaluation includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, result, achievements, understanding and awareness etc.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s Mehra Goel & Co., Chartered Accountants and M/s. Mehrotra & Mehrotra, Chartered Accountants, Joint Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report contain one qualification/ reservation etc which is self-explanatory and do not call for any further comments.

Cost Auditors

The Board has appointed M/s Kabra & Associates as cost auditors for conducting the audit of cost records of the Company for the financial year 2015-16.

Secretarial Audit

The Board has appointed R. K. Rai, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure 'E'** to this Report. The remarks in the Secretarial Audit Report are self-explanatory and do not call for any further comments.

DISCLOSURES:

- ▶ **CSR Committee**
The CSR Committee comprises Mr. B. B. Singal (Chairman), Mr. B. B. Tandon, and Mr. Nittin Johari as other members.
- ▶ **Audit Committee**
The Audit Committee comprises Mr. B. B. Tandon (Chairman), Mr. B. B. Singal, Mr. M. V. Suryanarayana and Mr. Ashwani Kumar as other members.
- ▶ **Nomination and Remuneration Committee**
The Nomination and Remuneration Committee comprises Mr. M.V. Suryanarayana (Chairman), Mr. B. B. Singal and Mr. B. B. Tandon as other members.

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance presented as **Annexure 'C'** to this Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made guarantee given and securities provided, if any are given in the financial statement.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2015-16.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under sub-section 3(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 are provided in **Annexure 'F'** to this Report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure 'G'** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, a statement showing disclosures pertaining to remuneration and also the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the **Annexure 'H'** to this Report.

DEPOSITS

The Company has not accepted any deposits from the Public falling within the purview of Section 73 of the Companies Act, 2013 read with the Companies(Acceptance of Deposits) Rules, 2014.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude & appreciation for the valuable guidance & support received from Government of India, Government of Australia, various State Governments particularly including States of Orissa, Maharashtra & Uttar Pradesh; Banks and the financial Institutions; various stakeholders such as Shareholders, Debenture-holders, Customers, Dealers, Suppliers and all the business associates among others. Your Directors also wish to place on record their deep sense of appreciation & gratitude to all Company's employees for their continuous commitment & enormous personal efforts as well as their collective contribution towards the growth of the Company.

The Directors look forward to their continued support in future.

for and on behalf of the Board of Directors,

(B. B. SINGAL)
CHAIRMAN

Place : New Delhi
Dated : 06-08-2016

ANNEXURE 'A'

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

INTRODUCTION

1.1 Bhushan Steel Limited (BSL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, BSL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 BSL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. BSL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by BSL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

4. Policy:

4.1 Qualifications and criteria

4.1.1 Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as: General understanding of the Company's business dynamics, social perspective; Educational and professional background Standing in the profession; Personal and professional ethics, integrity and values; Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements: Shall possess a Director Identification Number; Shall not be disqualified under the Companies Act, 2013; Shall give his written consent to act as a Director; Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings; Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel; Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his share holding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

ANNEXURE 'B'

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. PREAMBLE

- The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board") and for Key Managerial Personnel ("KMP") and the Management Personnel ("MP") of the Company (collectively referred to as "Executives"). The expression KMP shall have the same meaning as defined under the Companies Act, 2013, "management personnel" means personnel of the company excluding Board of Directors comprising such levels of managerial personnel as may be decided from time to time. This Policy also provides a framework for identification of persons who are qualified to become directors and who may be appointed as senior management for recommendation of their appointment to the board. "Senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- This Policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the board of directors of the Company.
- The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

2. AIMS & OBJECTIVES

- The aims and objectives of this remuneration policy may be summarized as follows:
- The remuneration policy aims to enable the company to attract, retain and motivate high quality members for the Board and executives.

C. The remuneration policy seeks to enable the company to provide a well- balanced and performance-related compensation package, taking into account shareholder interests, industry practices and relevant Indian corporate regulations.

D. The remuneration policy will ensure that the interests of Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

E. The remuneration policy will ensure that remuneration to Executives involves a balance between fixed pay and incentive (by way of increment/bonus/ promotion/any other form) reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. PRINCIPLES OF REMUNERATION

- Support for Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's objectives.
- Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- Internal equity: The Company shall remunerate the Executives in terms of their roles and responsibilities within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures.
- Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration, whether as part of increment or separately and in such form as may be considered appropriate.
- Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. REMUNERATION TO NON EXECUTIVE DIRECTORS

Non Executive directors may be paid remuneration by way of fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the law applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013.

5. COMPENSATION STRUCTURE

Executives unless otherwise decided by the Committee shall receive a competitive remuneration package consisting of the following components:

Fixed salary

Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company.

Personal benefits

Executives may have access to benefits/perquisites as per the rules and regulations of the Company. Executives may also be entitled to retirement benefits such as provident fund, gratuity and/or such other benefits as per the rules of the Company.

6. CRITERIA FOR IDENTIFICATION OF THE BOARD MEMBERS AND APPOINTMENTS OF SENIOR MANAGEMENT

The members of the board shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner.

Independent directors shall be person of integrity and possess expertise and experience and/or someone who the Committee/board believes could contribute to the growth/philosophy/strategy of the Company.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievements.

Director should possess high level of personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

The candidate for the appointment of senior management should possess adequate qualification, characteristics and work experience.

The candidate for senior management should also possess high level of personal and professional ethics, integrity and values.

For any appointment of senior management, the existing employees in the organisation may be preferred. While assessing the candidature of existing employee, his/her past performance in the Company should be taken into consideration.

7. AMENDMENTS TO THIS POLICY

The Nomination and Remuneration Committee is entitled to amend this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this Policy.

8. APPROVAL AND PUBLICATION

This remuneration policy as framed and or amended by the Committee shall be recommended to the Board of Directors for its approval.

The policy of the Company has been uploaded on the Company's website www.bhushansteel.com.

ANNEXURE 'C'

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance has always been the top priority of the Company and has been taken high in letter and in spirit. Your Company strongly believes in maintaining transparency, accountability and integrity which are the main components in Corporate Governance. The philosophy is manifested in its operations through standards of ethical behavior, both within the organization as well as in external relationships too. The Company aims at maximizing shareholder's value and its philosophy is based on the fair and transparent disclosure of issues related with the Company's business, financial performance and matters relating to stakeholders' interest. We believe that Corporate Governance is the key element in improving efficiency, growth and investor's confidence.

Your Company's practices relating to the Corporate Governance for the Financial Year ended 31st March 2016 are discussed in the following sections:

2. BOARD OF DIRECTORS:

The current policy of the Company is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management. As on 31.03.2016 the Board of Director consists of Sixteen (16) Directors, out of which Twelve (12) are Non Executive Directors, Eight (08) of whom being independent.

The Directors have expertise in the fields of industry, operations, finance, legal and management. The board shapes the vision of the Company and provides strategic guidance and independent

views to the Company's management while discharging its fiduciary responsibilities.

Composition and category of Directors are as under :-

Category	Name of Directors.
Promoters/Executive Director	Sh. Neeraj Singal
Promoter Non-Executive Director & Chairman	Sh. B B Singal
Non-Promoter Executive Directors	Sh. Nittin Johari Sh. Rahul Sen Gupta Sh. P.K. Aggarwal
Independent Non-Executive Directors	Sh. B.B. Tandon Sh. M. V. Suryanarayana Sh. Rakesh Singhal Sh. Ashwani Kumar Sh. Pradeep Patni Sh. Sahil Goyal Sh. Pankaj Sharma Sh. Kapil Vaish
Nominee Director	Smt. Sunita Sharma (LIC) Sh. A. K. Deb (SBI) Dr. Rajesh Yaduvanshi (PNB)

Mr. B.B. Singal is father of Mr. Neeraj Singal. None of the other directors are related to any other director on the Board . Further all the Independent directors are meeting the criteria as laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 16(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

THE ATTENDANCE RECORD OF THE DIRECTORS AT THE BOARD MEETINGS HELD DURING FINANCIAL YEAR 2015-16 AND AT THE LAST ANNUAL GENERAL MEETING AS ALSO THE NUMBER OF DIRECTORSHIPS, COMMITTEE MEMBERSHIPS AND COMMITTEE CHAIRMANSHIPS HELD BY THEM IN OTHER COMPANIES AS ON 31.03.2016 ARE GIVEN BELOW:

Sr No	Name of Directors	Attendance Particulars			No of directorships, committee membership and chairmanship of Public companies		
		No. of Board Meetings held during their tenure in the F.Y. 2015-16	No. of Board Meeting Attended	Attendance at Last AGM.	Other Directorships (*)	Committee membership (*) (#)	Committee Chairmanship (*) (#)
1.	Sh. B.B. Singal	05	04	NO	6	4	3
2.	Sh. Neeraj Singal	05	04	YES	3	2	-
3.	Smt. Sunita Sharma \$	05	03	YES	5*	2*	1*
4.	Sh. A. K. Deb	05	05	YES	3	2	-
5.	Dr. Rajesh Yaduvanshi	04	04	YES	2	-	-
6.	Sh. B.B. Tandon	05	04	YES	8	9	2
7.	Sh. M. V. Suryanarayana	05	05	YES	2	2	-
8.	Sh. Rakesh Singhal	05	04	NO	1	-	-
9.	Sh. Ashwani Kumar	05	04	NO	7	8	4
10.	Sh. Pradeep Patni	05	01	YES	-	-	-
11.	Sh. Sahil Goyal	05	03	YES	2	-	-
12.	Sh. Pankaj Sharma	05	04	NO	-	-	-
13.	Sh. Kapil Vaish	04	04	YES	1	1	1
14.	Sh. Nittin Johari	05	05	YES	1	-	-
15.	Sh. Rahul Sen Gupta	05	03	NO	3	-	-
16.	Sh. P.K. Aggarwal	05	05	YES	2	1	-
17.	Sh. S. R. Sharma@	01	NIL	NO	-	-	-

@ Ceased to be director w.e.f. 10.06.2015. \$ Ceased to be director w.e.f. 06.04.2016.

* Excludes Directorships, Committee memberships and Committee Chairmanships of Private Limited Companies, Foreign Companies and Companies incorporated U/s 8 of the Companies Act, 2013

In accordance with Regulation 26 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 Memberships / Chairmanships of only Audit Committee and Stakeholder Relationship Committee have been considered.

None of the Director is member in more than ten committees and Chairperson of more than five committees across all listed entities.

3. BOARD MEETINGS:

The Board of Directors of the Company meets at regular intervals to discuss regular business matters and decide on Company's strategy, policies and programs. Board Meetings are usually held at Registered and Corporate Office of the Company at New Delhi. During the year five (05) Board Meetings were held on 27/05/2015, 14/08/2015, 19/09/2015, 14/11/2015 and 12/02/2016. Maximum time gap between the two consecutive meetings had not exceeded 120 days.

The agenda for Board Meetings and notes are circulated to the Directors in advance and all material information is included in the agenda for facilitating well informed and meaningful deliberation and decision making. The agenda of the meetings of the Board inter alia includes annual operating plans, capital budgets and updates therein.

4. AUDIT COMMITTEE:

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

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

The committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as all the members of the Audit Committee are independent except Sh. B. B. Singal.

As per Section 177 of the Companies Act, 2013 the Audit Committee acts in accordance with the terms of reference specified in writing by the Board which, inter alia, include —

- i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. examination of the financial statement and the auditors' report thereon;
- iv. approval or any subsequent modification of transactions of the company with related parties;
- v. scrutiny of inter-corporate loans and investments;
- vi. valuation of undertakings or assets of the company, wherever it is necessary;
- vii. evaluation of internal financial controls and risk management systems;
- viii. monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee are detailed hereunder:-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors and Cost Auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. Reviewing the following information:
 - I. Management discussion and analysis of financial condition and results of operations;

- II. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- III. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- IV. Internal audit reports relating to internal control weaknesses; and
- V. The appointment, removal and terms of remuneration of the Chief internal auditor

During the year, the committee has met five (5) times 27/05/2015, 14/08/2015, 19/09/2015, 14/11/2015 and 12/02/2016. Sh. M.V. Suryanarayana has attended all the meetings of the Audit Committee held during the year. Sh. B. B. Tandon, Sh. B.B. Singal and Sh. Ashwani Kumar attended four meetings of the Audit Committee.

5. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with the provision of Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 Nomination and Remuneration Committee was constituted. Presently the Committee comprises of Sh. M.V. Suryanarayana, Sh. B. B. Tandon and Sh. B.B. Singal.

Sh. M.V. Suryanarayana (Non Executive director) is the Chairman of the Committee.

During the year one meeting of Nomination and Remuneration Committee was held on 14.08.2015 which was attended by all the members of the Committee except Sh. B. B. Tandon.

TERMS OF REFERENCE OF THE COMMITTEE

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
- To carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To formulate remuneration policy and ensure that-
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

REMUNERATION POLICY:

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

Remuneration Policy of the Company has been uploaded on the website of the Company at <http://www.bhushan-group.org/downloads.html>.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Independent Directors are evaluated on parameters like Director's contributions at Board / Committee meetings, willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, ability to understand

governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee, adherence to Code of Conduct and how the independent Director is able to bring independent judgment during board deliberations on strategy, performance, risk management etc in addition to the criteria for evaluation of Non- Executive Directors.

DETAIL OF REMUNERATION PAID TO DIRECTORS :

(a) Remuneration paid to Executive Directors :

Sr. No.	Name	Designation	Salary including PF contribution (₹)	Other Perquisites (₹)	Total (₹)
1.	Sh. Neeraj Singal	Vice Chairman and Managing Director	1,20,00,000	26,06,934	1,46,06,934
2.	Sh. Nittin Johari	Whole-Time Director	1,38,38,462	39,600	1,38,78,062
3.	Sh. Rahul Sen Gupta	Whole-Time Director	95,30,769	39,600	95,70,369
4.	Sh. P.K. Aggarwal	Whole-Time Director	95,52,369	39,600	95,91,969

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

Sr. No.	Name	Designation	Sitting Fees (₹)	No. of Equity shares held as on 31.03.16
1.	Sh. B.B.Singal	Chairman	8,80,000	41103391
2.	Sh. B.B. Tandon	Director	2,00,000	-
3.	Sh. M.V. Suryanarayana	Director	2,40,000	-
4.	Sh. Ashwani Kumar	Director	1,80,000	-
5.	Sh. Pradeep Patni	Director	20,000	-
6.	Sh. Sahil Goyal	Director	80,000	-
7.	Sh. Rakesh Singhal	Director	1,00,000	-
8.	Sh. Pankaj Sharma	Director	1,00,000	-
9.	Sh. Kapil Vaish	Director	1,00,000	-
		TOTAL :-	19,00,000	

* Including sitting fees paid for attending the separate meeting of Independent directors.

Criteria for making payments to Non Executive Directors of the Company has been disclosed in the Policy for Nomination, Remuneration and Performance Evaluation adopted by the Company which is uploaded on the website of the Company at <http://www.bhushan-group.org/downloads.html>.

- (c) Besides salary and perks Executive Directors are entitled to superannuation or annuity fund, leave encashment and gratuity.
- (d) No Commission is paid to any Director.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee comprises of Sh. B.B. Singal, Sh. Neeraj Singal, and Sh. P.K. Aggarwal, Directors. This Committee has been constituted for considering and resolving the grievances of security holders of the company. Sh. B.B. Singal is the Chairman of the Committee.

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

The total number of complaints received and replied to the satisfaction of Shareholders during the year under review were 3. All the complaints were disposed off and there was no complaint pending as on March 31, 2016.

7. COMMITTEE ON BORROWINGS, INVESTMENTS AND LOANS:

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

Twenty seven (27) Nos. of Meetings of Committee of Board of Directors on Borrowings were held during the year 2015 - 2016 on 23-04-2015, 29-05-2015, 03-06-2015, 23-06-2015, 26-06-2015, 27-06-2015, 29-06-2015, 10-07-2015, 22-07-2015, 28-07-2015, 20-08-2015, 25-08-2015, 19-09-2015, 23-09-2015, 29-09-2015, 20-10-2015, 27-11-2015, 18-12-2015, 24-12-2015, 31-12-2015, 20-01-2016, 25-01-2016, 02-02-2016, 15-02-2016, 22-02-2016, 03-03-2016, 28-03-2016.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted Corporate Social Responsibility (CSR) Committee comprising Sh. B.B. Singal, being its Chairman and Sh. Nittin Johari and Sh. B. B. Tandon as its members.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

Terms of Reference of the Committee, inter alia includes the following:

- I. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder;
- II. To recommend the amount of expenditure to be incurred on the CSR activities;
- III. To monitor the implementation of the CSR Policy of the Company from time to time.

During the year one meeting of Corporate Social Responsibility Committee was held on 12.02.2016 which was attended by all the members of the Committee

9. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 12.02.2016 to discuss and review :

- the performance of non-independent directors and the Board as a whole
- the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

The meeting was attended by all the independent directors.

Details of familiarization programme imparted to the Independent Directors has been uploaded on the website of the Company at <http://www.bhushan-group.org/downloads.html>.

10. SUBSIDIARY COMPANIES

There is no material non-listed subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary companies.

11. GENERAL BODY MEETINGS:

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

Particulars	F.Y. 2014-15	F.Y. 2013-14	F.Y. 2012-13
Day, date, Time & Venue	Saturday 19th Sep. 2015 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010	Saturday 20th Sep. 2014 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010	Saturday 21st Sep. 2013 at 11.00 A. M. at Airforce Auditorium, Subroto Park, New Delhi- 110 010
Special Resolutions	One special resolution was passed regarding issue of Redeemable Cumulative Preference Shares	Nine Special Resolutions were passed	One special resolution was passed regarding further issue of securities

Special Resolutions passed through Postal Ballot

A Notice of postal ballot dated 14-02-2015 pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read together with the Companies (Management and Administration) Rules, 2014 has been sent to the members.

The Company has followed the procedure as prescribed under Companies (Management and Administration) Rules, 2014 and Members were provided the facility to cast their votes through electronic voting (e-voting) or through postal ballot.

Mr. R.S. Bhatia, a practicing Company Secretary (CP No. 2514, FCS 2599) was appointed by the Board of Directors of the Company as the scrutinizer for conducting the Postal Ballot process and e-voting process in a fair and transparent manner. The result of Postal Ballot was announced on Monday, 27th April, 2015 at the Registered Office of the Company. Total ten Resolutions were passed through Postal Ballot out of which nine resolutions were Special Resolutions. The Voting Pattern are as under:

Details of Voting Pattern

Sr. No.	Type of Resolution (Ordinary / Special)	Total No. of votes Polled	Valid vote cast in Favour of the resolutions	Valid vote cast Against the resolutions	% of Votes in favour on valid votes polled	% of Votes against on valid votes polled
1	Ordinary	198955103	198913937	35133	99.98	0.02
2	Special	198955103	190886196	8057925	95.95	4.05
3	Special	198955103	190805949	8137827	95.91	4.09
4	Special	198955103	198905986	37385	99.98	0.02
5	Special	198955103	190805707	8137820	95.91	4.09
6	Special	198955103	198904915	38297	99.98	0.02
7	Special	198955103	190805397	8136085	95.91	4.09
8	Special	198955103	198906096	37731	99.98	0.02
9	Special	198955103	190806402	8137300	95.91	4.09
10	Special	198955103	48480542	8050543	85.76	14.24

At present, no special resolution is proposed to be passed through postal ballot.

12. DISCLOSURES

12(a). There were no transaction of material nature with its related party i. e. with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

12(b). There were no instances of non-compliance by the Company nor have penalties, strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

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

Company has been uploaded on the website of the Company at <http://www.bhushan-group.org/downloads.html>.

- 12 (d)** A Policy for determining 'Material Subsidiaries' has been uploaded on the website of the Company at <http://www.bhushan-group.org/downloads.html>.

- 12 (e)** A Policy on dealing with related party transactions has been uploaded on the website of the Company at <http://www.bhushan-group.org/downloads.html>.

13. MEANS OF COMMUNICATION:

Timely sharing and disclosure of consistent, comparable, relevant and reliable information on the Company's performance is at the core of its Corporate Governance Policy. Summary of major efforts of the Company in this regard is given below:

Financial Results

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

Annual Report

Annual Report containing inter alia, Audited Annual Accounts, Consolidated Financial Statements Directors' Report, Management Discussion and Analysis and other regulatory reports is circulated to members and others entitled thereto. The management Discussion and Analysis Report forms part of Annual Reports. The Annual Report of previous years are also available on Company's web-site.

Corporate Presentation

Corporate Presentation of the Company covering inter alia Company's Overview, Growth History, Key Highlights and Summary Operating & Financial Performance is regularly given to institutional investors and latest Corporate Presentation is available on Company's web-site.

14. GENERAL SHAREHOLDERS' INFORMATION :

- (i)** Annual General Meeting for the year ending 31st March, 2016 – On Saturday, 17th September, 2016 at 11.00 A.M at Air Force Auditorium, Subroto Park, New Delhi – 110010.
- (ii)** As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 particulars of Directors seeking appointment at the forthcoming Annual General Meeting (AGM) are given in the Notes to the Notice of the AGM to be held on 17th September, 2016.

- (iii)** Financial Year : 1st April To 31st March

Financial Reporting for the Quarter ending :

30th June, 2016	On or before 14th September, 2016
30th September, 2016	On or before 14th December, 2016
31st December, 2016	On or before 14th February, 2017
31st March, 2017	On or before 30th May, 2017

- (iv) Date of Book Closure :**

The Book closure starts from 14th September, 2016 to 17th September, 2016 (both days inclusive) for the purpose of 33rd Annual General Meeting of the Company to be held on 17th September, 2016.

- (v) Dividend payment date :**

No dividend has been declared for 2015-16.

- (vi) Listing of Shares & Stock Code:**

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

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

Annual Listing fees for the year 2016-17 have been paid on due dates to both the Stock Exchanges i.e. BSE and NSE.

(vii) Market Price Data :

The High and Low of the share price of the Company at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) during each month from April, 2015 to March, 2016 are given below.

(Face value of each Equity Share: ₹ 2)

DATE	NSE		BSE	
	High	Low	High	Low
April, 2015	76.50	60.40	76.50	60.60
May, 2015	64.80	50.00	64.65	53.50
June, 2015	76.00	49.05	75.90	49.00
July, 2015	75.45	54.20	75.50	54.70
August, 2015	65.50	47.20	65.40	47.50
September, 2015	52.90	41.00	53.80	41.90
October, 2015	49.80	42.55	49.70	42.70
November, 2015	45.50	40.15	45.60	40.50
December, 2015	50.85	41.50	50.75	41.90
January, 2016	47.30	35.55	47.30	35.50
February, 2016	43.60	32.30	41.05	32.50
March, 2016	38.85	32.70	39.00	32.75

(viii) Share price performance in comparison to broad based indices – NSE Nifty and BSE Sensex based on share price on 31-03-2016.

During financial year 2015-16, share price of the Company was down in NSE by 44.79% and 45.36% in BSE as compared to decrease in NSE Nifty by 8.79% and BSE Sensex by 9.35%.

(ix) Share Transfer System:

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

Share Transfer Committee:

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

Physical Mode :

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

Dematerialised Mode :

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

(x) Distribution of Shareholding as on 31.03.2016

Distribution Schedule:

Shareholding of value of ₹	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
UPTO TO 5000	47250	97.70	11748730	23497460	5.19
5001 TO 10000	646	1.34	2327052	4654104	1.03
10001 TO 20000	242	0.50	1813000	3626000	0.80
20001 TO 30000	73	0.15	899351	1798702	0.40
30001 TO 40000	27	0.06	476366	952732	0.21

Shareholding of value of ₹	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
40001 TO 50000	18	0.04	406309	812618	0.18
50001 TO 100000	35	0.07	1245332	2490664	0.55
100001 and Above	71	0.15	207598606	415197212	91.65
	48362	100.00	226514746	453029492	100.00

Shareholding Pattern:

Sr. No.	Category	%age
1	Promoters	59.05
2	Banks, Financial Institutions, Mutual Funds, Insurance Companies	04.04
3	Foreign Institutional Investors, NRI's	00.21
4	Others	36.70

(xi) Dematerialisation of Shares & Liquidity:

225682768 equity shares of the Company's paid up equity share capital has been dematerialized upto 31st March, 2016. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).

(xii) Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

- Not Applicable

(xiii) Plant locations:

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

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

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

During the year under review the Company has credited ₹ 1,77,730/- to the Investor Education and Protection Fund in respect of the Unpaid/ unclaimed dividend amount relating to the Final dividend declared in 2007-08.

15. CEO AND CFO CERTIFICATION

As per provision of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Chief Executive Officer and Chief Financial Officer give Quarterly and Annual Certificate to the Board that the Financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

16. DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

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

I confirm that the Company has in respect of the financial year ended 31st March, 2016 received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Business Conduct and Ethics as applicable to them.

For the purpose of this declaration, Senior Management team means the members of the Management one level below the Managing Director as on 31st March, 2016.

Place: New Delhi
Date: 06-08-2016

Neeraj Singal
Managing Director

17. ADDRESS FOR CORRESPONDENCE :

Registered Office :
Bhushan Steel Limited
Ground Floor, Hyatt Regency
Complex,
Bhikaji Cama Place,
New Delhi-110 066.
Tel. : 011-39194000, 71194000
Fax : 011-46518611, 26478750
E-mail-bsl@bhushansteel.com
Web site : www.bhushansteel.com

Registrar and Transfer Agent :
RCMC Share Registry Pvt. Ltd.
(Unit : BHUSHAN STEEL LIMITED)
B-25/1, First Floor, Okhla Industrial
Area Phase II,
New Delhi - 110020.
Phone : 011 – 26387320, 26387321,
26387323
Fax : 011 - 26387322
e-mail: shares@rcmcdelhi.com

18. AUDITOR'S REPORT ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Bhushan Steel Limited (the Company), for the year ended 31.03.2016 as per the provisions of Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with stock exchanges for the period April 1, 2015 to November 30, 2015 and as per relevant provisions of the SEBI (Listing Obligations and Disclosures Requirement) 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

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

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

On the basis of representation received from Registrars and share transfer Agents and as per the records maintained by the Company which are presented to the shareholders / Investor Grievance Committee, we state that during the year ended 31st March, 2016, no investor grievances were pending for a period exceeding one month.

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

For Mehrotra & Mehrotra
Chartered Accountants

(M. P. Mehrotra)
Partner
M.No. 005699

Place: New Delhi
Date: 06.08.2016

ANNEXURE 'D'

MANAGEMENT DISCUSSION AND ANALYSIS:

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

INDUSTRY STRUCTURE & DEVELOPMENTS

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

FLAT PRODUCTS

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

LONG PRODUCTS

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

GLOBAL STEEL INDUSTRY

While the global outlook for steel is mildly positive as there are increasing signs of momentum in some parts of the world, there are still risks to global growth and a number of these evolve around China.

There is no consensus on whether China has reached peak steel consumption. The persistent rise in urbanization will continue to boost steel demand.

OUTLOOK

STEEL – a sector being driven to transform

The outlook for the global economy is mostly positive with growth picking up in the US, India and Southeast Asia, while several emerging markets are experiencing a deceleration in growth. However, the structural shift in the transitioning Chinese economy could cap this momentum.

Countries and businesses are becoming increasingly interdependent through trade, investment and financial system across the world.

The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming more diverse and global.

Real growth is in being a truly international player

To Survive and thrive, in a sector in constant transition, steelmakers need to transform themselves. Globalization is no longer a matter of choice, steel businesses long-term success depends on it. The businesses that ride the next wave of growth will be those that understand the trends and refine their strategies, business models and portfolios according to a truly global mindset.

The steel producers must find the right balance between globalization and customization.

Opportunity to embrace globalization

While the Chinese steel sector turns introspective over the next decade to deal with its excess capacity, pollution, low market concentration and lack of profitability, this is the window of opportunity to build competitive advantage now before superseded, more efficient Chinese steelmakers emerge in the global market. Steel companies that embrace globalization

(in their strategy, supply chains, knowledge and information, processes, talent and financial flows) while balancing with customization (of their products, marketing, stakeholder relationships) will emerge as sector leaders in the long term.

Key transformation themes for the sector

To succeed and become more competitive in this dynamic environment, steel companies need to focus on four critical themes:

Rationalize excess capacity

Increase market and product concentration

Increase market competitiveness

Embrace digital

INDIAN STEEL INDUSTRY

Steel industry in India, one of the fastest growing steel producing nations, is passing through "stress" for some time due to rising imports. Government has made efforts to check this by steps like imposing anti-dumping duty, safeguards duty on imported steel products and policy announcement on minimum import policy (MIP). After these steps, the pressure on the steel industry is gradually coming down. Average steel production in India is less in comparison to other developed or developing countries, India's per capita consumption of total steel stood at 59 kg compared to the world per-capita consumption of 217 kg during 2014. The main reason for higher per capita consumption of steel in developed countries due to higher level of infrastructure and industrial development, as compared to developing countries. There has been a total growth of 8 million tone in steel production in last two years both by public and private companies. This is a good indication. The demand for steel will grow as the focus on infrastructure grows. The average growth of crude steel production in the last three years was 1.3 percent for the world on the whole and 5.3 percent for India. The data release by the World Steel Association, which is reported on a calendar year basis, indicates that India has improved the global ranking and now become the third largest producer of crude steel in the world during 2015.

Threat and Opportunities

Indian steel makers are facing the tough time due to poor availability and high cost of the raw material in the domestic market and supply of cheaper material from neighboring markets. Commodity prices have rebounded from 25 year lows hit in January 2016 and prices are up for most large commodities. Domestic price have surged by \$ 50-60/tonne after the minimum import price (MIP) was imposed in February 2016. Even though Chinese prices have rallied too. Thus, Higher EBITDA should aid interest cover it adds.

Opportunities

The New Industrial policy opened up the Indian Iron and Steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

India 3rd largest producer of crude steel in the world (China being first and Japan being Second), has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon, provided all requirements for creation of fresh capacity are adequately met.

PERFORMANCE

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

major break downs or shutdowns. Brief performance of the Company is as follows:

(₹ in Crores)

Particulars	FY 2015-16	FY 2014-15	Variation
Turnover	13124.07	11735.02	1389.05
PBDIT & EXCEPTIONAL ITEMS	2108.20	2187.48	(79.28)
Interest and Financial Charges	4582.03	2494.03	2088.00
Depreciation	1099.75	938.40	161.35
Exceptional Items (Loss)	-	10.00	-10.00
Profit Before Tax	(3573.85)	(1254.95)	(4828.80)

RISKS AND CONCERNS

A detailed risk analysis for the project is presented in the table below:

Risk Factor	Proposed Mitigation Mechanism
Completion Risk	
Statutory Approvals / Clearances	Company has already complied with the requisite project clearances for plant facilities at Khopoli, Sahibabad and Odisha. Further, the necessary statutory clearances applicable to the other projects which are under implementation shall be obtained as and when required.
Operating Risk	
Raw Material Availability	The Company's steel manufacturing capacity at Odisha is located in a region with rich availability of staple raw material i.e. iron ore, coal and also has close proximity to ports for importing raw material. Iron ore is presently being bought by the Company from suppliers located in Barbil, Odisha such as Orissa Mining Corporation, Rungta, Essel Mining etc.. Coking coal is being imported from BHP Billiton, Australia. The Company currently procures thermal coal through linkages to Mahanadi Coal Fields and daily e-auctions organized by Coal India Limited and its subsidiaries.
Power Availability	Steel manufacturing process is power intensive and uninterrupted supply is necessary for its viability. BSL has a 110 MW captive power plant in Odisha, 24 MW at Sahibabad and another 24 MW at Khopoli. BSL is in the process of expanding its capacity from 110 MW to 307 MW at Odisha. In addition to above there is additional power generation capacity of 485 MW in Bhushan Energy an associate Company.
Technology Risk	In order to ensure high operational profitability, manufacturing facilities of BSL are updated with latest available technology and major equipments are procured from established and reputed manufacturers like Siemens, SMS Siemag, Paul Wurth, L&T etc. to minimize the performance risk. Further, BSL ensures performance parameters of equipments through liquidated damages clauses in the agreements in order to ensure that any failure/ malfunctioning of the equipment is taken care by the supplier during the performance guarantee period.

Risk Factor	Proposed Mitigation Mechanism
Market Risk	
Off-take Risk	With its wide range of value added products, strong customer relationships with OEMs and distribution network, BSL has leveraged its position as one of the major suppliers of flat steel products and also caters to the export market. BSL downstream facilities at Sahibabad and Khopoli are strategically located near to major white good markets i.e. Delhi/NCR and Pune respectively. These are the major hubs where majority of the automobile and consumer durable companies are located. BSL has its plants strategically located at Meramandali and Khopoli which are located near to the major international seaports such as Paradeep and Nhava Sheva JNPT port respectively. The plant at Khopoli, due to its proximity to west coast of India through JawaharLal Nehru Port enables the Company to capture the export market in African / Middle East countries. Similarly, the plant at Meramandali is located close to the East coast of India and enables the Company to capture South-East Asian and Australian markets. This enables BSL to send its product to the international markets with minimal inland transportation which reduces the overall freight charges and shipment time. Also, BSL has been a long term supplier to major renowned white goods manufacturers such as Maruti Suzuki, Tata Motors, Honda Cars, Mahindra & Mahindra, Ashok Leyland are few of the examples amongst Automobile sector. LG, Samsung, Videocon, Haier are the other renowned names in the consumer durable sector.

INTERNAL CONTROL SYSTEM

Management firmly believes that a strong internal control system with flexibility is imperative to realize Company's vision. Accordingly the company always gives priority to it to achieve the following objectives:-

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

However steps are being taken to further improve internal control system.

HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONSHIP

As on 31 March 2016, the company has 5345 employees in its family beside thousands of employees of its Contractors and suppliers.

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

Board of Directors on record thanks to all of the employees for their valuable contribution towards the growth of the company. Bhushan Steel encourages its team members to go beyond the scope of their work, undertake voluntary projects that enable to learn and contribute innovative ideas in meeting goals of the company.

ANNEXURE - E

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,
The Members,
Bhushan Steel Limited
Bhushan Centre, Ground Floor,
Hyatt Regency Complex,
Bhikaji Cama Place
New Delhi – 110066
CIN No.: L74899DL1983PLC014942

Subject: Secretarial Audit Report for the Financial Year 2015 – 2016.

Dear Sir / Madam

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bhushan Steel Limited (herein after called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

We report that:

Based on our verification of the Bhushan Steel Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Bhushan Steel Limited for the financial year ended on 31st March, 2016 according to the applicable provisions of:

- i. The Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 read with the rules made thereunder;
- ii. The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE ON THE COMPANY)
 - e) The Securities and Exchange Board of India (Issue and Listing

of Debt Securities) Regulations, 2008;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (NOT APPLICABLE ON THE COMPANY)
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE ON THE COMPANY) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE ON THE COMPANY)
- vi Other laws applicable to the Company as per the representations made by the Company are:
1. The Indian Explosive Act, 1884
 2. The Petroleum Act, 1934
 3. The Indian Boilers Act, 1923 and rules/regulations made thereunder
 4. The SMPV Rules, 1981
 5. Bio-Medical Waste (Management and Handling) Rules, 1998
 6. Fly Ash Notification, 1999
 7. Manufacture, Storage and Import of Hazardous Chemical Rules 1989
 8. Coal Mines (special provisions) Act, 2015

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the company with BSE Limited and National Stock Exchange of India Limited.
- (iii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

We further report that:

We have not reviewed the Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company as the same has been subject to review by the Statutory Auditors and others designated professionals.

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on review of quarterly compliance reports taken on record by the Board of Directors of the Company in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and applicable general laws like labour laws, competition law and environmental laws subject to the following observations:

- I. The Company has not spent any amount during the year towards Corporate Social Responsibility.
- II. Mr. Neeraj Singal, Vice Chairman and Managing Directors of the Company had filed an application under the consent order scheme of SEBI for regularization of delays in disclosures made under Regulation 13(6) of SEBI (Insider Trading) Regulations, 1992 and this case is still pending for approval.
- III. The company has not yet taken effect of value of investment made in the de-allocated coal blocks amounting to ₹ 56289.96 Lacs (including expenditure incurred ₹ 13546.46 Lacs and advance given ₹ 42743.50 Lacs) and ₹ 666.00 Lacs in Equity shares/ advance for share capital in the associated company whose coal blocks have been de-allocated

pursuant to provisions of Coal Mines (Special Provisions) act 2015.

- IV. A charge sheet has been filed in connection with a case registered by CBI against Mr. Neeraj Singal, Vice Chairman and Managing Director of the Company on 01.08.2014 under section 120(B) of Indian Penal Code and section 7, 12, 13(2) r/w 13(1)(d) of Prevention of Corruption Act, 1988.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of EDs, NEDs and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

1. The Company had applied to the Central Government by filing Form MR-2 for seeking the permission for reappointment and payment of remuneration to Managerial Personnel as the Company has incurred losses and the Central Government has granted its approval vide letter dated 22.03.2016.
2. Forms CG-1 were filed with the Ministry of Corporate Affairs for condonation of delay in filing of Form MR-2 for reappointment and payment of remuneration to Managerial Personnel. The Ministry of Corporate Affairs had issued order for condoning the delay under section 460(b) of the Companies Act, 2013 and accordingly the Company has filed Form INC-28 with the Registrar of Companies Delhi & Haryana on 28.06.2016.

R.K. RAI & CO.

Company Secretaries

Place: New Delhi

Rama kant Rai Proprietor FCS 6035,

Date: 06-08-2016

CP No. 7778

This report is to be read with our letter of even date which is given as under and form as integral part of this Report:

To,

The Members,
Bhushan Steel Limited
Bhushan Centre, Ground Floor,
Hyatt Regency Complex,
Bhikaji Cama Place
New Delhi – 110066
CIN No.: L74899DL1983PLC014942

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Company was following system of obtaining reports from various departments to ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

R.K. RAI & CO.

Company Secretaries

Place: New Delhi

Rama kant Rai Proprietor FCS 6035,

Date: 06-08-2016

CP No. 7778

ANNEXURE- F

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under sub-section 3(m) of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 are as under :

(A) CONSERVATION OF ENERGY

The Steps taken or impact on conservation of Energy;

The company have taken adequate measures towards conservation of energy and reducing the specific energy consumption in our Steel Plant. In 2015-16, we have achieved specific energy consumption 6.07 GCal/tcs which will be further reduced in coming years. The some of the steps taken by our company are described in following points;

- ❖ The coke rate yearly average of 353 kg/thm in BF#1 and 425 kg/thm in BF#2 achieved through good operating practices.
- ❖ The fuel rate yearly average of 530 kg/thm in BF#1 and 544 kg/thm in BF#2 achieved through improved operating practices.
- ❖ The PCI of Blast Furnace - 2 commissioned recently. The PCI rate yearly average of 114 kg/thm in BF#1 and 144 kg/thm in BF#2 realized with further optimization of energy consumption in Blast Furnaces's.
- ❖ BSL has set up two gas fired boilers of capacity 60 TPH and 125 TPH wherein the Blast Furnace Gas produced from Blast Furnace's (BF - 1 & BF -2) will be used as fuel for generation of power and process steam for operation of Steel Plant. These boilers will enable stopping venting of blast furnace gases and reduce the pollution load. This in turn generate power and process steam for the operations of Integrated Steel Plant.

With these Gas fired Boilers, the power situation of the Integrated Steel Plant will be stable and there will be reduction of coal usages to the extent of approx. 400000 tons of coals annually.

- ❖ The company has started the process of installing LED lamps and 20 % conventional lamps of steel plant replaced by LED lamps. We intend to install LED lamps in new installations and change existing HPSV lamps and fittings with energy efficient LED lamps within the plant premises in next three to four years time.
- ❖ The company has started the process of installing solar lighting system in common areas of Residential Township of Angul Plant.
- ❖ Efficient usage of In-plant wastes such as GCP Sludge, Fume Extraction dust, Mill Scale and BOF Filter Cake through Base Blending Station.
- ❖ Pre Heater for heating of combustion air and fuel gases in hot blast stoves of both the Blast furnaces.
- ❖ 100% utilization of blast furnace gases, coke oven gas & converter gas to meet the fuel requirement of steel plant as well generate power for captive usages.

The steps taken by the Company for utilising alternate source of Energy

The cleaner and energy efficient technologies with alternate source of Energy have been adopted in various existing technological units. We have implemented the Best Available Technologies (BAT) for iron and steel manufacturing to minimize the adverse impact on environment and surrounding. It's a new Integrated Steel Plant, the Phase - 1 commissioned during the year 2010 and Phase - 2 commissioned during the year 2014.

The Capital Investment on Energy Conservation equipments

Bhushan Steel Limited has adopted cleaner and energy efficient technologies while establishing its Steel Plants. Due to adoption of latest technologies in its existing plants, no separate capital investment was required to be made on Energy Conservation Equipments in present scenario.

(B) TECHNOLOGY ABSORPTION:

Efforts towards Technology Absorption:

The potential benefit derived from various energy conservation measures adopted by our company. We are virtually free from using the liquid fuel as source of energy for production process. We are using gaseous fuel which is by-product of the coke oven blast furnace and BOF (steel making unit) at various avenues and this is continual improvement like kaizen are as follows;

- ❖ As a part of replacement of Coal for generating steam in the AFBC & WHRB boilers in power plant, we could able to replace the coal of 3,200 Gross Calorific Value (GCV) by Coke oven gas of 4,200 GCV to the maximum possible extent.
- ❖ Coke oven gas is replaced by coal for generation of power in Blast Furnace power plant I, average generation per day around 2.0-3.0 MWH which effectively saved around average 1500 Mt of coal per month.
- ❖ Preheating of the ladles in the SMS/BOF shop by mix gas (mixture of blast furnace gas and coke oven gas with calorific value of 2200 Kcal/Nm³), which effectively saves the considerable amount of energy in the form of Furnace oil/HSD.
- ❖ Reheating furnace of rolling mill with capacity of 2 x 300 TPH we could able to run the same on mix gas i.e. Coke oven & Blast furnace gas, this saves effectively 200,000 Kcal/Mt of energy required for rolling as a replacement of furnace oil as the liquid fuel in the rolling mill
- ❖ Coke oven gas is used in Calcination Plant for calcination of lime/dolomite which could save us 800,000Kcal/Mt of energy. The production of fluxes (Lime/Dolomite) by using coke oven gas. The calcination process has improved the product quality with cost savings by using rich calorific value gas.
- ❖ Hot direct charging of the slabs from the continuous caster to Reheating Furnace of Hot Strip Mill. This reduces the effective energy consumed in rolling, we could able to achieve more than 70% of our production of hot rolled coils by hot direct charging method which reduces the energy consumption by tune of 200,000 Kcal/Mt.
- ❖ Usage of mix gas for preheating of the hot blast stove of blast furnace, alternative fuel for cold rolling mill and raw material drying purpose.
- ❖ Usage of mainly blast furnace gas(BFG) with 7 % Coke Oven Gas (COG) for internal heating of the Coke Oven Battery - 2.
- ❖ ESP of Sinter plant will be OFF automatically when inlet temp <100 deg after plant stoppage. After modification saving of approx. 300 KW of power /Hr. Plant de dusting ESP stops after Plant stop>1 hour.

The benefits derived like product improvement, cost reduction, product development or import substitution;

❖ Product Development Initiative in Angul Plant;

Bhushan Steel has tied up with IIT Mumbai for optimization of High Carbon, 75Ni8, 75Cr1 & C76 steel grade w.r.t end applications of the product after cold rolling and heat-treatment. IITM has started technical interaction with BSL Khopoli & Odisha and initiated action plan to proceed accordingly. Successfully Developed the IF grade steel for auto application as inner and outer panel in various sizes of 3.2 x 1260 – 1700 mm and 4.0 x 1260 – 1700 mm. Developed Boron treated Low carbon Steel for use in higher cold reduction at Cold Rolling Mill without compromising productivity by rolling the relatively thicker gauge strip in HSM. This has created niche in the market for the developed grades with selling at premium rates.

New steel grade developed in last year;

- IF Steel for Automotive industries.
- IF HS-340.

- BSK-46 for Auto Component
- API 5L X-80 for high strength line pipe applications.
- API 5CT grades like J55 & K55

❖ **The R&D infrastructure developed in Angul Plant with following facilities;**

- Metallurgical Micro-Scope of Germany make, model Leica-DM-6000 to investigate the micro-structure, grain size and inclusion rating in finished product.
- Latest Micro-hardness testing machine in Lab for measuring the hardness of different phases of steel.
- Tensile testing M/C of 150KN, 600KN & 1000KN. High temperature (up to 900°C) tensile testing provision in 600KN machine.
- DWTT Machine to investigate the % Shear Area of API grade Line pipe steel up to X80 grade to ascertain toughness in the material.
- Pendulum Impact Testing Machine with Cooling Chamber (up to -80°C) and Broaching Machine for notch making and profile projector for measuring accuracy of notch angle and depth.
- New advanced Hardness Testing Machines like universal hardness testing machine, Rockwell, Vicker, Brinell are available to measure the hardness of wide ranged product.
- Direct Reading Emission Spectrometer for heat and product analysis.
- XRF, XRD equipments are available for composition analysis.
- Leco "C & S" Analyzer and Leco O, H & N Analyzer.

❖ **Development of New Products / Hot Rolled Steel Grade**

There are various new steel grades taken as developmental grades as follows,

- IF-Steel, IFHS, Low Carbon B treated Steel, Medium Carbon with High Mn B treated Steel, BSK46, Boiler grade Steel, API grade Steel, HSLA Steel in Low thickness Strip with minimum YS 355Mpa, and HSLA Cu-bearing Steel with minimum Tensile 540Mpa for Indian Railways.

In case of imported technology (imported during the last three years reckoned from beginning of the financial year)

➤ The detail of the plant equipments imported during last three years are as follows:

Sl. No.	Description	Original 3.1 Mtpa	Year of Instal. / Import	Expansion 2.5 Mtpa	Year of Instal. / Import	Existing 5.6 Mtpa	Name of Technology / Equipment Supplier
1	Direct Reduction Iron (DRI)	10X500 tpd coal based DR Kilns	April'07 -'12		April'07 -'12	10 X 500 tpd	Lurgi TGS Kirkoskar ABB
1A	Briquetting Plant			100 tph		100 tph	KopperrnGmbh
2	Coke Oven Plant	2X 64 Oven (4.3m)	April'10	1 X 74 Oven (7.6 m)	June'14	2 X 64 Oven (4.3 m) 1 X 74 Oven (7.6 m)	China Shougang Paul Wurth HudecGmbh Schalke KIC Ltd. L&T
3	Sinter Plant	1 x 177 m ²	April'10	2 x 204 m ²	Oct'13	1 x 177 m ² 2 x 204 m ²	China Shougang Outotec Siemens L&T
4	Blast Furnace	1 x 1681m ³	April'10	1 x 3814m ³	May'14	1 x 1681m ³ 1 x 3814m ³	DanieliCorus Paul Wurth SiemensL&T Dalian Huarui Heavy Industry
5	Pre Treatment & Primary Steel making	1 x 60 t EAF 6 x 15 t (IF) 2 x 180 t HMDS 1 x 180 t CONARC		2 x 180 t HMDS 2 x 180 t BOF 2 x ARS (On Line)	Oct'13	1 x 60 t EAF 6 x 15 t (IF) 4 x 180 t HMDS 1 x 180 t CONARC 2 x 180 t BOF with 2 ARS on line	SMS Siemag Siemens Miwenti Ecomaster
6	Secondary Steel Making/Refining	1 x 60 t LF 1 x 15 t LF 1 x 60 t VD/VOD 2 x 180 t LF 1 x 180 t RH-OB	April'10	1x 180 t LF 1x 180 t CAS-OB	Sept'13	1 x 60 t LF 1 x 15 t LF 1 x 60 t VD/VOD 3 x 180 t LF, 1 x 180 t RH-OB 1 x 180 t CAS-OB	Danieli SMS Siemag Siemens

Sl. No.	Description	Original 3.1 Mtpa	Year of Instal./ Import	Expansion 2.5 Mtpa	Year of Instal./ Import	Existing 5.6 Mtpa	Name of Technology / Equipment Supplier
7	Continuous Casting Plant (Slab Caster)	1x 2 str + 1x 1str Billet Caster 1 x 1str Slab Caster (1300mm) 1 x 1 str Slab caster (1680mm)	April'10	2 x 1 str S C (1680mm)	May'13	1 x 2 + 1 x 3 strand strand Billet Caster 1x 1str SC (1300mm) 3 x 1 str SC (1680mm)	SMS Siemag Siemens SMS Logistic
8	Hot Strip Mill (HSM) Roll Shop Slitting & CTL	2 RHF 1 Roughing + 6 Finishing str +2 Down coiler	April'10	1 RHF 1 Roughing + 1 Finishing str +1 Down coiler	Under Implementation, July'15	3 RHF 2 Roughing +7 Finishing +3 Down coiler	SMS Siemag SMS Logistic Siemens Tenova Waldrich Siegen FIMI
9	Lime &Dolo Plant	4X 300tpd	April'10	1X600 tpd	March'16	4 X 300tpd 2 X 600 tpd	Qualical Siemens
10	Power Plant	1 X 33MW (1,2,9.10 -54.5tph each WHRB) 1X 77 MW (3 to 8 WHRB) +120t AFBC 12MW + 20 MW (3X 75t AFBC)		1X 165 MW (3X 275 tph CFBC) 1X 14 MW (TRT)	Nov'13	1 X 33MW (1,2,9.10 -54.5tph each WHRB) 1X 77 MW (3 to 8 WHRB) +120t AFBC 12MW + 20 MW (3X 75t AFBC) 1X 165 MW (3X 275 tph CFBC) 1X 14 MW (TRT)	BHEL Siemens IGT ABB Salzer Pumps KSB Pumps Adlec Kirloskar Crompton Greaves Universal Cables
11	CRM (With Annealing, Galvanizing, Colour coating facilites) Capacity 0.6 MTPA			HR Slitting Line Pickling Line 6 Hi CRM (1x1020mm 0.18Mtpa 1x1250mm 0.22Mtpa 1x1350mm 0.25Mtpa) Batch Annealing Furnace -18 Bases Electrolytic Cleaning Line Skin Pass Mill 2 nos. Galvanizing Line Colour Coating Line Slitting Lines Rewing cum Trimming Line Cut To Length Line Tension Leveling cum Rewinding Line Corrugation M/c H2 Generation Plant ARP ETP ARP, ETP etc	Dec'13		CMI FPE SMS Siemeg Hypertherm ABB Ebner Pomini Waldrich Siegen Sarclad FIMI Azax

It may be noted that the imported technology have been fully absorbed.

Expenditure incurred on Research and Development

Research and Development (R&D) activities at Bhushan Steel Limited are focused mainly on Process Improvements, Energy Conservation, Waste Utilization, Product Development and Improvement in quality of Finished Goods. The cost reduction through process competence is under our key focus area of R&D. We are now changing the levers of improvement towards process optimization and new product development with our in-depth understanding about the raw material and end application of our product. In principle, the R&D initiative is part of our regular investment considering sustainable production with good quality products.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned

Used : ₹ 4741.56 Cr.

Earned : ₹ 1198.33 Cr.

ANNEXURE- G

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L74899DL1983PLC014942
ii	Registration Date	08.01.1983
iii	Name of the Company	Bhushan Steel Limited
iv	Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government company
v	Address of the Registered office and contact details	Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place, New Delhi-110066 Tel. : 011-39194000, 71194000 Fax : 011-46518611, 26478750 E-mail-bsl@bhushansteel.com Web site : www.bhushansteel.com
vi	Whether listed company Yes / No	Yes. Listed in BSE & NSE
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	RCMC Share Registry Pvt. Ltd. (Unit : BHUSHAN STEEL LIMITED) B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi - 110020. Phone : 011 – 26387320, 26387321, 26387323 Fax : 011 - 26387322 e-mail: shares@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Metal	241-Manufacture of Basic Iron & Steel,	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Bhushan Steel (Orissa) Ltd.	U27100DL2010PLC202028	SUBSIDIARY	100.00	2(87)(ii)
2	Bhushan Steel Madhya Bharat Ltd.	U27100DL2010PLC202026	SUBSIDIARY	100.00	2(87)(ii)
3	Bhushan (South) Ltd.	U27100DL2010PLC202027	SUBSIDIARY	100.00	2(87)(ii)
4	BhushanSteel Australia Pty Ltd.	NA	FOREIGN SUBSIDIARY	90.97	2(87)(ii)
5	Bhushan Energy Limited	U40105DL2005PLC140748	Associate	47.71	2(6)
6	Bhushan Capital & Credit Services Private Limited	U74899DL1993PTC054636	Associate	42.58	2(6)
7	Jawahar Credit & Holding s Private Limited	U74899DL1993PTC054635	Associate	39.89	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	As on 31/03/2015				As on 31/03/2016					
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	101852018	0	101852018	44.96	101852018	0	101852018	44.96	0.00	
b) Central Govt State Govt (s)	0	0	0	0.00	0	0	0	0.00		
c) Bodies Corp.	32010805	0	32010805	14.13	31901188	0	31901188	14.08	-0.048	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00		
e) Others (trusts)	0	0	0	0.00	0	0	0	0.00		
Sub-total (A) (1):-	133862823	0	133862823	59.10	133753206	0	133753206	59.05	-0.048	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	As on 31/03/2015				As on 31/03/2016					
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Foreign									0.00	
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00		
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00		
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00		
d) Banks / FI	0	0	0	0.00	0	0	0	0.00		
e) Any Other....	0	0	0	0.00	0	0	0	0.00		
Sub-total(A)(2):-	0	0	0	0.00	0	0	0	0.00	0.000	
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	133862823	0	133862823	59.10	133753206	0	133753206	59.05	-0.048	
B. Public Shareholding									0.00	0.000
1. Institutions									0.00	0.000
a) Mutual Funds	1269	4000	5269	0.00	1356	4000	5356	0.00	0.000	
b) Banks/FI	27300	4000	31300	0.01	57798	4000	61798	0.03	0.013	
c) Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.000	
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.000	
e) Insurance Companies	9016484	0	9016484	3.98	9089012	0	9089012	4.01	0.032	
f) Foreign Institutional Investors	3235202	0	3235202	1.43	21222	0	21222	0.01	-1.419	
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.000	
h) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.000	
i) Any Other (Specify) - Foreign Financial Institution	0	0	0	0.00	0	0	0	0.00	0.000	
j) Any Others (Specify) Limited Liability Partnership	0	0	0	0.00	0	0	0	0.00	0.000	
Sub-total (B)(1):-	12280255	8000	12288255	5.42	9169388	8000	9177388	4.05	-1.373	
2. Non-Institutions										
a) Bodies Corp.	63228388	30805	63259193	27.93	62686327	30805	62717132	27.69	-0.239	
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	9982207	737086	10719293	4.73	15347610	724173	16071783	7.10	2.363	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4729930	0	4729930	2.09	3593085	0	3593085	1.59	-0.502	
C) Others : i) Clearing Members	1171193	0	1171193	0.52	758324	0	758324	0.33	-0.182	
ii) Non Residents	250559	69000	319559	0.14	374825	69000	443825	0.20	0.055	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	As on 31/03/2015				As on 31/03/2016					
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
iii) Foreign Company	0	0	0	0.00	0	0	0	0.00		0.000
iv) Trusts	164500	0	164500	0.07	3	0	3	0.00		-0.073
Sub-total (B)(2):-	79526777	836891	80363668	35.48	82760174	823978	83584152	36.90		1.422
Total Public Shareholding (B) = (B)(1) + (B)(2)	91807032	844891	92651923	40.90	91929562	831978	92761540	40.95		0.048
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00		
Grand Total (A+B+C)	225669855	844891	226514746	100.00	225682768	831978	226514746	100.00		0.000

b) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 31/03/2015			Shareholding at the end of the year 31/03/2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of total Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of total Shares Pledged/encumbered to total shares	
1	NEERAJ SINGAL	51480927	22.73	43341006	51480927	22.73	43202510	0.00
2	BHUSHAN INFRASTRUCTURE PVT. LTD.	32010805	14.13	4356419	31901188	14.08	4108305	-0.05
3	RITU SINGAL	6020309	2.66	4830311	6020309	2.66	4830311	0.00
4	PUSHPA GARG	1006150	0.44	0	1006150	0.44	0	0.00
5	BRIJ BHUSHAN SINGAL	41103391	18.15	38428439	41103391	18.15	38428439	0.00
6	BRIJ BHUSHAN SINGHAL (HUF)	10666	0.00	0	10666	0.00	0	0.00
7	AISHWARYA SINGAL	2230575	0.98	0	2230575	0.98	1705729	0.00
	TOTAL	133862823	59.10	90956175	133753206	59.05	92275294	-0.05

c) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Status	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NEERAJ SINGAL					
	At the beginning of the year		51480927	22.73	51480927	22.73
	At the end of the year				51480927	22.73
2	BRIJ BHUSHAN SINGAL					
	At the beginning of the year		41103391	18.15	41103391	18.15
	At the end of the year				41103391	18.15
3	BHUSHAN INFRASTRUCTURE PRIVATE LIMITED					
	At the beginning of the year		32010805	14.13	32010805	14.13
	21/04/2015	Transfer	-68500	-0.03	31942305	14.10
	22/04/2015	Transfer	-41117	-0.02	31901188	14.08
	At the end of the year				31901188	14.08
4	RITU SINGAL					
	At the beginning of the year		6020309	2.66	6020309	2.66
	At the end of the year				6020309	2.66

5	AISHWARYA SINGAL				
	At the beginning of the year		2230575	0.98	2230575 0.98
	At the end of the year				2230575 0.98
6	PUSHPA GARG				
	At the beginning of the year		1006150	0.44	1006150 0.44
	At the end of the year				1006150 0.44
7	BRIJ BHUSHAN SINGHAL (HUF)				
	At the beginning of the year		10666	0	10666 0
	At the end of the year				10666 0

d) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	For Each of the Top 10 Shareholders	Status	Shareholding at the beginning of the year (01/04/2015)		Cumulative Shareholding during the year (31/03/2016)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	ECL FINANCE LIMITED					
	At the beginning of the year 01/04/2015		10000000	4.42	10000000	4.42
	At the end of the year 31/03/2016				10000000	4.42
2	MOONSTAR SECURITIES TRADING & FINANCE COMPANY PVT. LTD.					
	At the beginning of the year 01/04/2015		9664565	4.27	9664565	4.27
	At the end of the year 31/03/2016				9664565	4.27
3	LIFE INSURANCE CORPORATION OF INDIA					
	At the beginning of the year 01/04/2015		8014898	3.54	8014898	3.54
	At the end of the year 31/03/2016				8014898	3.54
4	ARCHANA MITTAL					
	At the beginning of the year 01/04/2015		4073680	1.8	4073680	1.8
	03/04/2015	Transfer	-251832	-0.11	3821848	1.69
	10/04/2015	Transfer	-661848	-0.29	3160000	1.4
	24/04/2015	Transfer	-200000	-0.09	2960000	1.31
	At the end of the year 31/03/2016				2960000	1.31
5	FAMILY CREDIT LIMITED					
	At the beginning of the year 01/04/2015		3497500	1.54	3497500	1.54
	At the end of the year 31/03/2016				3497500	1.54
6	L AND T FINCORP LIMITED					
	At the beginning of the year 01/04/2015		2739981	1.21	2739981	1.21
	At the end of the year 31/03/2016				2739981	1.21
7	TERRIFIC STEEL PVT LTD					
	At the beginning of the year 01/04/2015		2119505	0.94	2119505	0.94
	23/10/2015	Transfer	29933	0.01	2149438	0.95
	13/11/2015	Transfer	29685	0.01	2179123	0.96
	20/11/2015	Transfer	25	0	2179148	0.96
	27/11/2015	Transfer	2	0	2179150	0.96
	04/12/2015	Transfer	6999	0	2186149	0.97
	01/01/2016	Transfer	280	0	2186429	0.97
	08/01/2016	Transfer	2	0	2186431	0.97
	22/01/2016	Transfer	74	0	2186505	0.97
	At the end of the year 31/03/2016				2186505	0.97
8	PROMINENT HOSPITALS PRIVATE LIMITED					
	At the beginning of the year 01/04/2015		2111195	0.93	2111195	0.93
	At the end of the year 31/03/2016				2111195	0.93
9	DELIGHT RESORTS PVT LTD					
	At the beginning of the year 01/04/2015		2102120	0.93	2102120	0.93
	At the end of the year 31/03/2016				2102120	0.93
10	TITANIC DEVELOPERS AND BUILDERS PVT LTD					
	At the beginning of the year 01/04/2015		2100000	0.93	2100000	0.93
	At the end of the year 31/03/2016				2100000	0.93
11	SUPREME PLACEMENT SERVICES PVT LTD					
	At the beginning of the year 01/04/2015		2099650	0.93	2099650	0.93

SI No.	For Each of the Top 10 Shareholders	Status	Shareholding at the beginning of the year (01/04/2015)		Cumulative Shareholding during the year (31/03/2016)	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	21/08/2015	Transfer	35000	0.02	2134650	0.94
	16/10/2015	Transfer	30363	0.01	2165013	0.96
	22/01/2016	Transfer	82	0	2165095	0.96
	At the end of the year 31/03/2016				2165095	0.96
12	DEPENDABLE TRANSPORT PVT LTD					
	At the beginning of the year 01/04/2015		2089060	0.92	2089060	0.92
	22/01/2016	Transfer	43000	0.02	2132060	0.94
	19/02/2016	Transfer	35000	0.02	2167060	0.96
	At the end of the year 31/03/2016				2167060	0.96
13	VENUS RECRUITER PRIVATE LIMITED					
	At the beginning of the year 01/04/2015		2088073	0.92	2088073	0.92
	30/10/2015	Transfer	15000	0.01	2103073	0.93
	13/11/2015	Transfer	33957	0.01	2137030	0.94
	20/11/2015	Transfer	3	0	2137033	0.94
	04/12/2015	Transfer	8002	0	2145035	0.95
	22/01/2016	Transfer	38	0	2145073	0.95
	At the end of the year 31/03/2016				2145073	0.95
14	GOLDEN JOB FINDER PVT LTD					
	At the beginning of the year 01/04/2015		2085920	0.92	2085920	0.92
	21/08/2015	Transfer	15000	0.01	2100920	0.93
	16/10/2015	Transfer	53900	0.02	2154820	0.95
	27/11/2015	Transfer	100	0	2154920	0.95
	At the end of the year 31/03/2016				2154920	0.95

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Status	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NEERAJ SINGAL					
	At the beginning of the year		51480927	22.73	51480927	22.73
	At the end of the year				51480927	22.73
2	BRIJ BHUSHAN SINGAL					
	At the beginning of the year		41103391	18.15	41103391	18.15
	At the end of the year				41103391	18.15
3	P. K. AGGARWAL					
	At the beginning of the year		444	0.00	444	0.00
	At the end of the year				444	0.00
4	O. P. DAVRA					
	At the beginning of the year		1112	0.00	1112	0.00
	At the end of the year				1112	0.00

V. INDEBTEDNESS

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

₹ In Cr.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38425	654	0	39079
ii) Interest due but not paid	450	0	0	450
iii) Interest accrued but not due	339	1	0	340
Total (i+ii+iii)	39214	655	0	39869
Change in Indebtedness during the financial year				
• Addition	6962	15	0	6977
• Reduction	1292	277	0	1569
Net Change	5670	-262	0	5408
Indebtedness at the end of the financial year				
i) Principal Amount	44095	392	0	44487
ii) Interest due but not paid	1445	2	0	1447
iii) Interest accrued but not due	127	1	0	128
Total (i+ii+iii)	45667	395	0	46062

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Mr. Neeraj Singal	Mr. Nittin Johari	Mr. Rahul Sen Gupta	Mr. P.K. Agarwal	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12000000	13838462	9530769	9530769	44900000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2606934	39600	39600	39600	2725734
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
5.	Others, please specify-PF	-	-	-	21600	21600
	Total (A)	14606934	13878062	9570369	9591969	47647334
	Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. B. B. Tandon	Mr. M. V. Suryanarayana	Mr. Ashwani Kumar	Mr. Rakesh Singhal	Mr. Sahil Goyal	Mr. Kapil Vaish	Mr. Pradeep Patni	Mr. Pankaj Sharma	
1	3. Independent Directors									
	• Fee for attending board / committee meetings	200000	240000	180000	100000	80000	100000	20000	100000	1020000
	• Commission	0	0	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0	0	0
	Total (1)	200000	240000	180000	100000	80000	100000	20000	100000	1020000

	Mr. B. B.Singal							
4. Other Non-Executive Directors								
	880000							880000
• Fee for attending board / committee meetings	0							0
• Commission	0							0
• Others, please specify								
Total (2)	880000							880000
Total (B) = (1 + 2)								
Total Managerial Remuneration								1900000
Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

c. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2601538	13838462	16440000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	21600	39600	61200
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify	-	-	-
	Total	2623138	13878062	16501200

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

ANNEXURE- H

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

S r . No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2015-16 (₹ in Crore)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Neeraj Singal Vice Chairman & Managing Director	1.46	0.97	43:1
2	Mr. Nittin Johari Whole- time Director (Finance) cum Chief Financial Officer	1.39	21.32	41:1
3	Mr. Rahul Sen Gupta Whole- time Director (Technical)	0.96	26.93	28:1
4	Mr. P. K. Aggarwal Whole- time Director (Commercial)	0.96	26.94	29:1
5	Mr. O. P. Davra Company Secretary	0.26	29.12	8:1

- (ii) the median remuneration of the employees of the company for the financial year
- The Median Remuneration of the employees of the Company is ₹ 3.36 Lacs.
- (iii) the percentage increase in the median remuneration of employees in the financial year;
- The percentage increase in the median remuneration of employees is 57.01% .
- (iv) the number of permanent employees on the rolls of company;
- The number of Permanent employees on the rolls of the Company as on 31st March, 2016 is 5345.
- (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- Considering the Company performance, Key Managerial Personnel were given the increment commensurate with peer industries. Thus the increase in the salary should be seen as salary correction. Whereas other employees were given an average salary increase of 5.56% to match inflation and to keep them motivated.
- (x) the key parameters for any variable component of remuneration availed by the directors;
- No variable component of remuneration was paid to the directors.
- (xii) affirmation that the remuneration is as per the remuneration policy of the company.
- It is hereby affirmed that the remuneration paid during the year ended 31st March 2016 is as per the Remuneration Policy of the Company.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

SR. NO.	NAME	DESIGNATION	REMUNERATION (₹)	QUALIFICATION	AGE	EXP.	DATE OF COMMENCEMENT OF EMPLOYMENT	NATURE OF DUTIES	LAST EMPLOYMENT
1	2	3	4	5	6	7	8	9	10
EMPLOYED THROUGHOUT THE YEAR AND WAS IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 1,02,00,000 PER ANNUM.									
1	SH. NEERAJ SINGAL	VICE CHAIRMAN & MANAGING DIRECTOR	14606934	GRADUATE	48	29	1.04.1992	OPERATIONS AND DAY TO DAY MANAGEMENT	EXECUTIVE DIRECTOR WITH BHUSHAN METALLICS LTD.
2	SH. NITTIN JOHARI	DIRECTOR FINANCE	13878062	M.COM., F.C.A..	53	31	6.01.1995	CORPORATE FINANCING AND OTHER RELATED MATTERS	FINANCE CONTROLLER WITH WIMCO LTD.

EMPLOYED FOR PART OF THE YEAR AND WAS IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 8,50,000 PER MONTH.

NIL

Notes:

- Remuneration as shown above includes salary, allowances, medical expenses, house rent, taxable value of perquisites but excludes gratuity provision.
- Sh. Neeraj Singal is a relative of Sh. B. B. Singal, Non-Executive Chairman.
- Sh. Neeraj Singal holds 22.73% of paid up Equity Share Capital of the company.
- Nature of employment of Sh. Neeraj Singal is contractual.

INDEPENDENT AUDITORS' REPORT

To

The Members of Bhushan Steel Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Bhushan Steel Ltd.** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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 preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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.

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 the financial statements are free from material misstatement.

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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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.

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

Basis of Qualified Opinion

The Supreme Court of India, vide its order dated 24.09.2014, cancelled number of coal blocks allocated to various entities, which includes one coal block allocated to the company and one of its associated 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 the coal blocks.

No effect has been taken on the value of investment made by the company in the de-allocated coal blocks amounting to ₹56289.96 lacs (including expenditure incurred of ₹13546.46 lacs and advance given of ₹42743.50 lacs) and ₹669.25 lacs in Equity Shares/advance for share capital in the associate company, whose coal blocks have been de-allocated. In the opinion of the management, the company / associated company will receive back the payments / expenditure paid / made, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks. The company has filed its claim for compensation during the year with Government of India, Ministry of Coal and accordingly the investment made by the company of ₹56289.96 lacs has been reclassified to non-current assets from capital work in progress and capital advances.

We are unable to comment on the impact on the value of investment made by the company and its associate in the de-allocated coal blocks and their consequent impact on the losses for the financial year ended March 31, 2016.

Qualified Opinion

In our opinion, and to the best of our information and according to the explanations given to us, except for the matter described in the Basis of 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, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the 'the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by section 143 (3) of the Act, we report that:
 - We have sought and except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, 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 possible effect of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - Except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - The matters described in the 'Basis of Qualified Opinion' paragraphs above, in our opinion may have an adverse effect on the functioning of the Company;
 - On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2016– as indicated in the Note – 47(b) to the financial statements.
 - The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis of Qualified Opinion paragraph above;

- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (i) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial Statements – Refer Note – 29 to the financial statements;
 - ii. the company has made provisions, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note-53 to the financial statements;

- iii. there has been no delay in transferring amounts , required to be transferred to the Investor Education and Protection Fund by the Company.

For **MEHRA GOEL & CO.**
Chartered Accountants
(FRN: 000517N)

R.K. Mehra
Partner
M. NO.: 006102

Place: New Delhi
Date: 30th May, 2016

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(FRN: 000226C)

M.P. Mehrotra
Partner
M. NO. : 005699

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of Bhushan Steel Ltd. for the year ended 31st March, 2016, we report that:

(i) In respect of its fixed assets:

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information;
- (b) The fixed assets covering significant value were physically verified during the year by the Management at such intervals which in our opinion, provides for the physical verification of all the Fixed Assets at reasonable intervals having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of company except the following:

- In case of Buildings: Total number of case: One case
Gross block: ₹80.29 lacs & Net block : ₹68.94 lacs as at 31.03.2016
Remarks, if any: Guest house building in Mumbai

- (ii) According to the information and explanations given to us, the inventory of finished goods, semi-finished goods and raw material at works were, during the year physically verified by the management. In respect of stores spare parts and stock at yards in the custody of the third party and stocks in transit were verified with the confirmation or statement of account or correspondence of the third parties or certification by management or reports of inspection and different audits carried out by the banks. In our opinion and according to the information and explanations given to us, the interval of such physical verification is reasonable having regard to the size of the Company and nature of its business and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to a company, firm, LLP or other entity covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of sub-paragraph (a) and (b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has generally complied with the provisions of section 185 and 186 of Companies Act, 2013 with respect to the loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there-under are not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, specified accounts and records as prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 have been prima facie made and maintained by the company. However, we have not, nor we are required, carried out any detailed examination of such accounts and records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues with some delay including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and any other material statutory dues to the appropriate authorities to the extent these are applicable except deposit of duty of excise where payment is irregular.

According to the information and explanations given to us, no undisputed dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they become payable.
- (b) However, according to the information and explanations given to us, the following dues of sales tax, duty of excise, service tax, value added tax and other statutory dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	0.26	Jun'01 & Jul'01	High Court of Allahabad
		14,357.21	Aug'05 to Jul' 09, Aug '09 to Mar'10, Apr'09 to Jan'10 & Apr'10 to Jan'11	CESTAT, Kolkata
		70.04	Feb'10 to Nov'11, Apr'10 to Jan'11 & Apr'08 to Mar'11	Commissioner (Appeals), Bhubaneswar
		3,471.95	FY 2006-07 to 2009-10, May'08 to Mar'09 & Apr'06 to Mar'09	CESTAT, New Delhi
		243.99	Apr'12 to Mar'13	Commissioner (Appeal), Ghaziabad
		397.92	Jul'13 to Mar'14	CESTAT, Mumbai
		26.66	Jan'12 to Oct'12	Commissioner Excise Appeals Zone II, Mumbai
Custom Act, 1962	Custom Duty	246.41	30th Jun'2009 & 2009-10	Commissioner of Custom, Vizag
Finance Act, 1994 [Service Tax Provisions]	Service Tax	3,633.47	Dec'05 to Aug'08 & Oct'09 to Sep'10	CESTAT, Kolkata
		109.14	2006-07 to 2007-08 & Mar'11	Commissioner (Appeal), Bhubaneswar
		52.33	Dec'04 to Nov'07	CESTAT, Mumbai

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Acts of various States	Local Sales Tax	32,544.19	Apr'05 to Mar'12	Orissa High Court at Cuttack
		320.43	2002-03, 2003-04, 2004-05, Apr'06 to Oct'06 & 2006-07	High Court of Allahabad
		919.40	2009-10 & Jun'14	Additional Commissioner (Appeal), Ghaziabad
		170.77	April 07 to Dec 07	Trade Tax Tribunal, Ghaziabad
		340.11	Apr'14 & May'14	Joint Commissioner (Appeal), Ghaziabad
Central Sales Tax Act, 1956	Central Sales Tax	2,151.22	2002-03, 2003-04, 2004-05, Apr'06 to Oct'06 & 2006-07	High Court of Allahabad
		1,119.19	2009-10 & Jun'14	Addl. Commissioner (Appeal), Ghaziabad
		417.37	2007-08	Trade Tax Tribunal, Ghaziabad
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	23.92	1995-96	High Court of Allahabad
		661.42	2009-10	Addl. Commissioner (Appeal), Ghaziabad
Odisha Entry Tax Act, 1999	Entry Tax	20,860.18	Dec'07 to Mar'12	Supreme Court
		2,498.15	Apr'05 to Jan'08 & Apr'10 to Mar'12	Addl. Commissioner of Sales Tax (Appeal), Cuttack
Orissa Minor Minerals Concession Rules, 2004	Royalty	2,113.55	2006-2014	Odisha High Court

(viii) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has defaulted in repayment of loans / borrowings to the financial

institution, bank, Government or a debenture holder as per details given here-under:

(₹ in lacs)

Particulars	Amount of Default as on Balance Sheet Date		Period of Default (in months)	
	Principal	Interest	Principal	Interest
(i) Name of the Lenders : In case of :				
A. Banks (INR loans)				
1 Allahabad Bank	-	2,717.41		< 3 months
2 Andhra Bank	187.50	1,121.92	< 3 months	< 3 months
3 AXIS Bank	-	2,318.53		< 3 months
4 Bank of Baroda	-	4,157.84		> 3 months
5 Bank of India	13,333.33	4,200.60	< 3 months	< 3 months
6 Bank of Tokyo	-	192.91		< 3 months
7 Bank of Maharashtra	-	6,174.11		> 3 months
8 Canara Bank	250.00	3,118.10	< 3 months	> 3 months
9 Central bank of India	-	6,485.01		> 3 months
10 Corporation bank	-	773.55		< 3 months
11 Dena Bank	-	1,295.77		< 3 months
12 ICICI Bank	-	1,894.40		< 3 months
13 Indian Bank	-	1,978.45		> 3 months
14 Indian Overseas Bank	-	2,068.66		> 3 months

(₹ in Lacs)

	Particulars	Amount of Default as on Balance Sheet Date		Period of Default (in months)	
		Principal	Interest	Principal	Interest
15	Indusind Bank	-	7.36		< 3 months
16	Jammu & Kashmir Bank	-	3,288.97		> 3 months
17	Karur Vyasa Bank Limited	-	543.36		> 3 months
18	Lakshmi Vilas Bank	-	102.28		< 3 months
19	Oriental Bank of Commerce	-	3,228.46		> 3 months
20	Punjab & Sind Bank	-	3,496.21		> 3 months
21	Punjab National Bank	-	4,872.08		> 3 months
22	Saraswat Bank	-	815.60		> 3 months
23	State Bank of Bikaner and Jaipur	93.00	985.42	< 3 months	< 3 months
24	State Bank of India	1,250.00	5,583.47	< 3 months	< 3 months
25	State Bank of Hyderabad	250.00	1,687.64	< 3 months	< 3 months
26	State Bank of Mysore	1,375.00	895.87	< 3 months	< 3 months
27	State Bank of Patiala	1,250.00	2,591.50	< 3 months	< 3 months
28	State Bank of Travancore	187.50	1,430.26	< 3 months	> 3 months
29	South Indian Bank	-	266.21		< 3 months
30	Syndicate Bank	-	5,351.73		> 3 months
31	UCO Bank	-	2,748.26		< 3 months
32	Union Bank of India	-	3,758.82		> 3 months
33	United Bank of India	-	4,028.07		> 3 months
33	Vijaya Bank	-	2,018.30		> 3 months
Total (A)		18,176.33	86,197.13		
B. Banks (Foreign Currency Loans)					
1	AXIS Bank	-	715.29		< 3 months
2	Calyon Bank	4,697.80	78.31	> 3 months	> 3 months
3	Deutsche Zentral Genossenschafts Bank*	14,570.79	-	> 3 months	
4	Deutsche Bank	7,058.62	576.16	> 3 months	< 3 months
5	Development Bank of Singapore Limited	-	236.68		< 3 months
6	HSH Nordbank*	30,410.62	63.61	> 3 months	< 3 months
7	ICICI Bank	2,893.78	1,383.62	< 3 months	< 3 months
8	ING Bank	292.83	1.12	> 3 months	> 3 months
9	Natixis*	10,941.09	1103.51	> 3 months	> 3 months
10	State Bank of India (Consortium)	12,147.21	9,110.01	< 3 months	< 3 months
Total (B)		83,012.74	13,268.31		

* Company received in principle approval for restructuring.

Particulars	Amount of Default as on Balance Sheet Date		Period of Default (in months)	
	Principal	Interest	Principal	Interest
C. Financial Institutions				
1 EXIM Bank	-	823.09		< 3 months
2 Family Credit Ltd.	-	71.40		< 3 months
3 Industrial Development Bank of India	1,465.00	7,949.39	> 3 months	> 3 months
4 Industrial Financial Corporation of India	150.00	1,296.36	> 3 months	> 3 months
5 The Development Bank of Singapore Limited	-	280.48		< 3 months
6 Life Insurance Corporation of India	1,021.17	109.92	> 3 months	> 3 months
7 L&T Finance Ltd.	-	40.80		< 3 months
8 L&T Fincorp Ltd.	-	77.46		< 3 months
9 STCI Finance Ltd.	-	197.29		< 3 months
10 TATA Capital Ltd.	34.48	9.90	< 3 months	< 3 months
Total (C)	2,670.65	10,856.09		
(ii) Secured Debentures	925.00	20638.12	> 3 months	> 3 months
Total (D)	925.00	20638.12		
Grand Total (A+B+C+D)	104,784.72	130,959.65		

The Company is enjoying working capital facility of ₹12600 crores (funded and non funded) and there is outstanding amount of ₹9768.10 crores as at 31st March, 2016, which includes overdrawn amount of ₹3885.95 crores. Further, interest of ₹137.50 crores is overdue thereon.

(ix) According to the information and explanations given to us, the Company has raised money by way of term loans during the year and to the best of our knowledge and according to the information and explanations given to us, the amount received by means of these loans have been pooled and utilized through Trust Retention Account (TRA) maintained by State Bank of India, the lead banker, on behalf of all other consortium members.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to our information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act except the payment of leave encashment, provident fund and taxable car perquisites for which clarification is sought by the management from Central Government. (Refer Note 48 to the financial statements)

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with

the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has made private placement of redeemable cumulative preference shares during the year under review and in our opinion, the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

For **MEHRA GOEL & CO.**
Chartered Accountants
(FRN: 000517N)

R.K. Mehra
Partner
M. NO.: 006102

Place: New Delhi
Date: 30th May, 2016

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(FRN: 000226C)

M.P. Mehrotra
Partner
M. NO. : 005699

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Bhushan Steel Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MEHRA GOEL & CO.**
Chartered Accountants
(FRN: 000517N)

R.K. Mehra
Partner
M. NO.: 006102

Place: New Delhi
Date: 30th May, 2016

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(FRN: 000226C)

M.P. Mehrotra
Partner
M. NO. : 005699

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

	NOTE	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	22680.09	17551.47
Reserves and Surplus	3	449802.37	770505.31
		472482.46	788056.78
Share Application Money Pending Allotment			
		-	-
Non-Current Liabilities			
Long-Term Borrowings	4	3232602.13	3092772.22
Deferred Tax Liabilities (Net)	5	63959.26	137407.19
Other Long-Term Liabilities	6	63575.20	63530.01
		3360136.59	3293709.42
Current Liabilities			
Short-Term Borrowings	7	1002950.44	760154.45
Trade Payables	8	117628.34	273914.63
Other Current Liabilities	9	459188.24	172068.87
Short-Term Provisions	10	3520.24	2848.10
		1583287.26	1208986.05
Total		5415906.31	5290752.25
ASSETS			
Non-Current Assets			
Fixed Assets			
	11		
Tangible Assets		3649723.67	3656317.63
Intangible Assets		7.66	39.03
Capital Work in Progress		286889.86	251184.10
		3936621.19	3907540.76
Non-Current Investments	12	61546.79	61546.79
Long-Term Loans and Advances	13	116040.18	152623.76
Other Non-Current Assets	14	58730.10	2459.23
		236317.07	216629.78
Current Assets			
Inventories	15	880858.43	732123.31
Trade Receivables	16	235115.73	239828.55
Cash & Bank Balances	17	16332.53	8684.21
Short-Term Loans and Advances	18	109641.44	123521.72
Other Current Assets	19	1019.92	62423.92
		1242968.05	1166581.71
Total		5415906.31	5290752.25
Significant Accounting Policies			
	1		
Other Notes on Financial Statements			
	29 to 60		

As per our report of even date attached

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
PARTNER
M.NO.:005699

Sd/-
B. B. SINGAL
NON-EXECUTIVE CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Place: New Delhi
Dated: 30th May, 2016

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	NOTE	Year Ended 31.03.2016		Year Ended 31.03.2015	
INCOME					
Gross Revenue from Operations	20	1312406.77		1173501.72	
Less: Excise Duty		132143.41	1180263.36	108924.65	1064577.07
Other Income	21		2283.26		1350.71
TOTAL REVENUE			1182546.62		1065927.78
EXPENSES					
Cost of Materials Consumed	22		654883.40		568467.91
Purchase of Goods Traded	23		259.11		4831.81
Change in Inventories of Finished Goods , Work In Progress and Stock- in -Trade	24		(6679.35)		21766.50
Employee Benefits Expense	25		43247.76		25752.89
Finance Costs	26		458230.14		249402.57
Depreciation and amortization expense			109974.44		93839.85
Other Expenses	27		280015.76		226361.11
Total Expenses			1539931.26		1190422.64
Profit / (Loss) Before exceptional & extraordinary item and Tax			(357384.64)		(124494.86)
Exceptional Items	28		-		1000.00
Profit / (Loss) Before Tax			(357384.64)		(125494.86)
Tax Expenses					
- Deferred Tax			(73447.93)		(112.06)
Profit / (Loss) for the year			(283936.71)		(125382.80)
Basic Earning Per Share (₹)			(126.12)		(55.84)
Diluted Earning Per Share (₹)			(126.12)		(55.84)
Nominal Value of Share (₹)			2.00		2.00
(Refer Note 40)					
Significant Accounting Policies	1				
Other Notes on Financial Statements	29 to 60				

As per our report of even date attached

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
PARTNER
M.NO.:005699

Sd/-
B. B. SINGAL
NON-EXECUTIVE CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended 31.03.2016		Year Ended 31.03.2015	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before tax and extraordinary items		(357384.64)		(125494.86)
Adjustments for :				
Depreciation & Amortization Expenses	109974.44		93839.85	
Provisions (Retirement Benefits)	672.14		824.75	
Finance Cost	458230.14		249402.57	
Interest/Dividend Income on Investment	(0.04)		(1.38)	
Interest Income (others)	(1328.30)		(801.52)	
Dimuniation in the Value of Investment	-		1000.00	
Loss / (Profit) on Sale of Fixed Assets	(861.35)		(486.77)	
Provision for Doubtful Debts / Bad Debts Written off	997.20		383.72	
Loss / (Gain) on Exchange Rate Change	(1762.82)	565921.41	393.49	344554.71
Operating Profit Before Working Capital Changes		208536.77		219059.85
Adjustments for :				
Increase(-) / Decrease in Inventories	(148735.12)		(84098.39)	
Increase(-) / Decrease in Trade Receivables	3790.17		4797.92	
Increase(-) / Decrease in Loans & Advances	12446.86		18356.82	
Increase / Decrease(-) in Trade Payables & Other Liabilities	(102572.84)	(235070.93)	59330.69	(1612.96)
Cash Flow from Operating Activities		(26534.16)		217446.89
Direct Tax Paid (Net of Refund)		(493.51)		(124.09)
Net Cash (Used) / Flow in / from Operating Activities (A)		(27027.67)		217322.80
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(75520.82)		(171724.21)
Proceeds from Sale of Fixed Assets		62306.47		33036.62
Purchase of Investment		-		(222.64)
Long Term Fixed Deposits		19.09		(2459.23)
Interest Income		1277.99		1089.35
Dividend Income		0.04		1.38
Net Cash Used In Investing Activities (B)		(11917.23)		(140278.73)

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Cost	(401505.79)	(433410.47)
Proceeds From Cash Credit from Banks(Net)	279058.49	118714.27
Proceeds From Other Borrowings	200679.96	242262.73
Proceeds From Share / Share Application Money	6500.00	20014.02
Redemption of Preference Shares Including Premium	(38676.04)	(22151.40)
Capital Subsidy	538.43	270.10
Dividend Paid	-	(1915.69)
Unclaimed Dividend	(1.83)	(96.70)
Dividend Tax Paid	-	(342.68)
Net Cash Flow From Financing Activities (C)	46593.22	(76655.82)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	7648.32	388.25
Opening Balances of Cash and Cash Equivalents	8684.21	8295.96
Closing Balances of Cash and Cash Equivalents	16332.53	8684.21

Note:-

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statement'.
- Cash and Cash equivalents include ₹14.93 Lacs (Previous Year ₹16.76 Lacs) in respect of unclaimed dividend, the balance of which is not available to the Company.
- Figures in brackets represent cash out flow.
- Previous Year Figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date attached

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
PARTNER
M.NO.:005699

Sd/-
B. B. SINGAL
NON-EXECUTIVE CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

1) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance to the requirements of the Companies Act 2013 (the Act), applicable Accounting Standards and the requirements of Schedule-III of the Act.

2) BASIS OF PREPARATION

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

3) USE OF ESTIMATES

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

4) REVENUE / EXPENDITURE RECOGNITION

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

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

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

5) FIXED ASSETS

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

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

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

6) ASSETS IN THE COURSE OF CONSTRUCTION

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

7) INTANGIBLE ASSETS

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

8) IMPAIRMENT OF ASSETS

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

9) DEPRECIATION

Depreciation on all fixed assets at Khopoli Plant and a Cold Rolling Plant acquired prior to 1st April 1996 and Galvanising Plant & Power Plant acquired before 1st April 2002 including addition or extension forming integral part of above plants at Sahibabad Plant has been provided on Written Down Value method and depreciation on all other fixed assets at Sahibabad Plant and Orissa Plant has been provided on Straight Line Method.

The Economic Useful Life of all major plants at various units has been determined based on triple shift working as per technical assessment and in respect of all other fixed assets the life has been taken as per Schedule-II to the Companies Act, 2013.

The Economic Useful Life of Plants including auxiliary equipments has been determined below:-

S. No.	Description of Plant	Life Span in Years
1	Sinter Plant	35-38
2	Blast Furnace	35-38
3	Coke Ovens	35-38
4	Rolling Mill in Steel Plant	35-38
5	Basic Oxygen Furnace Converter	35-38
6	DRI Plant	38
7	Tube Mill, Large Dia Pipe Plant, H&T, HTSS	35
8	Power Plant (Thermal Base)	38
9	Power Plant (HSD / Gas Base)	30
10	Lab Equipment	20

10) INVENTORIES

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

Cost is determined on the following basis :-

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

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

By products and scrap are valued at net realizable value.

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

11) INVESTMENTS

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

12) FOREIGN EXCHANGE TRANSACTIONS

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

13) BORROWING COST

Borrowing Cost relating to acquisition or construction of qualifying assets are included in the costs of those assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

14) MODVAT / CENVAT / VAT

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

15) CLAIMS

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

16) EMPLOYEE BENEFITS

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

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

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

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

17) TAX EXPENSE

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

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

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

18) LEASES

- (a) Lease Payment made on operating lease has been recognized as an expense in the statement of Profit & Loss on straight line basis with reference to lease term and other consideration.
- (b) Assets acquired under finance lease from 01.04.2001 are capitalized at the lower of their fair value or the present value of the minimum lease payments.

19) DERIVATIVE FINANCIAL INSTRUMENTS

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

20) PROVISION AND CONTINGENT LIABILITY

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

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

21) CONTINGENCIES & COMMITMENTS

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

NOTES FORMING PART OF THE ACCOUNTS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE -2 SHARE CAPITAL		
Authorised		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹ 2/- Each	8000.00	8000.00
2,05,00,000 (Previous Year 1,95,00,000) Preference Shares of ₹ 100/- Each	20500.00	19500.00
	28500.00	27500.00
Issued		
23,06,05,220 (Previous Year 23,06,05,220) Equity Shares of ₹ 2/- Each	4612.10	4612.10
69,97,445 (Previous Year 83,68,833) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	6997.45	8368.83
34,85,000 (Previous Year 34,85,000) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	3485.00	3485.00
11,67,340 (Previous Year 11,67,340) 1% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	1167.34	1167.34
65,00,000 (Previous Year Nil) 12% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	6500.00	-
	22761.89	17633.27
Subscribed		
22,65,14,746 (Previous Year 22,65,14,746) Equity Shares of ₹ 2/- Each fully paid up	4530.29	4530.29
Amount paid up on 784 (Previous Year 784) Equity Shares forfeited of ₹ 2/- each	0.01	0.01
69,97,445 (Previous Year 83,68,833) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	6997.45	8368.83
34,85,000 (Previous Year 34,85,000) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	3485.00	3485.00
11,67,340 (Previous Year 11,67,340) 1% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	1167.34	1167.34
65,00,000 (Previous Year Nil) 12% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	6500.00	-
	22680.09	17551.47
Paid Up		
22,65,14,746 (Previous Year 22,65,14,746) Equity Shares of ₹ 2/- Each fully paid up	4530.29	4530.29
Amount paid up on 784 (Previous Year 784) Equity Shares forfeited of ₹ 2/- each	0.01	0.01
69,97,445 (Previous Year 83,68,833) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	6997.45	8368.83
34,85,000 (Previous Year 34,85,000) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	3485.00	3485.00
11,67,340 (Previous Year 11,67,340) 1% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	1167.34	1167.34
65,00,000 (Previous Year Nil) 12% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each	6500.00	-
	22680.09	17551.47

Detail of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31.03.2016		As at 31.03.2015	
	No of Shares	% Held	No of Shares	% Held
(A) Equity Shareholders				
1. Shri Brij Bhushan Singal	41103391	18.15%	41103391	18.15%
2. Shri Neeraj Singal	51480927	22.73%	51480927	22.73%
3. Bhushan Infrastructure Pvt. Ltd.	31901188	14.08%	32010805	14.13%
(B) Preference Shareholders				
1. Shri Brij Bhushan Singal	1141633	6.29%	1363433	10.47%
2. Shri Neeraj Singal	2770472	15.26%	3137873	24.10%
3. Globus Realinfra Pvt. Ltd. (Formerly SUR Buildcon Pvt. Ltd.)	6501500	35.82%	-	-
4. BBN Transportation Pvt. Ltd.	-	-	663500	5.10%
5. Bhushan Finance Pvt. Ltd.	-	-	548810	4.21%
6. Robust Transportation Pvt. Ltd.	-	-	457067	3.51%

Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of Shares	Amount (₹ in Lacs)	No of Shares	Amount (₹ in Lacs)
(A) Equity Shares				
At the beginning of the year	226514746	4530.29	226514746	4530.29
Add : Shares Issued - Call received	-	-	-	-
Less: Shares forfeited	-	-	-	-
At the end of the year	226514746	4530.29	226514746	4530.29
(B) Preference Shares(Non Convertible Cumulative Redemable Preference Shares)				
10% Preference Shares				
At the beginning of the year	8368833	8368.83	8235433	8235.43
Add : Shares Issued	-	-	133400	133.40
Less: Shares Redeemed	1371388	1371.38	-	-
At the end of the year	6997445	6997.45	8368833	8368.83
4% Preference Shares				
At the beginning of the year	-	-	336751	336.75
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	336751	336.75
At the end of the year	-	-	-	-
25% Preference Shares				
At the beginning of the year	-	-	400000	400.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	400000	400.00
At the end of the year	-	-	-	-
2% Preference Shares				
At the beginning of the year	3485000	3485.00	1400000	1400.00
Add : Shares Issued	-	-	2085000	2085.00
Less: Shares Redeemed	-	-	-	-
At the end of the year	3485000	3485.00	3485000	3485.00
1% Preference Shares				
At the beginning of the year	1167340	1167.34	-	-
Add : Shares Issued	-	-	1167340	1167.34
Less: Shares Redeemed	-	-	-	-
At the end of the year	1167340	1167.34	1167340	1167.34
12% Preference Shares				
At the beginning of the year	-	-	-	-
Add : Shares Issued	6500000	6500.00	-	-
Less: Shares Redeemed	-	-	-	-
At the end of the year	6500000	6500.00	-	-

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

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

The Preference Share are not convertible in Equity. For terms of redemption Refer Note 30.

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-3 RESERVES & SURPLUS		
Capital Redemption Reserve:		
At Commencement of the year	693.34	693.34
Add: Transfer From Surplus	-	-
	693.34	693.34
Capital Reserve:		
At Commencement of the year	23276.22	23006.12
Add : Addition during the year (Refer Note 42)	538.43	270.10
	23814.65	23276.22
Debenture Redemption Reserve :		
At Commencement of the year	44762.50	44762.50
Add : Transfer From Surplus	-	-
	44762.50	44762.50
Less : Transfer To General Reserve	8250.00	-
	36512.50	44762.50
Securities Premium Reserve:		
At Commencement of the year	329731.94	330785.68
Add : On Issue of Shares	-	16628.28
Less : Utilised on Redemption of Preference Shares	37304.66	17682.02
	292427.28	329731.94
General Reserve:		
At Commencement of the year	496311.37	500050.00
Add : Transferred From Debenture Redemption Reserve	8250.00	-
Less: Interim Dividend on Redemption of Preference Shares (Refer Note 44)	-	5.13
Less: Dividend Tax on Interim Dividend	-	0.87
Less: Premium Paid on Redemption of Preference Shares*	-	3732.63
	504561.37	496311.37
Surplus :		
At Commencement of the year	(124270.06)	1112.74
Add: Net Profit / (Loss) for the Current Year	(283936.71)	(125382.80)
Net Surplus	(408206.77)	(124270.06)
	449802.37	770505.31

*The premium paid on redemption of Preference Shares over the amount of security premium received on issue of preference shares has in absence of profit for the same, being adjusted out of general reserve .

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-4 LONG-TERM BORROWINGS		
SECURED		
Non Convertible Debentures	146050.00	203000.00
(Foot note 1 to 9)		
Term Loan		
1. From Banks		
- Foreign Currency Loans (Foot note 10)	890522.08	835468.93
- Rupee Loans (Foot note 11)	2335454.19	2072679.37
2. From Other		
- Rupee Loans (Foot note 12)	60674.45	33594.83
Total (A)	3432700.72	3144743.13
UNSECURED		
Term Loan		
From Bank		
- Rupee Loan	9765.00	-
Foreign Currency Loans		
- From Foreign Banks (Foot note 13)	292.83	263.25
- From Others	3008.50	2704.63
Total (B)	13066.33	2967.88
Total (A+B)	3445767.05	3147711.01
Less: Current Maturity of Long Term Borrowings (Refer Note 47)	108380.20	54938.79
Less: Repayment Overdue on Long Term Borrowings (Refer foot Note 26)	104784.72	-
	3232602.13	3092772.22

Foot Note:

- (1) 12.00% Redeemable Non-Convertible 250 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 2500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 250 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 2500 Lacs). Debentures are redeemable at par in one bullet payment at the end of 10th year from the date of allotment i.e 31.08.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company offering minimum Fixed Asset Coverage Ratio of 1.25 times during the tenure of debentures and personal guarantee of Sh. B.B.Singal & Sh. Neeraj Singal.
- (2) 12.50% Redeemable Non-Convertible 2000 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 20000 Lacs (Previous Year 12.50% Redeemable Non-Convertible 2000 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 20000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 30.08.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (3) 12.00% Redeemable Non-Convertible 100 Debentures of ₹ 100 Lacs each outstanding on 31st March 2016 ₹ NIL (Previous Year 12% Redeemable Non Convertible Debentures of ₹ 100 Lacs each outstanding on 31st March 2015 ₹ 10000 Lacs) (subordinate debt).
- (4) 11.50% Redeemable Non-Convertible 3500 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 35000 Lacs (Previous Year 11.50% Redeemable Non-Convertible 3500 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 35000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 04.01.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (5) 12.00% Redeemable Non-Convertible 1050 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 10500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 1050 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 10500 Lacs) are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 28.03.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 11.75% Redeemable Non-Convertible 3000 Debentures of Rs10 Lacs each outstanding on 31st March 2016 ₹ 30000 Lacs (Previous Year 11.75% Redeemable Non-Convertible 3000 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 30000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 02.02.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (7) 12.00% Redeemable Non-Convertible 4750 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 4000 Lacs (Previous Year 12.00% Redeemable Non-Convertible 4750 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 47500 Lacs). Debentures are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing at the end of 4th year from the date of allotment i.e 31.08.2012.
- (8) 10.50% Redeemable Non-Convertible 3000 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 30000 Lacs). Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e 13.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (9) 10.90% Redeemable Non-Convertible 1750 Debentures of ₹ 10 Lacs each outstanding on 31st March 2016 ₹ 14050 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹ 10 Lacs each outstanding on 31st March 2015 ₹ 17500 Lacs) are redeemable at par in four equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e 26.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company. Out of the above debentures of ₹ 925 Lacs could not be redeemed during the year.

- (10) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹ 26533 Lacs (Previous Year ₹ 25036 Lacs) secured by subsequent & subservient charge on movable assets. Out of the above, the ECA Loans of ₹ 265001 Lacs (Previous Year ₹ 239255 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors. Loans of ₹ 890522 Lacs (Previous Year ₹ 835469 Lacs) are guaranteed by the Personal Guarantee of two promoter directors.
- (11) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹ NIL (Previous Year ₹ 15700 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹ 2281459 Lacs (Previous Year ₹ 1662104 lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹ 53995 Lacs (Previous Year ₹ 410576 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director. Apart from this, Loans of ₹ 429910 Lacs are/to be secured by pledge of 26% shares of Bhushan Steel Limited and Loans of ₹ 1589229 Lacs are/to be secured by pledge of 51% shares of Bhushan Steel Limited.
- (12) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹ 931 Lacs (Previous Year ₹ 1345 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹ 58722 Lacs (Previous year ₹ 30000 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹ 1021 Lacs (Previous Year ₹ 2250 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director. Apart from this, Loans of ₹ 8958 Lacs are/to be secured by pledge of 51% shares of Bhushan Steel Limited.
- (13) Out of these Loans of ₹ 293 Lacs (Previous Year ₹ 263 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors.

*This includes ₹ 55932 Lacs on account of ECA loans for which in principle approval for restructuring is already received. This default will be automatically removed on receiving of final approval for restructuring from ECA Lenders.

Detail of Repayment and Rate of Interest

Rate of Interest: All Rupee Term Loans are linked to the Benchmark Rate/Base Rate of the respective lenders on floating basis. All Foreign Currency Loans are linked to the LIBOR Rates of different lenders on floating basis.

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

(₹ in Lacs)

	Already Due	1 year	2-3 Years	Beyond 3 years
Term Loans	103860	78930	204965	2911963

- (15) Domestic Loans sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base

Rate+2.00% and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ SBI Base Rate+2.50% p.a (presently 11.80% p.a.)

- (16) Foreign Currency Loans for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 0.499% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. However in principle approval/communication has been received for the deferment of the principal installments. Now the revised payments will commence from HY2 of FY 2018-19 in 10 equal semi annual installments.
- (17) Domestic Loans sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ SBI Base Rate+2.50% p.a (presently 11.80% p.a.).
- (18) Foreign Currency Loans for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% (Presently 1.506% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. However in principle approval/communication has been received for the deferment of the principal installments. Now the revised payments will commence from HY2 of FY 2018-19 in 16 equal semi-annual installments.
- (19) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (20) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of EURIBOR+1.75% (Presently 2.055% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. However in principle approval/communication has been received for the deferment of the principal installments. Now the revised payments will commence from HY2 of FY 2018-19 in 15 equal semi annual installments.
- (21) Domestic Loans sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest of Base Rate+2.50% and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ Base Rate+1.75% p.a (presently 11.60% p.a.).
- (22) Foreign Currency Loans for Coke Oven 2 of Orissa Project was sanctioned at interest rate of USD LIBOR + 4.50% repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years.
- (23) Domestic Loans sanctioned for CRCA & CRNGO Project of Orissa project was sanctioned at rate of interest of Base Rate+2.25% and repayable in 24 quarterly installments commencing from 12 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans are being considered in 5/25 flexible structuring scheme of RBI upto 25 years. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ Base Rate+2.00% p.a. (11.85% p.a. at present).
- (24) Domestic Loans sanctioned for Addition, Modification & Replacement Project at Orissa Site was sanctioned at rate of interest of Base

Rate+TP+1.25% and repayable in 32 quarterly installments commencing from 3 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans are being considered in 5/25 flexible structuring scheme of RBI upto 25 years. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ SBI Base Rate+2.50% p.a. (11.80% p.a. at present).

- (25) Domestic Loans sanctioned for shoring up of Net Working Capital/Normal Capital Expenditure was sanctioned at rate of interest of SBI Base Rate+2.50% (Presently 11.80% p.a.) and repayable in 40 quarterly installments commencing from 30th June 2016, as per terms stipulated in respective loan/facility agreement/s.

Rate of interests of other Term Loans/Foreign Currency Loans are linked with the Base Rate/LIBOR of the respective lenders.

- (26) Repayment default on Long Term Borrowings

	(₹ in Lacs)	
	Principal Amount	Interest Amount
SECURED		
Non Convertible Debentures	925.00	20638.12
Term Loan		
1. From Banks		
- Foreign Currency Loans	82719.91	13267.19
- Rupee Loans	19641.33	95057.18
2. From Others		
- Rupee Loans	1205.65	1803.13
Total (A)	104491.89	130765.62
UNSECURED		
Term Loan		
From Bank		
- Rupee Loan	-	192.91
Foreign Currency Loans		
- From Others	292.83	1.12
Total (B)	292.83	194.03
Total (A+B)	104784.72	130959.65

	As at 31.03.2016	As at 31.03.2015
NOTE-5 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability (Refer Note 51)		
Related to Fixed Assets	105669.93	138933.41
Total (A)	105669.93	138933.41
Deferred Tax Assets		
Business Loss (As per Income Tax Act)	39606.83	-
Provision of Doubtful Debts	885.56	540.55
Others	1218.28	985.67
Total (B)	41710.67	1526.22
Total (A-B)	63959.26	137407.19
NOTE-6 OTHER LONG-TERM LIABILITIES		
Liability for Capital Goods / Expenditure	51134.89	55774.25
Security Deposit Received from Customers	82.92	74.75
Others*	12357.39	7681.01
	63575.20	63530.01

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

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-7 SHORT-TERM BORROWINGS		
SECURED		
Working Capital Loans		
From Banks		
Cash Credit		
- Foreign Currency Loans (Foot note 1)	51900.14	31570.31
- Rupee Loans (Foot note 1)	924910.04	666181.38
Total (A)	976810.18	697751.69
UNSECURED		
From Bank		
Rupee Loan		
- Term Loan	5080.00	13645.00
Foreign Currency Loans		
- From Indian Banks (Buyers Credit)	21060.26	48757.76
Total (B)	26140.26	62402.76
Total (A+B)	1002950.44	760154.45

Foot Note :

- (1) Working Capital Loans are secured by hypothecation of stock & book debts, second charge on company's land, building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- (2) The Company is enjoying working capital facility of ₹ 1260000 Lacs (funded and non funded) and there is outstanding of ₹ 976810.18 Lacs as on 31st March, 2016, which includes overdrawn amount of ₹ 388595 Lacs.

NOTE-8 TRADE PAYABLES

Micro, Small and Medium Enterprises
Others

404.62	539.03
117223.72	273375.60
117628.34	273914.63

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

Particulars

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

-	-
-	-
-	-
-	-
-	-
-	-

NOTE-9 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts
Repayment Overdue on Long Term Debts
Unpaid matured non convertible debentures including interest accrued
Interest Accrued & Due on borrowings
Interest Accrued but not due on borrowings
Unclaimed Dividend *
Statutory Dues
Due to Subsidiary Co.
Due to Directors
Due to Officers
Liability for Capital Goods / Expenditure**
Other Payables (Refer Note No.50)

108380.20	54938.79
103859.72	-
985.50	-
144649.00	45006.67
12713.06	33978.72
14.93	16.76
45499.21	19009.13
1321.97	-
24.21	17.03
1.58	1.46
9867.58	9658.62
31871.28	9441.69
459188.24	172068.87

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

**Includes ₹ 35.05 Lacs (Previous Year ₹ 1.34 Lacs) on account of Micro, Small & Medium Enterprises and ₹ 19.99 Lacs on account of interest thereon.

NOTE-10 SHORT TERM PROVISIONS

Provision for Employee Benefits

3520.24	2848.10
3520.24	2848.10

NOTE-11 FIXED ASSETS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	Cost as at 01.04.2015	Addition During the Year	Sale/ Discarded During the Year	Adjustment During the Year	Cost as at 31.03.2016	As at 01.04.2015	During the Year	Written Back During the Year	Adjustment During the Year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets												
Freehold Land	24279.55	-	-	-	24279.55	-	-	-	-	-	24279.55	24279.55
Leasehold Land	20578.62	-	-	-	20578.62	211.21	14.63	-	-	225.84	20352.78	20367.41
Building	702422.92	-	-	-	702422.92	66587.74	20660.04	-	-	87247.78	615175.14	635835.18
Railway Siding	91600.04	-	-	-	91600.04	10857.32	5946.69	-	-	16804.01	74796.03	80742.72
Plant & Equipment	3311169.68	36473.97	1273.62	65676.77	3412046.80	423446.74	81072.11	1255.05	-	503263.80	2908783.00	2887722.94
Furniture & Fixtures	5749.93	45.29	7.74	-	5787.48	931.24	556.65	1.65	-	1486.24	4301.24	4818.69
Vehicles	4548.58	161.08	117.53	-	4592.13	2742.91	481.59	101.10	-	3123.40	1468.73	1805.67
Office Equipments	1283.99	56.54	0.21	-	1340.32	538.52	234.78	0.18	-	773.12	567.20	745.47
Tangible Assets Total (A)	4161633.31	36736.88	1399.10	65676.77	4262647.86	505315.68	108966.49	1357.98	-	612924.19	3649723.67	3656317.63
Intangible Assets												
Computer Software	749.80	7.99	-	-	757.79	710.77	39.36	-	-	750.13	7.66	39.03
Assets Not Owned by Company	5824.44	968.59	-	-	6793.03	5824.44	968.59	-	-	6793.03	-	-
Intangible Assets Total (B)	6574.24	976.58	-	-	7550.82	6535.21	1007.95	-	-	7543.16	7.66	39.03
TOTAL (A+B)	4168207.55	37713.46	1399.10	65676.77	4270198.68	511850.89	109974.44	1357.98	-	620467.35	3649731.33	3656356.66
Previous Year	2611499.97	1025549.91	98095.88	629253.55	4168207.55	424273.92	95378.72	3218.15	4583.60	511850.89		
Capital Work in Progress (Includes Pre-operative expenses)											286889.86	251184.10
GRAND TOTAL											3936621.19	3907540.76

Notes:

1. Certain Building Under Possession of the Company are pending registration in the name of the Company.
2. No write off has been done for lease hold land acquired on lease of 90 years and more.
3. Depreciation for the year includes ₹ NIL (Previous Year ₹ 1538.87 Lacs) charged to Capital Work In Progress.
4. Adjustment during the year includes addition of ₹ 65676.77 Lacs (Previous Year ₹ 633837.15 Lacs) on account of borrowing cost / exchange fluctuation and deduction of ₹ NIL (Previous Year ₹ 4583.60 Lacs) for depreciation capitalised during installation period.

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-12 NON-CURRENT INVESTMENTS		
(Long-Term, Fully Paid Up)		
In Equity Shares		
Non Trade, Quoted		
Tata Steel Ltd.		
13,500 (Previous Year 13,500) Equity Shares of ₹ 10/- each	58.08	58.08
	58.08	58.08
UNQUOTED		
Bhushan Buildwell Pvt. Ltd.		
4,900 (Previous Year 4,900) Equity Shares of ₹ 10/- each	0.49	0.49
Saraswat Co-operative Bank Ltd.		
2,500 (Previous Year 2,500) Equity Shares of ₹ 10/- each	0.25	0.25
	0.74	0.74
Trade, Unquoted		
In Associates		
Bhushan Energy Limited		
6,50,00,000 (Previous Year 6,50,00,000) Equity Shares of ₹ 10/- each	35000.00	35000.00
Angul Sukinda Railway Ltd.		
Nil Share (Previous Year 8,40,00,000) Equity Share of ₹ 10/- Each Paid up @ ₹ 1.19 Each	-	1000.00
Less: Dimuniation in the value of Investment (Refer Note 31)	-	1000.00
	-	-
Jawahar Credit & Holdings Private Limited		
86,43,742 (Previous Year 86,43,742) Equity Shares of ₹ 10/- each	940.31	940.31

(₹ in Lacs)

	As at 31.03.2016		As at 31.03.2015	
Bhushan Capital & Credit Services Private Limited 86,43,742 (Previous Year 86,43,742) Equity Shares of ₹ 10/- each	940.31		940.31	
In Joint Ventures				
Andal East Coal Company Pvt. Ltd. 3,30,000 (Previous Year 3,30,000) Equity Shares of ₹ 10/- each	145.50		145.50	
In Subsidiaries				
Bhushan Steel (Australia) Pty Ltd. 4,73,69,796 (Previous Year 4,73,69,796) Ordinary Shares of One AUD Per Share	24441.85		24441.85	
Bhushan Steel Madhya Bharat Limited 49,990 (Previous Year 50,000) Equity Shares of ₹ 10/- each	5.00		5.00	
Bhushan Steel (Orissa) Limited 49,990 (Previous Year 50,000) Equity Shares of ₹ 10/- each	5.00		5.00	
Bhushan Steel (South) Limited 50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each	5.00		5.00	
In Others				
Bhushan Steel Bengal Limited 50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each	5.00		5.00	
	61487.97	61546.79	61487.97	61546.79
	61546.79		61546.79	
Aggregate Value of	Book Value	Market Value	Book Value	Market Value
Quoted Investments	58.08	43.13	58.08	42.77
Unquoted Investments	61488.71	-	61488.71	-

NOTE-13 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

Capital Advances	17250.69	55361.97
Security Deposits	13466.24	13184.88
Advances for Non Current Investment to Related Parties	523.75	520.50
Loans to Employees	123.88	167.95
MAT Recoverable	80605.55	80605.55
Advance Tax (Net)	2328.43	1784.61
Excise Duty Recoverable / Service Tax Recoverable	1501.02	655.57
Other Advances*	240.62	342.73
	116040.18	152623.76

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

NOTE-14 OTHER NON CURRENT ASSETS**Non Current Fixed Deposits**

- Non Current Fixed Deposits (Refer Note 17)	2440.14	2459.23
Other Receivable (Refer Note 46)	56289.96	-
	58730.10	2459.23

NOTE-15 INVENTORIES

(At Lower of Cost And Net Realisable Value)

Raw Material	26063.05	32822.19
Raw Material In Transit	652320.01	509345.90
Finished Goods	48318.96	64753.13
Finished Goods In Transit	4208.36	3069.87
Work-in-Progress	53811.40	33564.69
Work-in-Progress In Transit	10043.70	10337.12
Stores	78373.10	73500.29
Stores In Transit	967.99	-
Other	6751.86	4730.12
	880858.43	732123.31

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-16 TRADE RECEIVABLES		
(Unsecured)		
More than Six Months		
- Considered Good	4938.05	5257.02
- Considered Doubtful	2558.85	1561.93
	7496.90	6818.95
Less: Provision	2558.85	1561.93
	4938.05	5257.02
Others - Considered Good	230177.68	234571.53
	235115.73	239828.55
NOTE-17 CASH AND BANK BALANCES		
(A) Cash and Cash Equivalants		
Balances with Banks		
- In Current Account	3099.27	7563.24
- In Unpaid Dividend Account	14.93	16.76
Fixed Deposits having maturity period within 3 months *	-	35.52
Cash on Hand	89.73	88.44
(B) Others		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	3103.93	3395.33
- 3 to 12 Months *	12464.81	44.15
	18772.67	11143.44
Less : Non Current Fixed Deposit	2440.14	2459.23
	16332.53	8684.21
*(Including interest accrued but not due)		
*{Including ₹ 15568.74 Lacs (Previous Year ₹ 3474.50 Lacs) under bank lien}		
NOTE-18 SHORT-TERM LOANS & ADVANCES		
(Unsecured, considered good)		
Security Deposits	9049.39	9033.09
Loans to Employees	337.72	499.45
Balance with Excise Department	13.70	44.62
Excise Duty / Service Tax Recoverable	23852.03	25696.55
Inter Corporate Deposit (Including Interest Accrued)	1916.45	3689.65
Other Advances *	74472.15	84558.36
	109641.44	123521.72
*Include Amount Recoverable from Sales Tax Department, advance to suppliers etc. and ₹ 24.55 Lacs (Previous Year ₹ NIL) receivable from related Party.		
NOTE-19 OTHER CURRENT ASSETS		
Receivable against sale of Fixed Assets	1019.92	62423.92
	1019.92	62423.92

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
NOTE-20 REVENUE FROM OPERATION		
Sales of Products	1267674.00	1117171.81
Other operating Revenues		
Other Sale	41198.12	51543.89
Export Incentives	3534.65	4786.02
	1312406.77	1173501.72
PARTICULARS OF SALE OF PRODUCTS		
Hot Rolled Steel Strips / Sheets / Coils	502414.12	357327.53
Cold Rolled Steel Strips / Sheets / Coils	267742.86	260687.69
Cold Rolled Galvanised Steel Strips / Sheets / Coils	275478.52	257750.43
Colour Coated Galvanised Steel Strips / Sheets / Coils	89098.18	102488.78
Precession Tubes	84047.09	81218.58
Large Dia Pipe	12146.52	14237.56
Hardening & Tempring Cold Rolled Steel Strips	16651.60	17339.02
High Tensile Steel Strapings	3632.33	4801.44
Billets	16186.26	20948.59
Formed Section	276.52	372.19
Others	41198.12	51543.89
Export Incentives	3534.65	4786.02
	1312406.77	1173501.72
NOTE-21 OTHER INCOME		
Interest Earned*		
- From Bank on FDRs	611.08	305.40
- From Others	717.22	496.12
Dividend:		
- From Long Term, Non Trade Investments	0.04	1.38
Profit on Sale of Fixed Assets (Net)	861.35	486.77
Miscellaneous Income (Refer Note 41)**	93.57	61.04
	2283.26	1350.71
*Including Income Tax Deducted at Source ₹ 50.31 Lacs (Previous Year ₹ 29.89 Lacs) and Excluding interest earned of ₹ Nil (Previous Year ₹ 317.72 Lacs) transferred to Projects.		
**Including Income Tax Deducted at source ₹ 0.95 Lacs (Previous Year ₹ 0.50 Lacs)		
NOTE-22 COST OF RAW MATERIAL CONSUMED		
Cost of Raw Material Consumed	657167.29	570940.93
Less : Cost of Raw Material Transferred to Project / Internal Use	2283.89	2473.02
	654883.40	568467.91
PARTICULARS OF MATERIALS CONSUMED		
HR / CR / Steel Scrap	189592.60	166011.83
Iron Ore / Sponge Iron	149181.15	129304.61
Coal	225573.24	199157.28
Dolomite / Lime	31219.56	19298.12
Zinc and Alloys	52081.92	47790.73
Paints	9518.82	9378.36
	657167.29	570940.93
NOTE-23 PURCHASE OF GOODS TRADED		
Purchase of Goods Traded	259.11	4831.81
	259.11	4831.81

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015		
NOTE-24 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE				
Inventories (at Close)				
Finished Goods	52527.32	67823.00		
Work-in-Progress	63855.10	43901.81		
Others	6751.86	4730.12		
	123134.28	116454.93		
Inventories (at Beginning)				
Finished Goods	67823.00	52651.75		
Work-in-Progress	43901.81	81628.87		
Others	4730.12	3940.81		
	116454.93	138221.43		
	(6679.35)	21766.50		
DETAIL OF FINISHED GOODS	Closing Stock	Opening Stock	Closing Stock	Opening Stock
Hot Rolled Steel Strips / Sheets / Coils	17588.26	28519.92	28519.92	5870.94
Cold Rolled Steel Strips / Sheets / Coils	10594.84	12775.30	12775.30	12432.44
Cold Rolled Galvanised Steel Strips / Sheets / Coils	12348.40	14147.92	14147.92	15573.15
Colour Coated Galvanised Steel Strips / Sheets / Coils	3412.35	3225.49	3225.49	6940.74
Precision Tubes	5643.02	5482.62	5482.62	5936.71
Large Dia Pipe	1555.94	2039.09	2039.09	2961.80
Hardened & Tempered Cold Rolled Steel Strips	696.52	750.74	750.74	1277.54
High Tensile Steel Strapings	137.05	413.44	413.44	356.74
Billets	544.80	464.60	464.60	1289.42
Formed Sections	6.14	3.88	3.88	12.27
	52527.32	67823.00	67823.00	52651.75
NOTE-25 EMPLOYEE BENEFITS EXPENSE				
Salary,Wages & Bonus		43249.42		33011.22
Contribution to P.F. and Other Funds		1161.77		1011.38
Staff Benefits		410.66		399.18
		44821.85		34421.78
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses		1574.09		8668.89
		43247.76		25752.89
NOTE-26 FINANCE COSTS				
Interest Expenses		465462.20		448287.19
Other Financial Cost		14480.76		15590.12
Applicable loss on foreign currency transactions and translation		1257.26		1367.88
		481200.22		465245.19
Less: Borrowing cost transferred to Project Under Commissining / Trial Run		22970.08		215842.62
		458230.14		249402.57

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
NOTE-27 OTHER EXPENSES		
Stores Consumed	40325.41	31602.17
Packing Material Consumed	5113.76	4315.09
Power & Fuel	122925.99	124261.83
Repairs & Maintenance		
- Plant & Machinery	3534.41	2852.29
- Buildings	187.16	303.51
Exchange Fluctuation (Net)	2610.13	579.80
Excise Duty #	(1630.22)	2965.89
Rates & Taxes	903.29	3701.21
Administrative Expenses	13207.79	18948.41
Legal & Professional Expenses	1112.28	829.41
Rent	22391.00	5895.46
Insurance	1830.75	2136.75
Auditors' Remuneration	118.50	160.25
Selling & Distribution Expenses	75288.40	50208.35
Commission to Selling Agents	500.05	503.58
Bad Debts Written off	0.28	123.23
Provision for Doubtful Debts	996.92	260.49
	289415.90	249647.72
Less: Transferred to Project under Commissioning, Pre-operative Expenses / Trial Run Expenses (Net)	9400.14	23286.61
	280015.76	226361.11

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

NOTE-28 EXCEPTIONAL ITEMS (Refer Note 31)		
Diminution in the value of Investment	-	1000.00
Investment written off	1,000.00	-
Provision of Investment written back (Long term, Trade, in associate)	(1,000.00)	-
	-	1000.00

NOTE - 29

(₹ in Lacs)

	Current Year	Previous Year
1. Contingent Liabilities in respect of :		
a) Sales Tax	95501.41	36455.50
b) Excise Duty/Custom/Service Tax	56662.49	34455.01
c) Entry Tax	70452.33	29924.16
d) Income Tax	16927.90	17274.63
e) Bills Discounted	10531.46	10806.35
f) Others	10276.46	4577.53
g) Undeclared Dividend including Dividend Distribution Tax on Cumulative Redeemable Preference Shares	2827.91	1089.71
h) Claims / Disputed Bills not acknowledged	27577.83	-
i) Water Conservation Fund	11500.00	-

2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹51329.28 Lacs (Previous Year ₹83322.86 Lacs) (Net of Advances).

3. Other Commitment

- Outstanding guarantees issued by the banks ₹304087.73 Lacs (Previous Year ₹371863.79 Lacs) counter guaranteed by the company including letter of credits issued.
- The Company from time to time provides need based support to its subsidiary Bowen Energy PTY Limited (Australia) towards capital and other requirements.
- Commitment for partly paid equity shares of Angul Sukinda Railway Limited, an associate company ₹Nil (Previous Year ₹7400.00 Lacs).

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

NOTE - 30

- 12% 6500000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹100/- per share during the financial year 2015-16 on private placement basis. The Preference Shares are redeemable at ₹100/- per share on or before the expiry of ten years from the date of allotment.
- 10% 133400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2014-15 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment. During the Year 84001 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 10% 723400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2013-14 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment. During the Year 505200 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 10% 1276700 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis against the share application money received during the financial year 2011-12 amounting to ₹38301.00 Lacs. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 1st March, 2013. During the Year 51650 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 10% 333400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial

year 2012-13 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 25th March, 2013.

- 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2011-12 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal installments at the end of 3rd and 4th year i.e. on 4th March, 2015 and 4th March, 2016 respectively. However, due to non submission of preference share certificate by the shareholder, M/s Robust Transportation Pvt. Ltd., preference shares could not be redeemed. M/s Robust Transportation Pvt. Ltd., vide their letter dated 1st March, 2015 and 1st March, 2016, has requested to defer the redemption of the preference shares as the same has been pledged with banker as security against the loan taken by it.
- 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012. During the Year 460000 Preference Shares have been redeemed at a premium of ₹ 2400/- per share.
- 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012. During the Year 33119 (upto Previous Year 1200000) Preference Shares have been redeemed at a premium of ₹2400/- per share.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares. During the financial Year 2013-14, 560067 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively. During the Year 237418 (upto Previous Year 133267) Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 25% 800000 Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The preference shares are redeemable at a price that shall give aggregate

yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e 28th March, 2011 in such trenches as stipulated in the subscription agreement. Upto Previous Year 800000 Preference Shares have been redeemed at a premium of ₹2400/- per share.

- l) 4% 900000 Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares shall be redeemed at an amount in INR, such that the subscribers get yield of 14% per annum on the amount outstanding within 36 Months from the date of allotment, i.e 29th March, 2011 in such trenches as stipulated in the subscription agreement. The same has been further extended for three months i.e upto 29th June, 2014. Upto Previous Year 900000 Preference Shares have been redeemed.
- m) 2% 2085000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹600/- per share during the financial year 2014-15 on private placement basis. The Preference Shares are redeemable at a premium of ₹500/- per share on or before the expiry of ten years from the date of allotment.
- n) 2% 1400000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹600/- per share during the financial year 2013-14 on private placement basis. The Preference Shares are redeemable at a premium of ₹500/- per share on or before the expiry of ten years from the date of allotment.
- o) 1% 1167340 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹300/- per share during the financial year 2014-15 on private placement basis. The Preference Shares are redeemable at a premium of ₹200/- per share on or before the expiry of ten years from the date of allotment.

NOTE – 31

The Company made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project did not made any headway, the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited issued final call notice for payment of unpaid call money failing which the shares were liable to be forfeited. The Company disputed the call money which in its opinion was premature, illegal and arbitrary and advised Angul Sukinda Railway Limited to withdraw said notice. Provision for diminution in the value of Investment was made in last year for ₹1000.00 Lacs. As the shares have been forfeited, the investment has been written off during the year.

NOTE – 32

The Company has during the year commissioned Lime Klin 600 TPD, Track Hopper and other ancillary plants.

NOTE – 33

Auditors' Remuneration includes :

(₹ in Lacs)

Particulars	Current Year	Previous Year
Audit Fees	100.00	110.00
Tax Audit Fees	18.50	20.50
Certification Fees	-	15.00
Other Services	-	14.75
	118.50	160.25

NOTE – 34

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

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

- a) **Subsidiary companies**
 Bhushan Steel (Orissa) Ltd.
 Bhushan Steel Madhya Bharat Ltd.
 Bhushan Steel (South) Ltd.
 Bhushan Steel (Australia) PTY Ltd.
 -Bowen Energy PTY Ltd., Australia
 -Kondor Holdings PTY Ltd. (deregistered on 24.09.2015)
 -Bowen Coal PTY Ltd.
 -Bowen Consolidated PTY Ltd.
 -Golden Country Resources (Australia) PTY Ltd. (deregistered on 24.09.2015)
- b) **Joint Venture**
 Andal East Coal Company Pvt. Ltd.
- c) **Associates**
 Angul Sukinda Railway Ltd. (Shares forfeited, no more associate)
 Bhushan Energy Ltd.
 Bhushan Capital & Credit Services Pvt. Ltd.
 Jawahar Credit & Holdings Pvt. Ltd.
- d) **Key Management Personnel**
 Shri Neeraj Singal (Vice Chairman & Managing Director)
 Shri Nittin Johari (Whole time Director)
 Shri P.K. Aggarwal (Whole time Director)
 Shri Rahul Sengupta (Whole time Director)
- e) **Relatives of Key Management Personnel**
 Shri B.B. Singal (Non-Executive Chairman & Father of Vice Chairman & Managing Director)
 Smt. Ritu Singal (Wife of Vice Chairman & Managing Director)
- f) **Enterprises over which Key Management Personnel are able to exercise significant influence**
 Bhushan Aviation Ltd.
 Bhushan Infrastructure Pvt. Ltd.
- g) **Enterprise over which relatives of Key Management Personnel are able to exercise significant influence**
 Bhushan Power & Steel Limited

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

(₹ In Lacs)

PARTICULARS		Subsidiary Companies	Joint Venture	Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	Current Year	-	-	-	476.47	95.31	-	571.78
	Previous Year	-	-	-	410.02	68.60	-	478.62
Directors Sitting Fees	Current Year	-	-	-	-	8.82	-	8.82
	Previous Year	-	-	-	-	8.60	-	8.60
Investments in Share Capital/ Share Application Money	Current Year	-	3.25	-	-	-	-	3.25
	Previous Year	223.36	25.00	-	-	-	-	248.36
Allotment of Shares / Share Application Money Pending Allotment	Current Year	-	-	-	-	-	-	-
	Previous Year	-	-	-	5542.02	1329.00	2133.00	9004.02
Redemption of Preference Share Capital	Current Year	-	-	-	11022.03	6654.00	2088.00	19764.03
	Previous Year	-	-	-	-	-	-	-
Purchase of Goods/ Services	Current Year	-	-	62172.38	-	-	1853.00	64025.38
	Previous Year	-	-	36115.80	-	-	1512.00	37627.80
Sales of Goods/ Services	Current Year	-	-	7031.28	-	-	3918.62	10949.90
	Previous Year	-	-	17400.09	-	-	-	17400.09
Security Deposit Paid	Current Year	-	-	-	-	-	-	-
	Previous Year	-	-	9000.00	-	-	-	9000.00
Provision for diminution of Investment	Current Year	-	-	-	-	-	-	-
	Previous Year	-	-	1000.00	-	-	-	1000.00
Investment written off	Current Year	-	-	1000.00	-	-	-	1000.00
	Previous Year	-	-	-	-	-	-	-
Payment made on behalf of co.	Current Year	1321.97	-	-	-	-	-	1321.97
	Previous Year	-	-	-	-	-	-	-
OUTSTANDINGS								
Trade Receivable	Current Year	-	-	-	-	-	35.08	35.08
	Previous Year	-	-	-	-	-	-	-
Other Receivable	Current Year	-	-	-	-	-	24.55	24.55
	Previous Year	-	-	-	-	-	-	-
Payable	Current Year	1321.97	-	511.69	22.23	1.98	99.07	1956.94
	Previous Year	-	-	425.25	17.03	-	174.55	616.83
Security Deposit Receivable	Current Year	-	-	9000.00	-	-	-	9000.00
	Previous Year	-	-	9000.00	-	-	-	9000.00
Provision for diminution of Investment	Current Year	-	-	-	-	-	-	-
	Previous Year	-	-	1000.00	-	-	-	1000.00
Share Application Money Pending Allotment	Current Year	-	523.75	-	-	-	-	523.75
	Previous Year	-	520.50	-	-	-	-	520.50

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

1. Remuneration & Perks include payment to Shri Neeraj Singal ₹146.07 Lacs (Pre. Year ₹144.66 Lacs), Shri P.K.Aggarwal ₹95.92 Lacs (Pre. Year ₹75.56 Lacs), Shri Nittin Johari ₹138.78 Lacs (Pre. Year ₹114.40 Lacs), Shri Rahul Sengupta ₹95.70 Lacs (Pre. Year ₹75.40 Lacs), and Smt. Ritu Singal ₹95.31 Lacs (Pre. Year ₹68.60 Lacs).
2. Directors sitting fees is paid to Shri B.B.Singal ₹8.82 Lacs (Pre. Year ₹8.60 Lacs) .
3. Investment in Share Capital/ Share Application Money include Bhushan Steel (Australia) PTY Ltd. ₹Nil Lacs (Pre. Year ₹223.36 Lacs), Andal East Coal Company Pvt. Ltd. ₹3.25 Lacs (Pre. Year ₹25.00 Lacs) .

4. Preference Share Capital received from Shri Brij Bhushan Singal ₹Nil (Pre. Year ₹1329.00 Lacs), Shri Neeraj Singal ₹Nil (Pre. Year ₹5542.02 Lacs) and Bhushan Infrastructure Pvt. Limited ₹Nil (Pre. Year ₹2133.00 Lacs).
5. Redemption of Preference Share Capital includes Shri Neeraj Singal ₹11022.03 Lacs (Pre. Year ₹Nil), Shri Brij Bhushan Singal ₹6654.00 Lacs (Pre. Year ₹Nil) and Bhushan Infrastructure Private Limited ₹2088.00 Lacs (Pre. Year ₹Nil).
6. Purchase of Goods/Services from Bhushan Energy Ltd. ₹62172.38 Lacs (Pre. Year ₹36115.80 Lacs), Bhushan Aviation Ltd. ₹1512.00 Lacs (Pre. Year ₹1512.00 Lacs) and Bhushan Power & Steel Limited ₹341.00 Lacs (Pre. Year ₹Nil).
7. Sale of Goods/Services to Bhushan Energy Ltd. ₹7031.28 Lacs (Pre. Year ₹17400.09 Lacs) and Bhushan Power & Steel Limited ₹3918.62 Lacs (Pre. Year ₹Nil).
8. Security Deposit paid to Bhushan Energy Limited of ₹Nil (Pre. Year ₹9000.00 Lacs).
9. Provision for diminution of investment made in case of Angul Sukinda Railway Limited amounting of ₹Nil (Prev. Year ₹1000.00 Lacs).
10. Investment written off in case of Angul Sukinda Railway Ltd. amounting of ₹1000.00 Lacs (Pre. Year ₹Nil).
11. Payment made by Bhushan Steel Australia Pty Ltd. amounting of ₹1321.97 Lacs (Pre. Year ₹Nil) on behalf of company.

NOTE – 35

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

(₹ In Lacs)		
	Current Year	Previous Year
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	33.00	33.00
Reserves & Surplus	78.10	100.95
Share Application Money Pending Allotment	523.75	520.50
Non- Current Liabilities		
Long-Term Borrowings	-	-
Deferred Tax Liabilities (Net)	-	-
Other Long Term Liabilities	-	-
Long-Term Provisions	-	1.51
Current Liabilities		
Short-Term Borrowings	-	-
Trade Payables	-	0.29
Other Current Liabilities	93.86	93.54
Short-Term Provisions	-	-
TOTAL	728.71	749.79
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	1.00	1.11
Intangible Assets	-	-
Capital Work in Progress	-	595.24
Non-Current Investments	-	-
Long-Term Loans and Advances	-	-
Other Non-Current Assets	-	-
Current Assets		
Current Investments	-	-
Inventories	-	-
Trade Receivables	-	-
Cash & Bank Balances	0.06	0.11
Short-Term Loans and Advances	154.33	153.33
Other Current Assets	573.32	-
TOTAL	728.71	749.79

(₹ In Lacs)

	Current Year	Previous Year
INCOME		
Gross Revenue from Operations	-	-
Other Income	-	-
TOTAL REVENUE	-	-
EXPENSES		
Cost of Raw Material Consumed	-	-
Purchase of Stock In Trade	-	-
Change in Inventories of Finished Goods, Work-In -Progress & Stock-In-Trade	-	-
Employee Benefits Expense	1.47	-
Finance Costs	0.01	-
Depreciation & Amortisation Expense	0.11	-
Other Expenses	0.64	2.20
Total Expenses	2.23	2.20
Profit / (Loss) Before Tax	(2.23)	(2.20)
Tax Expense	-	-
Profit / (Loss) After Tax	(2.23)	(2.20)
Capital Commitment	-	-
Contingent Liability-Bank Guarantee	-	-

NOTE – 36

The Company hold 90.97% (Previous Year 90.97%) share in Bhushan Steel (Australia) Pty Ltd. Bhushan Steel (Australia) Pty Ltd. hold 100.00 % (Previous Year 100.00%) share in Bowen Energy Ltd. Bhushan Steel (Australia) Pty Ltd. has invested the amount in Bowen Energy Ltd. out of the proceeds received from its Holding Company (i.e. Bhushan Steel Limited) which are being utilized by Bowen Energy Ltd. in exploration of mines.

Audited financial statement of Bhushan Steel Australia Pty Ltd. and Bowen Energy Ltd. are not available after June'13.

In Notes to Accounts on the Consolidated Financial Statements of subsidiary M/s Bowen Energy Ltd.(Australia) in the Audited Financial Statement for the year ended June'13, following notes have been given involving material items:

"The Consolidated entity has recorded a loss of \$ 3,245,854 for the year ended 30 June 2013 (2012: \$1,687,619) has cash outflows from operations of \$1,389,919 (2012: \$399,999), current liabilities of the Consolidated entity exceeded current assets by \$8,350,357 (2012:\$ 6,197,029) and the Consolidated entity is also in a net liability position of \$4,423,581 (2012:\$ 1,165,594).

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

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

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

NOTE – 37

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

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

(₹ In Lacs)

	Current Year	Previous Year
Within India	1189039.19	1015074.50
Outside India	119832.93	153641.20
Total	1308872.12	1168715.70

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

	Current Year	Previous Year
Within India	221254.04	226021.44
Outside India	13861.69	13807.11
Total	235115.73	239828.55

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

NOTE – 38

Fixed Assets include one cold rolling mill established in 1992 damaged in fire accident in the year 1998-99. The amount received from Insurance Company for reinstatement /repair of the mill was included in other liabilities till previous year. However, during the current year company has adjusted the amount received in the books of account.

NOTE – 39

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

	(₹ in Lacs)	
	Current Year	Previous Year
Opening Balance	59218.50	434765.88
Add: Pre-operative Expenses		
1. Transferred from Statement of Profit and Loss including Trial Run Loss/(Gain)	10974.23	31955.50
2. Depreciation	-	1538.87
3. Finance Costs (During Construction and Trial Run)	22970.08	215842.62
	93162.81	684102.87
Less : Interest earned during construction period	-	317.72
	93162.81	683785.15
Less: Capitalised		
-Pre-Operative Expenses [Including Trial Run Loss/(Gain)]	7931.06	619983.05
- Depreciation	-	4583.60
TOTAL	85231.75	59218.50

NOTE – 40**Earning Per Share**

	Current Year	Previous Year
(i) Weighted Average No. of Equity Shares		
Weighted Average No. of Equity Shares	226514746	226514746
(ii) Equity Shares for Calculating Diluted Earning per Share		
Weighted Average No. of Equity Shares	226514746	226514746
(iii) Profit / (Loss) After Tax (₹ in Lacs)	(283936.71)	(125382.80)
Less: -Dividend on preference shares		
(Including Dividend Tax)	1738.20	1095.71
Profit/ (Loss) after dividend on preference shares	(285674.91)	(126478.51)
(iv) Earning Per Share (₹)		
- Basic	(126.12)	(55.84)
- Diluted	(126.12)	(55.84)

NOTE – 41**Detail of Misc. Income**

Detail of Miscellaneous Receipts

		(₹ in Lacs)	
S.No.	Particulars	Current Year	Previous Year
1.	Insurance Claim Received	27.58	49.73
2.	Rent Received	11.71	10.68
3.	Bad Debts / Compensation Recovered	10.50	-
4.	Miscellaneous Receipts	43.78	0.63
		93.57	61.04

NOTE – 42

The Company in respect of Khopoli unit has received a sum of ₹538.43 Lacs (Previous Year ₹270.10 Lacs) as industrial promotion subsidy under Package Scheme of Incentive-2007 announced by Government of Maharashtra for manufacturing of Large Dia Pipe, being capital receipt, has been credited to Capital Reserve.

NOTE – 43

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

NOTE – 44

Though there was no profit for distribution of dividend, the Company during the financial year 2014-15 redeemed 4,00,000 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each and 3,36,751 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each issued to banks and as per terms of issue of Preference Shares and paid dividend of ₹5.13 Lacs out of general reserve as approved by Board of Directors.

NOTE – 45

Pursuant to Companies Act 2013 (the Act), becoming effective from 1 April 2014, the company has re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation done during FY 2014-15.

Subsequent to Notification GSR627 (E) dated 29th August, 2014 amending para 7 (b) under schedule II of the Company's Act 2013, Company has charged off transitional provision amounting to ₹250.34 Lacs during F.Y. 2014-15, net of depreciation capitalized, to Statement of Profit and Loss.

NOTE – 46

The Supreme Court of India, vide its order dated 24/09/2014, cancelled number of coal blocks allocated to various entities which includes one coal block allocated to the company and one of its associate 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.

No effect has been taken on the value of investment made by the company in the de-allocated coal blocks amounting to ₹56289.96 Lacs (including Expenditure incurred of ₹13546.46 Lacs and Advances given ₹42743.50 Lacs) and ₹669.25 Lacs in Equity Shares/ advance for share capital in the associate company whose coal blocks have been de-allocated. In the opinion of the management the Company/ associate company will receive back the payments/ expenditure paid/ made, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks. The Company has filed its claim for compensation during the year with Govt. of India Ministry of coal and accordingly the investment made by the company of ₹56289.96 Lacs has been reclassified to Non-current assets in the current year from Capital Work in Progress and Capital Advances.

NOTE – 47

- (a) In accordance with Reserve Bank of India (RBI) Circular No2014-15/354 Dt. 15th December 2014 allowing flexible structuring of existing project loans (with option of periodic refinancing) to operational infrastructure/core industries projects the consortium of banks with SBI as the lead bank has allowed flexible structuring of long term loans under "5/25" scheme by aligning their debt repayment obligations with cash flow generated during their economic life.

The steering committee and joint lenders forum have approved long term viability and have structured the debt in accordance with extant guidelines of RBI. Rupee term loans are structured into loan with twenty five years repayment tenor, subject to review after every five years. The Company has received the approval for flexible structuring and accordingly current maturity of outstanding loan of ₹1850880.00 Lacs has been classified on that basis.

- (b) The Company was unable to redeem some of the secured debentures and pay interest thereon along with other irregularities in loans given by various Banks & Institutions. The restructuring proceedings of such defaults are going on with all the lenders. In this respect, the high level Lenders' meeting was held on 16th March, 2016 at SBI Corporate Centre, Mumbai. For debt restructuring post deliberations the JLF decided to carry out a TEV from a reputed Independent Agency to ascertain the overall viability & sustainable debt to enable the JLM to take decision on the future course after TEV/Valuation. In view of the pending restructuring plan with Lenders, the Management is of the opinion that technically the provisions of section 164(2)(b) of the Companies Act, 2013 are not attracted to any Director. In view of the above, the Company is not required to file Form No. DIR9 with the Registrar of Companies.

NOTE – 48

Due to the loss incurred, the Company applied to the Central Government for the approval of managerial remuneration. The approval from Central Government has been received during the year but further clarification regarding Leave Encashment, PF and taxable car perquisite has been sought. Hence, the payment of Leave Encashment, PF and taxable Car perquisite are subject to approval of Central Govt.

NOTE – 49

The board has given in principal approval for the demerger of the plants of the company situated at Sahibabad and Khopoli to its subsidiaries on slump sale basis through business transfer agreement based on the valuation to be carried out by approved valuer. The said transaction is subject to approval of board and shareholders.

NOTE – 50

During the current financial year the company has entered into sale and lease back transaction of Coke Oven Batteries and Oxygen equipment of 150 TPD Plant, however, the same has been cancelled due to regulatory constraints. The net amount of ₹22840.50 Lacs received under this transaction has been disclosed under other current liabilities as other payables.

NOTE – 51

For computing deferred tax liability, the amount of business and depreciation loss as allowable in income tax returns has been considered for recognizing deferred tax assets. On the basis of future projections taken on record by the management after considering improved performance of the company in last quarter, the board is confident that there is a virtual certainty that sufficient taxable income will be available in the future against which, the deferred tax assets can be realized in the normal course of business of the company.

NOTE – 52

The Company during the financial year 2014-2015 had sold assigned and transferred to the purchaser in perpetuity, all rights, titles and interest in the equipments of Oxygen Plant, free and clear of encumbrances, on an itemized asset sale basis, for a consideration of ₹100012.50 Lacs including sales tax.

The said equipments are taken by the Company under operating lease for a period of ten years from 26th February 2015.

Lease Payment made on operating lease has been recognized as an expense in the statement of Profit & Loss on straight line basis with reference to lease term and other consideration. The terms of Operating Lease are as follows:

Amount (₹ In Lacs)

S. No.	Particulars	Current Year	Previous Year
(a)	The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
	(i) Not later than one year	18000.00	18000.00
	(ii) Later than one year and not later than five year	75941.38	72341.30
	(iii) Later than five year	84407.14	105951.80
(b)	The total amount of future minimum sublease payments expected to be received under non-cancellable sublease at the balance sheet date	N.A.	N.A.
(c)	Lease payments recognized in the statement of Profit and Loss for the period, with separate amounts for minimum lease payments and contingent rent.	12880.00	213.10
(d)	Sub-lease payments received (or receivable) recognized in the statement of Profit and Loss for the period	N.A.	N.A.
(e)	A general description of the lessee's significant leasing arrangements including, but not limited to, the following:		
	(i) The basis on which contingent rent payments are determined	N.A.	N.A.
	(ii) The existence and terms of renewal or purchase options and escalation clause and	Refer note below (a) & (b)	Refer note below (a) & (b)
	(iii) Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	N.A.	N.A.

Notes:

(a) Upon expiry of Lease Term, the Lessee shall have the option to renew the lease term of the Equipments for subsequent periods of 5 years each (Renewal Term). The lease rent for Renewal Term shall be as agreed between the Lessor and Lessee but shall not be higher than the last Rent paid under this Lease Agreement. The Lessee shall intimate any revision in the rent for the Renewal Term to its lenders.

(b) Rent is based on, among others, a benchmark rate (based on the cost of financing the purchase of the Equipments by the Lessor) that has been agreed between the Parties prior to the date of execution of this Lease Agreement. In the event the benchmark rate changes or the parties agree to change the benchmark rate/apply some other benchmark, the Rent payable may increase or decrease accordingly.

Due to said equipments not being fully operational, the Company has paid during the year ₹12880.00 Lacs (Previous Year ₹213.10 Lacs) as lease rent.

NOTE – 53**DERIVATIVES**

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

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

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
a) Amount receivable in Foreign Currency on Account of				
Sale of Goods	208.97	13861.69	220.59	13807.11
Advance against goods/ Capital Goods	179.56	11910.77	203.17	12716.33
b) Amount payable in Foreign Currency on Account of				
Acceptances	310.47	20594.46	343.03	21470.83
Trade Payables/ Creditor for Capital Goods/ Customers Credit balances	588.62	39044.60	3260.58	204082.38
Loans /Interest Payable	14884.87	987356.05	14872.03	930852.27

NOTE – 54

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

A. Defined Contribution Plans:

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

(₹ In Lacs)

	Current Year	Previous Year
a) Employer contribution to Provident Fund /Other Funds	573.82	415.39
b) Employer contribution to State Plans		
i) Employee State Insurance	46.79	65.37
ii) Maharashtra Labour Welfare Fund	0.10	0.11

B. Defined Benefit Plans:

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

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

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
i) Actuarial Assumptions				
Discount Rate (per annum)	8%	8%	8%	8%
Rate of increase in compensation levels	5%	5%	5%	5%
Rate of return on plan assets	-	-	8%	8%
Expected Average remaining working lives of employees (years)	24	25	24	25
ii) Change in the obligation during the year ended 31st March, 2016				
Present value of obligation as at 31st March, 2015	1578.36	1349.50	2950.09	2380.04
Impact of Transition provision of (AS)-15	-	-	-	-
Interest cost	126.27	114.71	236.01	202.31
Past Service cost	-	-	-	-
Current service cost	291.24	310.90	451.46	412.61
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(165.27)	(168.98)	(227.76)	(160.53)
Actuarial (gain)/ loss on Obligations	(164.31)	(27.77)	61.01	115.66
Present value of obligation as at 31st March, 2016	1666.29	1578.36	3470.81	2950.09
iii) Change in fair value of Plan Assets				
Fair value of Plan Assets as at 31st March, 2015	-	-	1680.36	1706.19
Expected return on Plan Assets	-	-	134.42	136.50
Contributions	-	-	-	-
Benefits Paid	-	-	(227.76)	(160.53)
Actuarial gain/ (loss) on Obligations	-	-	29.84	(1.80)
Fair value of Plan Assets as at 31st March, 2016	-	-	1616.86	1680.36
iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets				
Present value of obligation as at 31st March, 2016	1666.29	1578.36	3470.81	2950.09
Fair value of Plan Assets as at 31st March, 2016	-	-	1616.86	1680.36
Funded Status	(1666.29)	(1578.36)	(1853.95)	(1269.73)
Present value of un-funded obligation as at 31st March, 2016	-	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognised in Balance Sheet	(1666.29)	(1578.36)	(1853.95)	(1269.73)
v) Expenses / Pre-Operative expenses recognised in Statement of Profit and Loss				
Current service cost	291.24	310.90	451.46	412.61
Past Service cost	-	-	-	-
Interest cost	126.27	114.71	236.01	202.31
Expected return on Plan Assets	-	-	(134.42)	(136.50)
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(164.31)	(27.77)	31.16	117.46
Total Expense recognised in Statement of Profit and Loss / Pre-Operative expenses	253.20	397.84	584.21	595.88

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

(₹ in Lacs)

	Current Year	Previous Year
NOTE – 55		
Value of Import on C.I.F. Basis		
- Raw Material	411265.06	349257.10
- Capital Goods	16036.61	17171.19
- Stores/Spare parts	10485.16	9321.82
NOTE – 56		
Expenditure in Foreign Currency		
-Travelling	282.70	199.65
-Sales Commission	264.85	252.94
-Machinery Repair & Maintenance	32.00	334.44
-Technical Consultancy	924.42	1549.05
-Interest & Finance Charges	33676.98	36555.45
-Capital Machinery / Indirect Expenses	1164.12	-
-Legal Expenses	20.47	23.23
-Rates & Taxes	-	14.07
-Subscription	3.48	4.31
-Insurance	-	7.44
NOTE – 57		
Earnings in Foreign Exchange		
-FOB Value of Export	119832.93	153641.20

NOTE – 58**Value of Imported / Indigenous Raw Material and Stores / Spare Parts Consumed**

	Current Year		Previous Year	
	Value(₹ in lacs)	% age	Value(₹ In lacs)	% age
Raw Material:				
Imported	348937.04	53.10	209886.04	36.76
Indigenous	308230.25	46.90	361054.89	63.24
	657167.29	100.00	570940.93	100.00
Stores/Spare Parts:				
Imported	10399.26	25.79	7370.69	23.32
Indigenous	29926.15	74.21	24231.48	76.68
	40325.41	100.00	31602.17	100.00

NOTE – 59**Remittance in foreign currency on account of Dividend**

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

	Current Year		Previous Year	
	USD	INR	USD	INR
(a) Number of Non-Resident Shareholders		-		396
(b) Number of Equity Shares held by them		-		4581360
(c) (i) Amount of dividend paid (Gross)	-	-	130	2290680
(a) Amount of dividend paid through transfer in NRE a/c		-		2282680
(b) Amount of Dividend paid through Foreign Currency	-	-	130	8000
(ii) Tax deducted at source	-	-	-	-
(iii) Year to which dividend relates		N.A.		2013-2014

NOTE – 60

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

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
PARTNER
M.NO.:005699

Sd/-
B. B. SINGAL
NON-EXECUTIVE CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

INDEPENDENT AUDITORS' REPORT

To

The Members of Bhushan Steel Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BHUSHAN STEEL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries its associates and jointly controlled entities (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 there under.

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 the consolidated financial statements are free from material misstatement.

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 control 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.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis of Qualified Opinion

The Supreme Court of India, vide its order dated 24/09/2014, cancelled number of coal blocks allocated to various entities which includes one coal block allocated to the company and one of its associated 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 the coal blocks.

No effect has been taken on the value of investment made by the company in the de-allocated coal blocks amounting to ₹56289.96 Lacs (including expenditure incurred ₹13546.46 Lacs and advance given ₹42743.50 Lacs) and ₹669.25 Lacs in Equity shares/ advance for share capital in the associated company whose coal blocks have been de-allocated. In the opinion of the management the Company/associated company will receive back the payments/expenditure paid/ made, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks. The company has filed its claim for compensation during the year with Government of India, Ministry of Coal and accordingly the investment made by the company of ₹56289.96 Lacs has been reclassified to non-current assets from capital work in progress and capital advance.

We are unable to comment on the impact on the value of investment made by the company and its associate in the de-allocated coal blocks and their consequent impact on the Losses for the financial year ended March 31, 2016.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Basis of 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 of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

- a) Consolidated Financial statement of a foreign subsidiary namely Bowen Energy Pty Limited (Australia) is prepared in accordance with Accounting Standards and other generally accepted accounting principles in Australia with the year ending June, 30 every year. We have been informed that no Consolidated Financial Statement of the Bowen Energy Pty Limited (Australia) have been prepared after June 30, 2013. Consolidated Financial Statement/information of the Bowen Energy Pty Limited (Australia), whose consolidated financial statements/information reflect total assets of ₹11298.49 Lacs as at 31st March, 2016, Loss of ₹150.84 Lacs, and cash outflows amounting to ₹89.12 Lacs for the year ended at 31st March, 2016, included in Consolidated Financial Statement, is prepared by the management as on 31st March 2016, as informed to us by converting the figures in accordance with Accounting Standards and other generally accepted accounting principles in India. These financial statements/ financial informations 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 the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is 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, the financial statements / financial informations are not material to the Group.
- b) We have relied on the unaudited financial statements of a foreign subsidiary, namely Bhushan Steel (Australia) Pty. Ltd. and a joint venture, namely Andal East Coal Company Pvt. Ltd., whose financial statements/financial informations reflect total assets of ₹26791.18 Lacs and ₹728.71 Lacs as at 31st March, 2016, Profit/(Loss) of ₹191.45 Lacs and ₹(2.23) Lacs and cash outflows amounting to

₹2.23 Lacs and ₹0.05 Lacs for the year ended at 31st March, 2016 respectively as considered in the consolidated financial statement. These financial statements/financial informations 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 and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled entities, is 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.

- (c) We have relied on the unaudited financial statement of an associate, namely Bhushan Energy Limited, whose share of Loss for the year ended 31st March, 2016, amounting to ₹7234.25 Lacs has been considered in the consolidated financial statement. The financial statements of Bhushan Energy Limited is 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 associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / consolidated financial statements/ informations certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought, except for the possible effect of the matter described in the Basis of Qualified Opinion paragraph above, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the possible effect the matter described in the Basis of Qualified Opinion paragraph above, 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 and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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) In our opinion, except for the possible effect the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) The matters described in Basis of Qualified Opinion paragraph above, in our opinion may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group Companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act – as indicated in Note 49(b) to the consolidated financial statements.

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph above.

- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A; and

- (i) 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, 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 jointly controlled entities – Refer Note 31(1) to the consolidated financial statements.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 55 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **MEHRA GOEL & CO.**
Chartered Accountants
(FRN: 000517N)

R.K. Mehra
Partner
M. NO.: 006102

Place: New Delhi
Date: 30th May, 2016

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(FRN: 000226C)

M.P. Mehrotra
Partner
M. NO. : 005699

Annexure - A to the Auditor's Report of Bhushan Steel Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Bhushan Steel Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are 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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to

provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 ICAI.

For **MEHRA GOEL & CO.**
Chartered Accountants
(FRN: 000517N)

R.K. Mehra
Partner
M. NO.: 006102

Place: New Delhi
Date: 30th May, 2016

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(FRN: 000226C)

M.P. Mehrotra
Partner
M. NO. : 005699

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

	NOTE	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	22680.09	17551.47
Reserves and Surplus	3	443136.06	771062.10
		465816.15	788613.57
Share Application Money Pending Allotment			
		-	-
Minority Interest			
		3300.60	3297.07
Non-Current Liabilities			
Long-Term Borrowings	4	3232602.13	3092772.22
Deferred Tax Liabilities (Net)	5	63959.26	137407.19
Other Long Term Liabilities	6	64057.26	63980.29
Long-Term Provisions	7	-	1.51
		3360618.65	3294161.21
Current Liabilities			
Short-Term Borrowings	8	1002950.44	760154.45
Trade Payables	9	117645.49	273939.11
Other Current Liabilities	10	457961.27	172168.15
Short-Term Provisions	11	3520.24	2848.10
		1582077.44	1209109.81
Total		5411812.84	5295181.66
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	3649724.67	3656338.08
Intangible Assets		7.66	39.03
Capital Work in Progress		313934.83	278732.84
		3963667.16	3935109.95
Non-Current Investments	13	30066.62	37301.36
Long-Term Loans and Advances	14	115591.43	153413.07
Other Non-Current Assets	15	59303.42	2459.23
		204961.47	193173.66
Current Assets			
Current Investments	16	2.58	2.06
Inventories	17	880858.43	732123.31
Trade Receivables	18	235115.73	239828.55
Cash and Bank Balances	19	16386.94	8829.10
Short-Term Loans and Advances	20	109800.61	123691.11
Other Current Asstes	21	1019.92	62423.92
		1243184.21	1166898.05
Total		5411812.84	5295181.66
Significant Accounting Policies			
Other Notes on Financial Statements	1 31 to 65		

As per our report of even date attached

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
PARTNER
M.NO.:005699

Sd/-
B. B. SINGAL
NON-EXECUTIVE CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	NOTE	Year Ended 31.03.2016		Year Ended 31.03.2015	
INCOME					
Gross Revenue from Operations	22	1312406.77		1173501.72	
Less: Excise Duty		132143.41	1180263.36	108924.65	1064577.07
Other Income	23		2265.97		1184.07
TOTAL REVENUE			1182529.33		1065761.14
EXPENSES					
Cost of Materials Consumed	24		654883.40		568467.91
Cost of Purchase Goods Traded	25		259.11		4831.81
Change in Inventories of Finished Goods, Work In Progress and Stock -In -Trade	26		(6679.35)		21766.50
Employee Benefits Expense	27		43249.23		25752.89
Finance Costs	28		458230.38		249402.61
Depreciation and amortization expense			109974.55		93839.85
Other Expenses	29		279959.33		226521.38
Total Expenses			1539876.65		1190582.95
Profit / (Loss) Before exceptional & extraordinary item and Tax			(357347.32)		(124821.81)
Exceptional Items	30		-		1000.00
Profit / (Loss) Before Tax			(357347.32)		(125821.81)
Tax Expenses					
- MAT Credit Utilised/(Available for Setoff)			-	0.04	
- Deferred Tax		(73447.93)	(73447.93)	(112.03)	(111.99)
Profit / (Loss) for the year(before Adjustment for Share of Associates & Minority Interest)			(283899.39)		(125709.82)
Add: Share of Profit/(Loss) of Associates			(7234.74)		4.31
Less: Minority Interest			5.06		(28.91)
Profit / (Loss) for the year (After Adjustment for Share of Associates & Minority Interest)			(291139.19)		(125676.60)
Basic Earning Per Share (₹)			(129.30)		(55.97)
Diluted Earning Per Share (₹)			(129.30)		(55.97)
Nominal Value of Share (₹)			2.00		2.00
(Refer Note-42)					
Significant Accounting Policies	1				
Other Notes on Financial Statements	31 to 65				

As per our report of even date attached

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
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Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended 31.03. 2016	Year Ended 31.03.2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items and share of profit of Associates	(357347.32)	(125821.81)
Adjustments for :		
Opening difference between audited and unaudited result	(20.62)	-
Depreciation & Amortization Expenses	109974.55	93839.85
Provisions (Retirement Benefits)	670.63	824.52
Share of Profit of Associates	7234.74	(4.31)
Finance Costs	458230.38	249402.61
Interest/Dividend Income on Investments	(0.04)	(1.38)
Interest Income (Others)	(1328.30)	(801.52)
FCTR transferred on deregistration of subsidiaries	(1.53)	-
Diminution in value of investment	-	1007.40
Diminution in value of investment written back	(0.52)	-
Loss / (Profit) on Sale of Fixed Assets	(842.01)	(320.13)
Provision for Doubtful Debts / Bad Debts Written off	997.20	383.72
Loss/(Gain) on Exchange Rate Change	(1762.82)	393.49
	573151.66	344724.25
Operating Profit Before Working Capital Changes	215804.34	218902.44
Adjustments for :		
Increase(-) / Decrease in Inventories	(148735.12)	(84098.39)
Increase(-) / Decrease in Trade Receivables	3790.17	4797.92
Increase(-) / Decrease in Loans & Advances	13695.14	18573.88
Increase / Decrease(-) in Trade Payables & Other Liabilities	(103874.64)	59147.34
	(235124.45)	(1579.25)
Cash Flow from Operating Activities	(19320.11)	217323.19
Direct Tax Paid (Net of Refund)	(493.51)	(124.12)
Net Cash (Used) / Flow in / from Operating Activities (A)	(19813.62)	217199.07
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(75590.39)	(172043.58)
Proceeds from Sale of Fixed Assets	62306.47	33188.43
Purchase of Investments	-	-
Long Term Fixed Deposits	19.09	(2459.23)
Share of Profit of Associates	(7234.74)	4.31
Interest Income	1278.27	1089.92
Dividend Income	0.04	1.38
Net Cash Used In Investing Activities (B)	(19221.26)	(140218.77)

(₹ in Lacs)

	Year Ended 31.03. 2016	Year Ended 31.03.2015
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Finance Costs	(401506.29)	(433404.24)
Proceeds From Cash Credit From Banks (Net)	279058.49	118714.27
Proceeds From Other Borrowings	200679.96	242262.73
Proceeds From Share / Share Application Money	6500.00	20014.02
Proceeds From Share Application Money of Minority Shareholders	-	(5.03)
Redemption of Preference Shares Including Premium	(38676.04)	(22151.40)
Capital Subsidy	538.43	270.10
Proceeds on Consolidation/De-consolidation of Subsidiaries	-	5.02
Dividend Paid	-	(1915.69)
Unclaimed Dividend Paid	(1.83)	(96.70)
Dividend Tax Paid	-	(342.68)
Net Cash Flow From Financing Activities (C)	46592.72	(76649.60)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	7557.84	330.70
Opening Balances of Cash and Cash Equivalents	8829.10	8498.40
Closing Balances of Cash and Cash Equivalents	16386.94	8829.10

Note:-

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) - 3 on 'Cash Flow Statement'.
- Cash and Cash equivalents include ₹14.93 Lacs (Previous Year ₹16.76 Lacs) in respect of unclaimed dividend, the balance of which is not available to the company.
- Figures in brackets represent cash out flow.
- Previous Year Figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date attached

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

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M.P. MEHROTRA
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WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

A) PRINCIPLES OF CONSOLIDATION:

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

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

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

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

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

Name of the Company	Country of Incorporation	% age of Voting Power either directly or through Subsidiaries as at 31st March, 2016
Bhushan Steel (Orissa) Ltd.	India	100.00
Bhushan Steel (South) Ltd.	India	100.00
Bhushan Steel Madhya Bharat Ltd.	India	100.00
Bhushan Steel (Australia) PTY Ltd.	Australia	90.97
Bowen Energy Pty Ltd. **	Australia	100.00
Bowen Coal PTY Ltd. *	Australia	100.00
Bowen Consolidated PTY Ltd. *	Australia	100.00

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

* Subsidiaries of Bowen Energy PTY Ltd. .

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

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

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

Name of the Company	Country of Incorporation	Proportion of Ownerships Interest
Bhushan Energy Ltd.	India	47.17%
Bhushan Capital & Credit Services Private Limited	India	42.58%
Jawahar Credit & Holdings Private Limited	India	39.65%

- (b) The Associate Companies not considered in the Consolidated Financial Statements are:-

The Company has made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project has not made any headway the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited has issued final call notice for payment of unpaid call money failing which the shares are liable to be forfeited. The Company has disputed the call money which in its opinion is premature, illegal and arbitrary and has advised to withdraw said notice. Provision for diminution in the value of Investment had been made last year for ₹1000.00 Lacs. As the shares have been forfeited, the investment has been written off during the year.

- xii. The financial statements of the subsidiary, associate and joint venture companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2016.

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

C) OTHER SIGNIFICANT ACCOUNTING POLICIES:

I) PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance to the requirements of the Companies Act 2013 (the Act), applicable Accounting Standards and the requirements of Schedule-III of the Act.

II) BASIS OF PREPARATION

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

III) USE OF ESTIMATES

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

IV) REVENUE/EXPENDITURE RECOGNITION

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

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

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

V) FIXED ASSETS

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

from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

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

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

VI) ASSETS IN THE COURSE OF CONSTRUCTION

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

VII) INTANGIBLE ASSETS

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

VIII) IMPAIRMENT OF ASSETS

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

IX) DEPRECIATION

Depreciation on all fixed assets at Khopoli Plant and a Cold Rolling Plant acquired prior to 1st April 1996 and Galvanising Plant & Power Plant acquired before 1st April 2002 including addition or extension forming integral part of above plants at Sahibabad Plant has been provided on Written Down Value method and depreciation on all other fixed assets at Sahibabad Plant and Orissa Plant has been provided on Straight Line Method.

The Economic Useful Life of all major plants at various units has been determined as per technical assessment and in respect of all other fixed assets the life has been taken as per Schedule-II to the Companies Act, 2013.

The Economic Useful Life of Plants including auxiliary equipments has been determine below:-

S. No.	Description of Plant	Life Span in Years
1	Sinter Plant	35-38
2	Blast Furnace	35-38
3	Coke Ovens	35-38
4	Rolling Mill in Steel Plant	35-38
5	Basic Oxygen Furnace Converter	35-38
6	DRI Plant	38
7	Tube Mill, Large Dia Pipe Plant, H&T, HTSS	35
8	Power Plant (Thermal Base)	38
9	Power Plant (HSD / Gas Base)	30
10	Lab Equipment	20

X) INVENTORIES

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

Cost is determined on the following basis;

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

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

By products and scrap are valued at net realizable value.

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

XI) INVESTMENTS

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

XII) FOREIGN EXCHANGE TRANSACTIONS

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

XIII) BORROWING COST

Borrowings Cost relating to acquisition or construction of qualifying assets are included in the costs of those assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

XIV) MODVAT / CENVAT / VAT

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

XV) CLAIMS

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

XVI) EMPLOYEE BENEFITS

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

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

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

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

XVII) TAX EXPENSE

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

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

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

XVIII) LEASES

- (a) Lease Payment made on operating lease has been recognized as an expense in the statement of Profit & Loss on straight line basis with reference to lease term and other consideration.
- (b) Assets acquired under finance lease from 01.04.2001 are capitalized at the lower of their fair value or the present value of the minimum lease payments

XIX) DERIVATIVE FINANCIAL INSTRUMENTS

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

XX) PROVISION AND CONTINGENT LIABILITY

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

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

XXI) CONTINGENCIES & COMMITMENTS

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

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE -2 SHARE CAPITAL		
Authorised		
40,00,00,000 (Previous Year 40,00,00,000) Equity Shares of ₹2/- Each	8000.00	8000.00
2,05,00,00,000 (Previous Year 1,95,00,00,000) Preference Shares of ₹100/- Each	20500.00	19500.00
	28500.00	27500.00
Issued		
23,06,05,220 (Previous Year 23,06,05,220) Equity Shares of ₹2/- Each	4612.10	4612.10
69,97,445 (Previous Year 83,68,833) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	6997.45	8368.83
34,85,000 (Previous Year 34,85,000) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	3485.00	3485.00
11,67,340 (Previous Year 11,67,340) 1% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1167.34	1167.34
65,00,000 (Previous Year Nil) 12% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	6500.00	-
	22761.89	17633.27
Subscribed		
22,65,14,746 (Previous Year 22,65,14,746) Equity Shares of ₹2/- Each fully paid up	4530.29	4530.29
Amount paid up on 784 (Previous Year 784) Equity Shares forfeited of ₹2/- each	0.01	0.01
69,97,445 (Previous Year 83,68,833) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	6997.45	8368.83
34,85,000 (Previous Year 34,85,000) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	3485.00	3485.00
11,67,340 (Previous Year 11,67,340) 1% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1167.34	1167.34
65,00,000 (Previous Year Nil) 12% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	6500.00	-
	22680.09	17551.47
Paid Up		
22,65,14,746 (Previous Year 22,65,14,746) Equity Shares of ₹2/- Each fully paid up	4530.29	4530.29
Amount paid up on 784 (Previous Year 784) Equity Shares forfeited of ₹2/- each	0.01	0.01
69,97,445 (Previous Year 83,68,833) 10% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	6997.45	8368.83
34,85,000 (Previous Year 34,85,000) 2% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	3485.00	3485.00
11,67,340 (Previous Year 11,67,340) 1% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	1167.34	1167.34
65,00,000 (Previous Year Nil) 12% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each	6500.00	-
	22680.09	17551.47

Detail of Shareholders holding more than 5% shares :

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No of Shares	% Held	No of Shares	% Held
(A) Equity Shareholders				
1. Shri Brij Bhushan Singal	41103391	18.15%	41103391	18.15%
2. Shri Neeraj Singal	51480927	22.73%	51480927	22.73%
3. Bhushan Infrastructure Pvt. Ltd.	31901188	14.08%	32010805	14.13%
(B) Preference Shareholders				
1. Shri Brij Bhushan Singal	1141633	6.29%	1363433	10.47%
2. Shri Neeraj Singal	2770472	15.26%	3137873	24.10%
3. Globus Realinfra Pvt. Ltd. (Formerly SUR Buildcon Pvt. Ltd.)	6501500	35.82%	-	-
4. BBN Transportation Pvt. Ltd.	-	-	663500	5.10%
5. Bhushan Finance Pvt. Ltd.	-	-	548810	4.21%
6. Robust Transportation Pvt. Ltd.	-	-	457067	3.51%

Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of Shares	Amount (₹ in Lacs)	No of Shares	Amount (₹ in Lacs)
(A) Equity Shares				
At the beginning of the year	226514746	4530.29	226514746	4530.29
Add : Shares Issued - Call received	-	-	-	-
Less: Shares forfeited	-	-	-	-
At the end of the year	226514746	4530.29	226514746	4530.29
(B) Preference Shares (Non Convertible Cumulative Reddemable Preference Shares)				
10 % Preference Shares				
At the beginning of the year	8368833	8368.83	8235433	8235.43
Add : Shares Issued	-	-	133400	133.40
Less: Shares Redeemed	1371388	1371.38	-	-
At the end of the year	6997445	6997.45	8368833	8368.83
4 % Preference Shares				
At the beginning of the year	-	-	336751	336.75
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	336751	336.75
At the end of the year	-	-	-	-
25 % Preference Shares				
At the beginning of the year	-	-	400000	400.00
Add : Shares Issued	-	-	-	-
Less: Shares Redeemed	-	-	400000	400.00
At the end of the year	-	-	-	-
2 % Preference Shares				
At the beginning of the year	3485000	3485.00	1400000	1400.00
Add : Shares Issued	-	-	2085000	2085.00
Less: Shares Redeemed	-	-	-	-
At the end of the year	3485000	3485.00	3485000	3485.00
1 % Preference Shares				
At the beginning of the year	1167340	1167.34	-	-
Add : Shares Issued	-	-	1167340	1167.34
Less: Shares Redeemed	-	-	-	-
At the end of the year	1167340	1167.34	1167340	1167.34
12 % Preference Shares				
At the beginning of the year	-	-	-	-
Add : Shares Issued	6500000	6500.00	-	-
Less: Shares Redeemed	-	-	-	-
At the end of the year	6500000	6500.00	-	-

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

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

The Preference Share are not convertible in Equity. For terms of redemption (Refer Note 32).

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-3 RESERVES & SURPLUS		
Capital Redemption Reserve:		
At Commencement of the year	693.34	693.34
Add : Transferred from surplus	-	-
	693.34	693.34
Capital Reserve:		
At Commencement of the year	25222.98	24947.86
Add : Addition during the year (Refer Note 43)	538.43	270.10
Add : On Consolidation/deconsolidation of Subsidiaries (Net)	-	5.02
	25761.41	25222.98
Debenture Redemption Reserve :		
At Commencement of the year	44762.50	44762.50
Add : Transferred from surplus	-	-
	44762.50	44762.50
Less : Transferred to General Reserve	8,250.00	-
	36512.50	44762.50
Foreign Currency Translation Reserve:		
At Commencement of the year	(72.93)	(72.93)
Add: Adjustment for Translation of non-integral Foreign operation	-	-
	(72.93)	(72.93)
Securities Premium Reserve:		
At Commencement of the year	329731.94	330785.68
Add : Addition during the Year	-	16628.28
Less: Utilised for redemption of Preference shares	37304.66	17682.02
	292427.28	329731.94
General Reserve:		
At Commencement of the year	496311.37	500050.00
Add : Transferred from Debenture Redemption Reserve	8,250.00	-
Less: Interim Dividend on Redemption of Preference Shares (Refer Note 46)	-	5.13
Less: Dividend Tax Paid on Interim Dividend	-	0.87
Less: Premium paid on redemption of Preference Shares*	-	3732.63
	504561.37	496311.37
Surplus:		
At Commencement of the year	(125587.10)	89.50
Less: Difference between audited and unaudited result	20.62	-
Add: Net Profit / (Loss) for the Current Year	(291139.19)	(125676.60)
Net Surplus	(416746.91)	(125587.10)
	443136.06	771062.10

* The premium paid on redemption of Preference Shares over the amount of security premium received on issue of preference shares has in absence of profit for the same, being adjusted out of general reserve.

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-4 LONG-TERM BORROWINGS		
SECURED		
Non Convertible Debentures	146050.00	203000.00
(Foot note 1 to 9)		
Term Loan		
1. From Banks		
- Foreign Currency Loans (Foot note 10)	890522.08	835468.93
- Rupee Loans (Foot note 11)	2335454.19	2072679.37
2. From Other		
- Rupee Loans (Foot note 12)	60674.45	33594.83
Total (A)	3432700.72	3144743.13
UNSECURED		
Term Loan		
From Bank		
- Rupee Loan	9765.00	-
Foreign Currency Loans		
- From Indian Banks	-	-
- From Foreign Banks (Foot note 13)	292.83	263.25
- From Others	3008.50	2704.63
Total (B)	13066.33	2967.88
Total (A+B)	3445767.05	3147711.01
Less: Current Maturity of Long Term Borrowings (Refer Note 49)	108380.20	54938.79
Less: Repayment Overdue on Long Term Borrowings (Refer foot Note 26)	104784.72	-
	3232602.13	3092772.22

Foot Note:

- (1) 12.00% Redeemable Non-Convertible 250 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹2500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 250 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹2500 Lacs). Debentures are redeemable at par in one bullet payment at the end of 10th year from the date of allotment i.e 31.08.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company offering minimum Fixed Asset Coverage Ratio of 1.25 times during the tenure of debentures and personal guarantee of Sh. B.B.Singal & Sh. Neeraj Singal.
- (2) 12.50% Redeemable Non-Convertible 2000 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹20000 Lacs (Previous Year 12.50% Redeemable Non-Convertible 2000 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹20000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 30.08.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (3) 12.00% Redeemable Non-Convertible 100 Debentures of ₹100 Lacs each outstanding on 31st March 2016 ₹NIL (Previous Year 12.00% Redeemable Non-Convertible Debentures of ₹100 Lacs each outstanding on 31st March 2015 ₹10000 Lacs) (subordinate debt).
- (4) 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹35000 Lacs (Previous Year 11.50% Redeemable Non-Convertible 3500 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹35000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 04.01.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (5) 12.00% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹10500 Lacs (Previous Year 12.00% Redeemable Non-Convertible 1050 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹10500 Lacs) are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 28.03.2013 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (6) 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹30000 Lacs (Previous Year 11.75% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹30000 Lacs) are redeemable in three equal annual installments commencing from the end of 5th year from the date of allotment i.e 02.02.2012 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (7) 12.00% Redeemable Non-Convertible 4750 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹4000 Lacs (Previous Year 12.00% Redeemable Non-Convertible 4750 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹47500 Lacs). Debentures are redeemable at the end of 4th, 5th and 6th year in installments 35%, 35% & 30% respectively commencing from the end of 4th year from the date of allotment i.e 31.08.2012.
- (8) 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹30000 Lacs (Previous Year 10.50% Redeemable Non-Convertible 3000 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹30000 Lacs) Debentures are redeemable at par in three equal annual installments commencing from the end of 6th year from the date of allotment i.e 13.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company.
- (9) 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2016 ₹14050 Lacs (Previous Year 10.90% Redeemable Non-Convertible 1750 Debentures of ₹10 Lacs each outstanding on 31st March 2015 ₹17500 Lacs) are redeemable at par in four equal annual installments commencing from the end of 5th year from the deemed date of allotment i.e 26.08.2010 and are Secured by first charge on pari passu basis on the fixed assets of the Company. Out of the above debentures of ₹ 925 Lacs could not be redeemed during the year.
- (10) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable

machinery, spares, tools & accessories (excluding specific charge created on favour of ECA Lenders), ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹26533 Lacs (Previous Year ₹25036 Lacs) secured by subsequent & subservient charge on movable assets. Out of the above, the ECA Loans of ₹265001 Lacs (Previous Year ₹239255 Lacs) financed by ECA Lenders are secured by first exclusive charge on the assets financed & personal guarantee of two promoter directors. Loans of ₹890522 Lacs (Previous Year ₹835469 Lacs) are guaranteed by the Personal Guarantee of two promoter directors.

- (11) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹NIL (Previous Year ₹15700 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹2281459 Lacs (Previous Year ₹1662104 Lacs) are guaranteed by the Personal Guarantee of two promoter directors & Loans of ₹53995 Lacs (Previous Year ₹410576 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director. Apart from this, Loans of ₹429910 Lacs are to be secured by pledge of 26% shares of Bhushan Steel Limited and Loans of ₹1589229 Lacs are to be secured by pledge of 51% shares of Bhushan Steel Limited.
- (12) Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories (excluding specific charge created in favour of ECA Lenders) ranking pari passu inter-se, with the trustee of Debenture holders subject to prior charges created in favour of banks on stocks, book debts etc. for securing borrowing for working capital requirement, except ₹931 Lacs (Previous Year ₹1345 Lacs) secured by subsequent & subservient charge on movable assets. Loans of ₹58722 Lacs (Previous year ₹30000 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors & Loans of ₹1021 Lacs (Previous Year ₹2250 Lacs) are guaranteed by the Personal Guarantee of One Promoter Director. Apart from this, Loans of ₹8958 Lacs are to be secured by pledge of 51% shares of Bhushan Steel Limited.
- (13) Out of these Loans of ₹293 Lacs (Previous Year ₹263 Lacs) are guaranteed by the Personal Guarantee of Two Promoter Directors.

*This includes ₹55932 Lacs on account of ECA loans for which in principle approval for restructuring is already received. This default will be automatically removed on receiving of final approval for restructuring from ECA Lenders.

Detail of Repayment and Rate of Interest

Rate of Interest: All Rupee Term Loans are linked to the Benchmark Rate/Base Rate of the respective lenders on floating basis. All Foreign Currency Loans are linked to the LIBOR Rates of different lenders on floating basis.

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

(₹in Lacs)

	Already Due	1 year	2-3 Years	Beyond 3 years
Term Loans	103860	78930	204965	2911963

- (15) Domestic Loans sanctioned by SBI Syndication for Phase I & II of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.00% and repayable in 24 quarterly installments commencing from 24 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ SBI Base Rate+2.50% p.a (presently 11.80% p.a.)

- (16) Foreign Currency Loans for Phase I & II of Orissa project was sanctioned at interest rate of EURIBOR + 0.45% (Presently 0.499% p.a.) repayable in 20 Half Yearly Installments commencing from six Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. However in principle approval/communication has been received for the deferment of the principal installments. Now the revised payments will commence from HY2 of FY 2018-19 in 10 equal semi annual installments.
- (17) Domestic Loans sanctioned by SBI Syndication for Phase III of Orissa project was sanctioned at rate of interest of SBI Base Rate+2.50% and repayable in 17 quarterly installments commencing from 18 months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ SBI Base Rate+2.50% p.a (presently 11.80% p.a.).
- (18) Foreign Currency Loans for Phase III of Orissa project was sanctioned at interest rate of EURIBOR+1.50% (Presently 1.506% p.a.) repayable in 20 half yearly installments commencing from 6 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. However in principle approval/communication has been received for the deferment of the principal installments. Now the revised payments will commence from HY2 of FY 2018-19 in 16 equal semi-annual installments.
- (19) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of USD LIBOR+3.95% repayable in 6 annual installments commencing from 36 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s.
- (20) Another Foreign Currency Loan sanctioned for Phase III of the Orissa Project at interest rate of EURIBOR+1.75% (Presently 2.055% p.a.) repayable in 18 half yearly installments commencing from three Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. However in principle approval/communication has been received for the deferment of the principal installments. Now the revised payments will commence from HY2 of FY 2018-19 in 15 equal semi annual installments.
- (21) Domestic Loans sanctioned for Coke Oven 2 of Orissa project was sanctioned at rate of interest of Base Rate+2.50% and repayable in 24 quarterly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ Base Rate+1.75% p.a (presently 11.60% p.a.).
- (22) Foreign Currency Loans for Coke Oven 2 of Orissa Project was sanctioned at interest rate of USD LIBOR + 4.50% repayable in 12 half yearly installments commencing from 15 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years.
- (23) Domestic Loans sanctioned for CRCA & CRNGO Project of Orissa project was sanctioned at rate of interest of Base Rate+2.25% and repayable in 24 quarterly installments commencing from 12 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans are being considered in 5/25 flexible structuring scheme of RBI upto 25 years. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ Base Rate+2.00% p.a. (11.85% p.a. at present).
- (24) Domestic Loans sanctioned for Addition, Modification & Replacement Project at Orissa Site was sanctioned at rate of interest of Base Rate+TP+1.25% and repayable in 32 quarterly installments commencing from 3 Months after completion of the project as per terms stipulated in respective loan/facility agreement/s. Now these loans are being considered in 5/25 flexible structuring scheme of RBI upto 25 years. Now these loans have been structured under 5/25 flexible structuring scheme of RBI upto 25 years @ SBI Base Rate+2.50% p.a. (11.80% p.a. at present).

- (25) Domestic Loans sanctioned for shoring up of Net Working Capital/Normal Capital Expenditure was sanctioned at rate of interest of SBI Base Rate+2.50% (Presently 11.80% p.a.) and repayable in 40 quarterly installments commencing from 30th June 2016, as per terms stipulated in respective loan/facility agreement/s.

Rate of interests of other Term Loans/Foreign Currency Loans are linked with the Base Rate/LIBOR of the respective lenders.

- (26) Repayment default on Long Term Borrowings

(₹ in Lacs)

	Principal Amount	Interest Amount
SECURED		
Non Convertible Debentures	925.00	20638.12
Term Loan		
1. From Banks		
- Foreign Currency Loans	82719.91	13267.19
- Rupee Loans	19641.33	95057.18
2. From Others		
- Rupee Loans	1205.65	1803.13
Total (A)	104491.89	130765.62
UNSECURED		
Term Loan		
From Bank		
- Rupee Loan	-	192.91
Foreign Currency Loans		
- From Others	292.83	1.12
Total (B)	292.83	194.03
Total (A+B)	104784.72	130959.65

	As at 31.03.2016	As at 31.03.2015
NOTE-5 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability (Refer Note 53)		
Related to Fixed Assets	105669.93	138933.41
Total (A)	105669.93	138933.41
Deferred Tax Assets		
Business Loss (As per Income Tax Act)	39606.83	-
Provision of Doubtful Debts	885.56	540.55
Others	1218.28	985.67
Total (B)	41710.67	1526.22
Total (A-B)	63959.26	137407.19

NOTE-6 OTHER LONG-TERM LIABILITIES

Liability for Capital Goods/ Expenditure	51134.89	55774.25
Security Deposit Received from Customers	82.92	74.75
Others*	12839.45	8131.29
	64057.26	63980.29

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

NOTE-7 LONG TERM PROVISIONS

Provision for Employee Benefits	-	1.51
	-	1.51

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-8 SHORT TERM BORROWING		
SECURED		
Working Capital Loans		
From Banks		
Cash Credit		
- Foreign Currency Loans (Foot note 1)	51900.14	31570.31
- Rupee Loans (Foot note 1)	924910.04	666181.38
Total (A)	976810.18	697751.69
UNSECURED		
From Bank		
Rupee Loan		
- Term Loan	5080.00	13645.00
Foreign Currency Loans		
- From Indian Banks (Buyers Credit)	21060.26	48757.76
Total (B)	26140.26	62402.76
Total (A+B)	1002950.44	760154.45

Foot Note :

- (1) Working Capital Loans are secured by hypothecation of stock & book debts, second charge on company's land, building and other immovable properties ranking pari passu inter-se and personal guarantee of two promoter directors.
- (2) The Company is enjoying working capital facility of ₹1260000 Lacs (funded and non funded) and there is outstanding of ₹976810.18 Lacs as on 31st March, 2016, which includes overdrawn amount of ₹388595 Lacs.

NOTE-9 TRADE PAYABLES

Micro, Small and Medium Enterprises	404.62	539.03
Others	117240.87	273400.08
	117645.49	273939.11

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

Particulars

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

NOTE-10 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debts	108380.20	54938.79
Repayment Overdue on Long Term Debts	103859.72	-
Unpaid matured debentures including interest accrued	985.50	-
Interest Accrued & Due on borrowings	144649.00	45006.67
Interest Accrued but not due on borrowings	12713.06	33978.72
Unclaimed Dividend *	14.93	16.76
Statutory Dues	45499.24	19009.24
Due to Directors	24.21	17.03
Due to Officers	1.58	1.46
Liability for Capital Goods / Expenditure**	9867.58	9658.62
Other Payables (Refer Note 54)	31966.25	9540.86
	457961.27	172168.15

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

**Includes ₹35.05 Lacs (Previous Year ₹1.34 Lacs) on account of Micro, Small & Medium Enterprises and ₹19.99 Lacs on account of interest thereon.

NOTE-11 SHORT TERM PROVISIONS

Provision for Employee Benefits	3520.24	2848.10
	3520.24	2848.10

NOTE-12 FIXED ASSETS (Consolidated)

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	Cost as at 01.04.2015	Addition During the Period	Sale/ Discarded During the Period	Adjustment During the Period	Cost as at 31.03.2016	As at 01.04.2015	During the Period	Written Back During the Period	Adjustment During the Period	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets												
Freehold Land	24279.55	-	-	-	24279.55	-	-	-	-	-	24279.55	24279.55
Leasehold Land	20578.62	-	-	-	20578.62	211.21	14.63	-	-	225.84	20352.78	20367.41
Building	702444.16	-	21.24	-	702422.92	66589.64	20660.04	1.90	-	87247.78	615175.14	635854.52
Railway Siding	91600.04	-	-	-	91600.04	10857.32	5946.69	-	-	16804.01	74796.03	80742.72
Plant & Equipment	3311171.58	36473.97	1273.62	65676.77	3412048.70	423447.62	81072.20	1255.05	-	503264.77	2908783.93	2887723.96
Furniture & Fixtures	5750.07	45.29	7.74	-	5787.62	931.29	556.67	1.65	-	1486.31	4301.31	4818.78
Vehicles	4548.58	161.08	117.53	-	4592.13	2742.91	481.59	101.10	-	3123.40	1468.73	1805.67
Office Equipments	1284.03	56.54	0.21	-	1340.36	538.56	234.78	0.18	-	773.16	567.20	745.47
Tangible Assets Total (A)	4161656.63	36736.88	1420.34	65676.77	4262649.94	505318.55	108966.60	1359.88	-	612925.27	3649724.67	3656338.08
Intangible Assets												
Computer Software	749.80	7.99	-	-	757.79	710.77	39.36	-	-	750.13	7.66	39.03
Assets Not Owned by Company	5824.44	968.59	-	-	6793.03	5824.44	968.59	-	-	6793.03	-	-
Intangible Assets Total (B)	6574.24	976.58	-	-	7550.82	6535.21	1007.95	-	-	7543.16	7.66	39.03
TOTAL (A+B)	4168230.87	37713.46	1420.34	65676.77	4270200.76	511853.76	109974.55	1359.88	-	620468.43	3649732.33	3656377.11
Previous Year	2611871.12	1025549.91	98443.71	629253.55	4168230.87	424296.58	95388.31	3247.53	4583.60	511853.76	313934.83	278732.84
Capital Work in Progress [Includes Pre-operative expenses]											313934.83	278732.84
GRAND TOTAL											3963667.16	3935109.95

Notes:

1. Certain Building Under Possession of the Company are pending registration in the name of the Company.
2. No write off has been done for lease hold land acquired on lease of 90 years and more.
3. Depreciation for the year includes ₹Nil (Previous Year ₹1548.46 Lacs) charged to Capital Work In Progress.
4. Adjustment during the year includes addition of ₹65676.77 Lacs (Previous Year ₹63383.15 Lacs) on account of borrowing cost / exchange fluctuation and deduction of ₹Nil (Previous Year ₹4583.60 Lacs) for depreciation capitalised during installation period.

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-13 NON CURRENT INVESTMENT		
(Long-Term, Fully Paid Up)		
In Equity Shares		
Non Trade, Quoted		
Tata Steel Ltd.		
13,500 (Previous Year 13,500) Equity Shares of ₹10/- each	58.08	58.08
Rocklands Rich Fields Ltd.		
2,000 (Previous Year 2,000) Ordinary Shares of AUD 0.20 each	0.21	0.21
	58.29	58.29
In Equity Shares		
Unquoted		
Bhushan Buildwell Pvt. Ltd.		
4,900 (Previous Year 4,900) Equity Shares of ₹10/- each	0.49	0.49
Saraswat Co-operative Bank Ltd.		
2,500 (Previous Year 2,500) Equity Shares of ₹10/- each	0.25	0.25
	0.74	0.74
Trade		
Unquoted		
In Associates		
Bhushan Energy Limited		
(including Goodwill of ₹570.33 Lacs)		
6,50,00,000 (Previous Year 6,50,00,000) Equity Shares of ₹10/- each	35000.00	35000.00
Add: Share of Post Acquisition Profit	(6873.67)	360.58
	28126.33	35360.58

(₹ in Lacs)

	As at 31.03.2016		As at 31.03.2015	
Angul Sukinda Railway Ltd.				
Nil Share (Previous Year 8,40,00,000) Equity Share of ₹10/- Each Paid up @ ₹1.19 Each	-		1000.00	
Less: Dimuniation in the value of Investment (Refer Note 33)	-		1000.00	
	-		-	
Jawahar Credit & Holdings Private Limited				
(including Capital Reserve of ₹3004.95 Lacs)				
86,43,742 (Previous Year 86,43,742) Equity Shares of ₹10/- each	940.31		940.31	
Add: Share of Post Acquisition Profit / (Loss)	(2.05)		(1.82)	
	938.26		938.49	
Bhushan Capital & Credit Services Private Limited				
(including Capital Reserve of ₹2640.15 Lacs)				
86,43,742 (Previous Year 86,43,742) Equity Shares of ₹10/- each	940.31		940.31	
Add: Share of Post Acquisition Profit / (Loss)	(2.31)		(2.05)	
	938.00		938.26	
	30002.59		37237.33	
In Others				
Bhushan Steel Bengal Ltd.				
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each	5.00		5.00	
	5.00		5.00	
		30066.62		37301.36
		30066.62		37301.36
Aggregate Value of	Book Value	Market Value	Book Value	Market Value
Quoted Investments	58.29	43.34	58.29	42.98
Unquoted Investments	30008.33	-	37243.07	-

NOTE-14 LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Advance For Capital Goods	17250.69	55361.97
Security Deposits	13466.24	13184.88
Loans to Employees	123.88	167.95
MAT Recoverable	80605.55	80605.55
Advance Tax (Net)	2328.43	1784.61
Excise Duty Recoverable / Service Tax Recoverable	1501.02	655.57
Other Advances *	315.62	1652.54
	115591.43	153413.07

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

NOTE-15 OTHER NON CURRENT ASSETS**Non Current Fixed Deposits**

- Non Current Fixed Deposits (Refer Note-19)

Other Receivable (Refer Note-48)

	2440.14	2459.23
	56863.28	-
	59303.42	2459.23

NOTE-16 CURRENT INVESTMENTS**QUOTED (FULLY PAID)****Vector Resources Ltd.**

8,55,000 (Previous Year 8,55,000) shares of AUD 0.20 each

	2.58	2.06
	2.58	2.06

Aggregate Value of

	Book Value	Market Value	Book Value	Market Value
Quoted Investment	2.58	2.58	2.06	2.06

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE-17 INVENTORIES		
(At Lower of Cost and Net Realisable Value)		
Raw Material	26063.05	32822.19
Raw Material In Transit	652320.01	509345.90
Finished Goods	48318.96	64753.13
Finished Goods In Transit	4208.36	3069.87
Work-in-Progress	53811.40	33564.69
Work-in-Progress In Transit	10043.70	10337.12
Stores	78373.10	73500.29
Stores In Transit	967.99	-
Others	6751.86	4730.12
	880858.43	732123.31
NOTE-18 TRADE RECEIVABLES		
(Unsecured)		
More than Six Months		
- Considered Good	4938.05	5257.02
- Considered Doubtful	2558.85	1561.93
	7496.90	6818.95
Less: Provision	2558.85	1561.93
	4938.05	5257.02
Others - Considered Good	230177.68	234571.53
	235115.73	239828.55
NOTE-19 CASH AND BANK BALANCES		
Cash and Cash Equivalants		
Balances with Banks		
- In Current Account	3140.13	7695.48
- In Unpaid Dividend Account	14.93	16.76
Fixed Deposit having maturity period within 3 months*	-	35.52
Cash on Hand	92.94	91.65
Others		
Fixed Deposits having maturity period :-		
- For more than 12 Months *	3103.93	3395.33
- 3 to 12 Months *	12475.15	53.59
	18827.08	11288.33
Less : Non Current Fixed Deposit	2440.14	2459.23
	16386.94	8829.10
*(Including interest accrued but not due)		
*{Including ₹15568.74 Lacs (Previous Year ₹3474.50 Lacs) under bank lien}		
NOTE-20 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Security Deposits	9049.41	9033.11
Loans to Employees	337.72	499.45
Balance with Excise Department	13.70	44.62
Excise Duty / Service Tax Recoverable	23898.84	25741.11
Inter Corporate Deposits (Including Interest Accrued)	1916.45	3689.65
Other Advances*	74584.49	84683.17
	109800.61	123691.11
* Include Amount Recoverable from Sales Tax Department, advance to suppliers etc. and ₹24.55 Lacs (Previous Year NIL) receivable from related Party.		
NOTE-21 OTHER CURRENT ASSETS		
Receivable against sale of Fixed Assets	1019.92	62423.92
	1019.92	62423.92

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
NOTE-22 REVENUE FROM OPERATION		
Sales of Products	1267674.00	1117171.81
Other Operating Revenue		
Other Sale	41198.12	51543.89
Export Incentives	3534.65	4786.02
	1312406.77	1173501.72
PARTICULARS OF SALE OF PRODUCTS		
Hot Rolled Steel Strips / Sheets / Coils	502414.12	357327.53
Cold Rolled Steel Strips / Sheets / Coils	267742.86	260687.69
Cold Rolled Galvanised Steel Strips / Sheets / Coils	275478.52	257750.43
Colour Coated Galvanised Steel Strips / Sheets / Coils	89098.18	102488.78
Precision Tubes	84047.09	81218.58
Large Dia Pipe	12146.52	14237.56
Hardening & Tempring Cold Rolled Steel Strips	16651.60	17339.02
High Tensile Steel Strapings	3632.33	4801.44
Billets	16186.26	20948.59
Formed Section	276.52	372.19
Others	41198.12	51543.89
Export Incentives	3534.65	4786.02
	1312406.77	1173501.72
NOTE-23 OTHER INCOME		
Interest Earned*		
- From Bank on FDRs	611.08	305.40
- From Others	717.22	496.12
Dividend:		
-From Long Term Non - Trade Investments	0.04	1.38
Profit on Sale of Fixed Assets (Net)	842.01	320.13
FCTR transferred on deregistration	1.53	-
Dimuniation in the value of investment written back	0.52	-
Miscellaneous Income** (Refer Note 44)	93.57	61.04
	2265.97	1184.07
* Including Income Tax Deducted at Source ₹50.31 Lacs (Previous Year ₹29.89 Lacs) and Excluding Interest earned ₹0.28 Lacs (Previous Year ₹318.29 Lacs) transferred to projects.		
** Including Income Tax Deducted at source ₹0.95 Lacs (Previous Year ₹0.50 Lacs).		
NOTE-24 COST OF RAW MATERIAL CONSUMED		
Cost of Raw Material Consumed	657167.29	570940.93
Less : Cost of Raw Material Transferred to Project / Internal Use	2283.89	2473.02
	654883.40	568467.91
PARTICULARS OF MATERIALS CONSUMED		
HR / CR / Steel Scrap	189592.60	166011.83
Iron Ore / Sponge Iron	149181.15	129304.61
Coal	225573.24	199157.28
Dolomite / Lime	31219.56	19298.12
Zinc and Alloys	52081.92	47790.73
Paints	9518.82	9378.36
	657167.29	570940.93
NOTE-25 COST OF PURCHASE GOODS TRADED		
Cost of Purchase Goods Traded	259.11	4831.81
	259.11	4831.81

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
NOTE-26 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK- IN -PROGRESS AND STOCK IN TRADE		
Inventories (at close)		
Finished Goods	52527.32	67823.00
Work-in-Progress	63855.10	43901.81
Others	6751.86	4730.12
	123134.28	116454.93
Inventories (at beginning)		
Finished Goods	67823.00	52651.75
Work-in-Progress	43901.81	81628.87
Others	4730.12	3940.81
	116454.93	138221.43
Net (Increase)/Decrease in Stock	(6679.35)	21766.50

DETAIL OF FINISHED GOODS	Closing Stock	Opening Stock	Closing Stock	Opening Stock
Hot Rolled Steel Strips / Sheets / Coils	17588.26	28519.92	28519.92	5870.94
Cold Rolled Steel Strips / Sheets / Coils	10594.84	12775.30	12775.30	12432.44
Cold Rolled Galvanised Steel Strips / Sheets / Coils	12348.40	14147.92	14147.92	15573.15
Colour Coated Galvanised Steel Strips / Sheets / Coils	3412.35	3225.49	3225.49	6940.74
Precision Tubes	5643.02	5482.62	5482.62	5936.71
Large Dia Pipe	1555.94	2039.09	2039.09	2961.80
Hardened & Tempered Cold Rolled Steel Strips	696.52	750.74	750.74	1277.54
High Tensile Steel Strapings	137.05	413.44	413.44	356.74
Billets	544.80	464.60	464.60	1289.42
Formed Sections	6.14	3.88	3.88	12.27
	52527.32	67823.00	67823.00	52651.75

NOTE NO- 27 EMPLOYEE BENEFITS EXPENSE		
Salary,Wages & Bonus	43250.89	33029.02
Contribution to P.F. and Other Funds	1161.77	1011.38
Staff Benefits	410.66	399.22
	44823.32	34439.62
Less : Expenses Transferred to Project Under Commissioning / Pre Operative Expenses	1574.09	8686.73
	43249.23	25752.89

NOTE-28 FINANCE COSTS		
Interest Expenses	465462.20	448287.18
Other Financial Cost	14481.26	15583.90
Applicable loss on foreign currency transactions and translation	1257.26	1367.88
	481200.72	465238.96
Less: Borrowing cost transferred to Project Under Commissioning / Trial Run	22970.34	215836.35
	458230.38	249402.61

(₹ in Lacs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
NOTE-29 OTHER EXPENSE		
Stores Consumed	40325.41	31602.17
Packing Material Consumed	5113.76	4315.09
Power & Fuel	122925.99	124262.03
Repairs & Maintenance		
- Plant & Machinery	3534.41	2852.29
- Buildings	187.16	303.51
Exchange Fluctuation (Net)	2552.22	726.43
Excise Duty #	(1630.22)	2965.89
Rates & Taxes	903.55	3701.75
Administrative Expenses	13234.48	19028.60
Legal & Professional Expenses	1124.35	845.46
Rent	22391.00	5895.56
Insurance	1830.75	2137.20
Auditors' Remuneration	119.10	166.54
Dimuniation in the value of investment	-	7.40
Selling & Distribution Expenses	75288.40	50208.35
Commission to Selling Agents	500.05	503.58
Bad Debts Written off	0.28	123.23
Provision for Doubtful Debts	996.92	260.49
	289397.61	249905.57
Less: Transfer to Project under Commissioning		
Pre-operative Expenses / Trial Run Expenses (Net)	9438.28	23384.19
	279959.33	226521.38

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

NOTE-30 EXCEPTIONAL ITEMS (Refer Note 33)

Dimuniation in the value of Investment	-	1000.00
Investment written off	1000.00	-
Provision of Investment written back (Long term, Trade, in associate)	(1000.00)	-
	-	1000.00

NOTE : 31

(₹ in Lacs)

	Current Year	Previous Year
1. Contingent Liabilities in respect of :		
(a) Sales Tax	95501.41	36455.50
(b) Excise Duty/Service Tax/Custom	56662.49	34455.01
(c) Entry Tax	70452.33	29924.16
(d) Income Tax	16927.90	17276.08
(e) Bills Discounted	10531.46	10806.35
(f) Others	10276.46	4577.53
(g) Undeclared Dividend including Dividend Distribution Tax on Cumulative Redeemable Preference Shares	2827.91	1089.71
(h) Claims / Dispute Bills not acknowledged	27577.83	-
(i) Water Conservation Fund	11500.00	-

2. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹51329.28 Lacs (Previous Year ₹83322.86 Lacs) (Net of Advances).

3. Other Commitment

- Outstanding guarantees issued by the banks ₹304087.73 Lacs (Previous Year ₹371863.79 Lacs) counter guaranteed by the company including letter of credits issued.
 - Commitment for partly paid equity shares of Angul Sukinda Railway Limited, an associate company ₹Nil (Previous Year ₹7400.00 Lacs)
4. There is no present obligation arising from past events requiring provision in accordance with the guiding principle as enunciated in Accounting Standard (AS)- 29, as it is not probable that an outflow of resources embodying economic benefit will be required.

NOTE : 32

- 12% 6500000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹100/- per share during the financial year 2015-16 on private placement basis. The Preference Shares are redeemable at a premium of ₹100/- per share on or before the expiry of ten years from the date of allotment.
- 10% 133400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2014-15 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment. During the Year 84001 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 10% 723400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2013-14 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment. During the Year 505200 Preference Shares have been redeemed at a premium of ₹2900/- per share.
- 10% 1276700 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis against the share application money received during the financial year 2011-12 amounting to ₹38301.00 Lacs. The Preference Shares are redeemable at a premium

of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 1st March, 2013. During the Year 51650 Preference Shares have been redeemed at a premium of ₹2900/- per share.

- 10% 333400 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2012-13 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- per share on or before the expiry of ten years from the date of allotment i.e. 25th March, 2013.
- 10% 366667 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2011-12 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- in two equal installments at the end of 3rd and 4th year i.e. on 4th March, 2015 and 4th March, 2016 respectively. However, due to non submission of preference share certificate by the shareholder, M/s Robust Transportation Pvt. Ltd., preference shares could not be redeemed. M/s Robust Transportation Pvt. Ltd., vide their letter dated 1st March, 2015 and 1st March, 2016, has requested to defer the redemption of the preference shares as the same has been pledged with banker as security against the loan taken by it.
- 10% 460000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares will be redeemed at any time within a period of ten years from the date of allotment i.e. 29th March, 2012. During the Year 460000 Preference Shares have been redeemed at a premium of ₹2400/- per share.
- 10% 1800000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2011-12 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2400/- before the expiry of ten years from the date of allotment i.e. 30th March, 2012. During the Year 33119 (upto Previous Year 1200000) Preference Shares have been redeemed at a premium of ₹2400/- per share.
- 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2010-11 on private placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 30th March, 2011 for 1500300 shares. During the financial Year 2013-14, 560067 Preference Shares have been redeemed at a premium of ₹2900/- per share.

- j) 10% Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹3000/- per share during the financial year 2009-10 on private/preferential placement basis. The Preference Shares are redeemable at a premium of ₹2900/- before the expiry of ten years from the date of allotment i.e. 29th January, 2010 and 31st March, 2010 for 1334800 and 2333500 shares respectively. During the Year 237418 (upto Previous Year 133267) Preference Shares have been redeemed at a premium of ₹2900/- per share.
- k) 25% 800000 Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The preference shares are redeemable at a price that shall give aggregate yield to the holders of 1% accrued on day to day basis on the face value together with the premium of the preference shares, within 48 Months from the date of allotment i.e 28th March, 2011 in such trenches as stipulated in the subscription agreement. Upto Previous Year 800000 Preference Shares have been redeemed at a premium of ₹2400/- per share.
- l) 4% 900000 Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each are allotted at a price of ₹2500/- per share during the financial year 2010-11 on private placement basis. The Preference Shares shall be redeemed at an amount in INR, such that the subscribers get yield of 14% per annum on the amount outstanding within 36 Months from the date of allotment, i.e 29th March, 2011 in such trenches as stipulated in the subscription agreement. The same has been further extended for three months i.e upto 29th June, 2014. Upto Previous Year 900000 Preference Shares have been redeemed.
- m) 2% 2085000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹600/- per share during the financial year 2014-15 on private placement basis. The Preference Shares are redeemable at a premium of ₹500/- per share on or before the expiry of ten years from the date of allotment.
- n) 2% 1400000 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹600/- per share during the financial year 2013-14 on private placement basis. The Preference Shares are redeemable at a premium of ₹500/- per share on or before the expiry of ten years from the date of allotment.
- o) 1% 1167340 Redeemable Cumulative Preference Shares of ₹100/- each are allotted at a price of ₹300/- per share during the financial year 2014-15 on private placement basis. The Preference Shares are redeemable at a premium of ₹200/- per share on or before the expiry of ten years from the date of allotment.

NOTE – 33

The Company made investment of ₹1000.00 Lacs in Equity Shares of Angul Sukinda Railway Limited for the construction of Rail line between Talcher Road in Angul District to Bhaguapal in Jajpur along with other parties. As the project did not made any headway, the Company refused to pay the call money of ₹1540.00 Lacs plus interest. Angul Sukinda Railway Limited issued final call notice for payment of unpaid call money failing which the shares were liable to be forfeited. The Company disputed the call money which in its opinion was premature, illegal and arbitrary and advised Angul Sukinda Railway Limited to withdraw said notice. Provision for diminution in the value of Investment was made in last year for ₹1000.00 Lacs. As the shares have been forfeited, the investment has been written off during the year.

NOTE – 34

The Company has during the year commissioned Lime Klin 600 TPD, Track Hooper and other ancillary plants.

NOTE – 35

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

The consolidated financial statement of Bowen Energy Pty Ltd. and its subsidiaries has been consolidated as certified by the management to be in compliance with the applicable Indian Accounting Standards and relevant provisions of the Companies Act, 2013.

NOTE – 36**Auditors' Remuneration Includes:**

(₹ in Lacs)		
Particulars	Current Year	Previous Year
Audit Fees	100.60	116.29
Tax Audit Fees	18.50	20.50
Certification Fees	-	15.00
Other Services	-	14.75
	119.10	166.54

NOTE – 37

The Company hold 90.97% (Previous Year 90.97%) share in Bhushan Steel (Australia) Pty Ltd. Bhushan Steel (Australia) Pty Ltd. hold 100.00 % (Previous Year 100.00.%) share in Bowen Energy Limited. Bhushan Steel (Australia) Pty Ltd. has invested the amount in Bowen Energy Ltd. out of the proceeds received from its Holding Company (i.e. Bhushan Steel Limited) which are being utilized by Bowen Energy Ltd. in exploration of mines.

Audited financial statement of Bhushan Steel Australia Pty Ltd. and Bowen Energy Ltd. are not available after June'13.

In Notes to Accounts on the Consolidated Financial Statements of subsidiary M/s Bowen Energy Ltd.(Australia) in the Audited Financial Statement for the year ended June'13, following notes have been given involving material items:

"The Consolidated entity has recorded a loss of \$ 3,245,854 for the year ended 30 June 2013 (2012: \$16,87,619) has cash outflows from operations of \$1,389,919 (2012: \$399,999), current liabilities of the Consolidated entity exceeded current assets by \$8,350,357 (2012:\$ 6,197,029) and the Consolidated entity is also in a net liability position of \$4,423,581 (2012:\$ 1,165,594).

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

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

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

NOTE-38

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

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

a) Associates

Angul Sukinda Railway Ltd. (Shares forfeited, no more associate)
Bhushan Energy Ltd.
Bhushan Capital & Credit Services Pvt. Ltd.
Jawahar Credit & Holdings Pvt. Ltd.

b) Key Management Personnel

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

c) Relatives of Key Management Personnel

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

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

Bhushan Aviation Ltd.
Bhushan Infrastructure Pvt. Ltd.

e) Enterprise over which relatives of Key Management Personnel are able to exercise significant influence

Bhushan Power & Steel Limited

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

(₹ in Lacs)

PARTICULARS		Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Remuneration and Perks	Current Year	-	476.47	95.31	-	571.78
	Previous Year	-	410.02	68.60	-	478.62
Directors Sitting Fees	Current Year	-	-	8.82	-	8.82
	Previous Year	-	-	8.60	-	8.60
Allotment of Shares and Share Application Money Pending Allotment	Current Year	-	-	-	-	-
	Previous Year	-	5542.02	1329.00	2133.00	9004.02
Redemption of Preference Share Capital	Current Year	-	11022.03	6654.00	2088.00	19764.03
	Previous Year	-	-	-	-	-
Purchase of Goods/ Services	Current Year	62172.38	-	-	1853.00	64025.38
	Previous Year	36115.80	-	-	1512.00	37627.80
Sales of Goods/ Services	Current Year	7031.28	-	-	3918.62	10949.90
	Previous Year	17400.09	-	-	-	17400.09
Security Deposit Paid	Current Year	-	-	-	-	-
	Previous Year	9000.00	-	-	-	9000.00
Provision for diminution of Investment	Current Year	-	-	-	-	-
	Previous Year	1000.00	-	-	-	1000.00
Investment written off	Current Year	1000.00	-	-	-	1000.00
	Previous Year	-	-	-	-	-
Outstanding						
Trade Receivable	Current Year	-	-	-	35.08	35.08
	Previous Year	-	-	-	-	-
Other Receivable	Current Year	-	-	-	24.55	24.55
	Previous Year	-	-	-	-	-

(₹ in Lacs)

PARTICULARS		Associates	Key Management Personnel (KMP)	Relatives of KMP	Enterprises over which KMP & their relatives have significant influence	Grand Total
Payable	Current Year	511.69	22.23	1.98	99.07	634.97
	Previous Year	425.25	17.03	-	174.55	616.83
Security Deposit Receivable	Current Year	9000.00	-	-	-	9000.00
	Previous Year	9000.00	-	-	-	9000.00
Provision for diminution of Investment	Current Year	-	-	-	-	-
	Previous Year	1000.00	-	-	-	1000.00

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

1. Remuneration & Perks include payment to Shri Neeraj Singal ₹146.07 Lacs (Pre. Year ₹144.66 Lacs), Shri P.K.Aggarwal ₹95.92 Lacs (Pre. Year ₹75.56 Lacs), Shri Nittin Johari ₹138.78 Lacs (Pre. Year ₹114.40 Lacs), Shri Rahul Sengupta ₹95.70 Lacs (Pre. Year ₹75.40 Lacs), and Smt. Ritu Singal ₹95.31 Lacs (Pre. Year ₹68.60 Lacs).
2. Directors sitting fees is paid to Shri B.B.Singal ₹8.82 Lacs (Pre. Year ₹8.60 Lacs)
3. Preference Share Capital received from Shri Brij Bhushan Singal ₹Nil (Pre. Year ₹1329.00 Lacs) and Shri Neeraj Singal ₹Nil (Pre. Year ₹5542.02 Lacs) and Bhushan Infrastructure Pvt. Ltd. ₹Nil (Pre. Year ₹2133.00 Lacs).
4. Redemption of Preference Share Capital includes Shri Neeraj Singal ₹11022.03 Lacs (Pre. Year ₹Nil), Shri Brij Bhushan Singal ₹6654.00 Lacs (Pre. Year ₹Nil) and Bhushan Infrastructure Private Limited ₹2088.00 Lacs (Pre. Year ₹Nil).
5. Purchase of Goods/Services is from Bhushan Energy Ltd. ₹62172.38 Lacs (Pre. Year ₹36115.80 Lacs), Bhushan Aviation Ltd. ₹1512.00 Lacs (Pre. Year ₹1512.00 Lacs) and Bhushan Power & Steel Limited ₹341.00 Lacs (Pre. Year ₹Nil).
6. Sale of goods/services to Bhushan Energy Ltd. ₹7031.28 Lacs (Pre. Year ₹17400.09 Lacs) and Bhushan Power & Steel Ltd. ₹3918.62 Lacs (Pre. Year ₹Nil).
7. Security Deposit paid to Bhushan Energy Limited ₹Nil (Pre. Year ₹9000.00 Lacs).
8. Provision for diminution of investment made in case of Angul Sukinda railway Ltd. amounting of ₹Nil (Pre. Year ₹1000.00 Lacs).
9. Investment written off in case of Angul Sukinda Railway Ltd. amounting of ₹1000.00 Lacs (Pre. Year ₹Nil).

NOTE – 39

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

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

(₹ in Lacs)

	Current Year	Previous Year
Within India	1189039.19	1015074.50
Outside India	119832.93	153641.20
Total	1308872.12	1168715.70

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

	Current Year	Previous Year
Within India	221254.04	226021.44
Outside India	13861.69	13807.11
Total	235115.73	239828.55

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

NOTE – 40

Fixed Assets include one cold rolling mill established in 1992 damaged in fire accident in the year 1998-99. The amount received from Insurance Company for reinstatement /repair of the mill was included in other liabilities till previous year. However, during the current year company has adjusted the amount received in the books of account.

NOTE – 41

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

(₹ in Lacs)

	Current Year	Previous Year
Opening Balance	66689.05	442118.26
Add: Pre-operative Expenses		
1. Transferred from Statement of Profit and Loss including Trial Run Loss/(Gain)	11012.37	32070.92
2. Depreciation	-	1548.46
3. Finance Costs (During Construction and Trial Run)	22970.34	215836.35
	100671.76	691573.99
Less : Interest earned during construction period	0.28	318.29
Provision Written Back	-	-
	100671.48	691255.70
Less: Capitalised		
- Pre-Operative Expenses [Including Trial Run Loss/(Gain)]	7931.06	619983.05
- Depreciation	-	4583.60
	7931.06	624566.65
TOTAL	92740.42	66689.05

NOTE – 42

	Current Year	Previous Year
Earning Per Share		
(i) Weighted Average No. of Equity Shares		
Weighted Average No. of Equity Shares	226514746	226514746
(ii) Equity Shares for Calculating Diluted Earning per Share		
Weighted Average No. of Equity Shares	226514746	226514746
(iii) Profit / (Loss) After Tax including Minority interest and share of profit of Associates (₹ in Lacs)	(291139.19)	(125676.60)
Less: -Dividend on preference shares (Including Dividend Tax)	1738.20	1095.71
Profit / (Loss) after Dividend on preference shares	(292877.39)	(126772.31)
(iv) Earning Per Share (₹)		
- Basic	(129.30)	(55.97)
- Diluted	(129.30)	(55.97)

NOTE – 43

The Company in respect of Khopoli unit has received a sum of ₹538.43 Lacs (Previous Year ₹270.10 Lacs) as industrial promotion subsidy under Package Scheme of Incentive-2007 announced by Government of Maharashtra for manufacturing of Large Dia Pipe, being capital receipt, has been credited to Capital Reserve.

NOTE – 44**Detail of Misc. Income**

(₹ In Lacs)

S. No.	Particulars	Current Year	Previous Year
1	Insurance Claim Received	27.58	49.73
2	Rent Received	11.71	10.68
3	Bad Debts / Compensation Recovered	10.50	-
4	Miscellaneous Receipts	43.78	0.63
		93.57	61.04

NOTE – 45

The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary item in accordance with Companies (Accounting Standards) Amendment Rules 2009 pertaining to Accounting Standard (AS)-11 notified by Government of India on 31st March, 2009 (As amended on 29th December, 2011) which allows foreign exchange differences on long-term monetary items arising on or after 1st April, 2011.

to be capitalized to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the balance period of the respective monetary items.

NOTE – 46

Though there was no profit for distribution of dividend, the Company during the financial year 2014-15 redeemed 4,00,000 25% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each and 3,36,751 4% Non Convertible Cumulative Redeemable Preference Shares of ₹100/- each issued to banks and as per terms of issue of Preference Shares paid dividend of ₹5.13 Lacs out of general reserve as approved by Board of Directors.

NOTE – 47

Pursuant to Companies Act 2013 (the Act), becoming effective from 1 April 2014, the company has re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation done during FY 2014-15.

Subsequent to Notification GSR627 (E) dated 29th August, 2014 amending para 7 (b) under schedule II of the Company's Act 2013, Company has charged off transitional provision amounting to ₹250.34 Lacs during F.Y. 2014-15, net of depreciation capitalized, to Statement of Profit and Loss.

NOTE – 48

The Supreme Court of India, vide its order dated 24th September, 2014, cancelled number of coal blocks allocated to various entities which includes one coal block allocated to the company and one of its associate 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.

No effect has been taken on the value of investment made by the company in the de-allocated coal blocks amounting to ₹56289.96 Lacs (including Expenditure incurred of ₹13546.46 Lacs and Advances given ₹42743.50 Lacs) and ₹669.25 Lacs in Equity Shares/ advance for share capital in the associate company whose coal blocks have been de-allocated. In the opinion of the management the Company/ associate company will receive back the payments/ expenditure paid/ made, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks. The Company has filed its claim for compensation during the year with Govt. of India Ministry of coal and accordingly the investment made by the company of ₹56289.96 Lacs has been reclassified to Non-current assets in the current year from Capital Work in Progress and Capital Advances.

NOTE – 49

- (a) In accordance with Reserve Bank of India (RBI) Circular No2014-15/354 Dt. 15th December 2014 allowing flexible structuring of existing project loans (with option of periodic refinancing) to operational infrastructure/core industries projects the consortium of banks with SBI as the lead bank has allowed flexible structuring of long term loans under "5/25" scheme by aligning their debt repayment obligations with cash flow generated during their economic life.

The steering committee and joint lenders forum have approved long term viability and have structured the debt in accordance with extant guidelines of RBI. Rupee term loans are structured into loan with twenty five years repayment tenor, subject to review after every five years. The Company has received the approval for flexible structuring and accordingly current maturity of outstanding loan of ₹1850880.00 Lacs has been classified on that basis.

- (b) The Company was unable to redeem some of the secured debentures and pay interest thereon along with other irregularities in loans given by various Banks & Institutions. The restructuring proceedings of such defaults are going on with all the lenders. In this respect, the high level Lenders' meeting was held on 16th March, 2016 at SBI Corporate Centre, Mumbai. For debt restructuring post deliberations the JLF decided to carry out a TEV from a reputed Independent Agency to ascertain the overall viability & sustainable debt to enable the JLM to take decision on the future course after TEV/Valuation. In view of the pending restructuring plan with Lenders, the Management is of the opinion that technically the provisions of section 164(2)(b) of the Companies Act, 2013 are not attracted to any Director. In view of the above, the Company is not required to file Form No. DIR9 with the Registrar of Companies.

NOTE – 50

Due to the loss incurred, the Company applied to the Central Government for the approval of managerial remuneration. The approval from Central Government has been received during the year but further clarification regarding Leave Encashment, PF and taxable car perquisite has been sought. Hence, the payment of Leave Encashment, PF and taxable Car perquisite are subject to approval of Central Govt.

NOTE – 51

The board has given in principal approval for the demerger of the plants of the company situated at Sahibabad and Khopoli to its subsidiaries on slump sale basis through business transfer agreement based on the valuation to be carried out by approved valuer. The said transaction is subject to approval of board and shareholders.

NOTE – 52

During the current financial year the company has entered into sale and lease back transaction of Coke Oven Batteries and Oxygen equipment of 150 TPD Plant, however, the same has been cancelled. The net amount of ₹22840.50 Lacs received under this transaction has been disclosed under other current liabilities as other payables.

NOTE – 53

For computing deferred tax liability, the amount of business and depreciation loss as allowable in income tax returns has been considered for recognizing deferred tax assets. On the basis of future projections taken on record by the management after considering improved performance of the company in last quarter, the board is confident that there is a virtual certainty that sufficient taxable income will be available in the future against which, the deferred tax assets can be realized in the normal course of business of the company.

NOTE – 54

The Company during the financial year 2014-2015 had sold assigned and transferred to the purchaser in perpetuity, all rights, titles and interest in the equipments of Oxygen Plant, free and clear of encumbrances, on an itemized asset sale basis, for a consideration of ₹100012.50 Lacs including sales tax.

The said equipments are taken by the Company under operating lease for a period of ten years from 26th February, 2015.

Lease Payment made on operating lease has been recognized as an expense in the statement of Profit & Loss on straight line basis with reference to lease term and other consideration. The terms of Operating Lease are as follows:

(₹ In Lacs)

S. No.	Particulars	Current Year	Previous Year
(a)	The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
(i)	Not later than one year	18000.00	18000.00
(ii)	Later than one year and not later than five year	75941.38	72341.30
(iii)	Later than five year	84407.14	105951.80
(b)	The total amount of future minimum sublease payments expected to be received under non-cancellable sublease at the balance sheet date	N.A.	N.A.
(c)	Lease payments recognized in the statement of Profit and Loss for the period, with separate amounts for minimum lease payments and contingent rent.	12880.00	213.10
(d)	Sub-lease payments received (or receivable) recognized in the statement of Profit and Loss for the period.	N.A.	N.A.
(e)	A general description of the lessee's significant leasing arrangements including, but not limited to, the following:		
(i)	The basis on which contingent rent payments are determined	N.A.	N.A.
(ii)	The existence and terms of renewal or purchase options and escalation clause and	Refer note below (a) & (b)	Refer note below (a) & (b)
(iii)	Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	N.A.	N.A.

Notes:

- (a) Upon expiry of Lease Term, the Lessee shall have the option to renew the lease term of the Equipments for subsequent periods of 5 years each (Renewal Term). The lease rent for Renewal Term shall be as agreed between the Lessor and Lessee but shall not be higher than the last Rent paid under this Lease Agreement. The Lessee shall intimate any revision in the rent for the Renewal Term to its lenders.
- (b) Rent is based on, among others, a benchmark rate (based on the cost of financing the purchase of the Equipments by the Lessor) that has been agreed between the Parties prior to the date of execution of this Lease Agreement. In the event the benchmark rate changes or the parties agree to change the benchmark rate/apply some other benchmark, the Rent payable may increase or decrease accordingly.

Due to said equipments not being fully operational, the Company has paid during the year ₹12880.00 Lacs (Previous Year ₹213.10 Lacs) as lease rent.

NOTE – 55**DERIVATIVES**

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

	Current Year		Previous Year	
	US\$ equivalent (Lacs)	INR equivalent (Lacs)	US\$ equivalent (Lacs)	INR equivalent (Lacs)
a) Amount receivable in Foreign Currency on Account of				
Sale of Goods	208.97	13861.69	220.59	13807.11
Advance against goods	179.56	11910.77	203.17	12716.33
b) Amount payable in Foreign Currency on Account of				
Acceptances	310.47	20594.46	343.03	21470.83
Trade Payable / Creditors for Capital Goods / Customers	588.62	39044.60	3260.58	204082.38
Credit Balances				
Loans /Interest Payable	14884.87	987356.05	14872.03	930852.27

NOTE – 56

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

A. Defined Contribution Plans:

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

(₹ in Lacs)

	Current Year	Previous Year
a) Employer contribution to Provident Fund /Other Funds	573.82	415.39
b) Employer contribution to State Plans		
i) Employee State Insurance	46.79	65.37
ii) Maharashtra Labour Welfare Fund	0.10	0.11

B. Defined Benefit Plans:

a) Leave Encashment/ Compensated Absence.

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

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

(₹ in Lacs)

	Leave Encashment / Compensated Absence		Employee Gratuity Fund	
	Current Year	Previous Year	Current Year	Previous Year
i) Actuarial Assumptions				
Discount Rate (per annum)	8 %	8%	8 %	8%
Rate of increase in compensation levels	5 %	5%	5 %	5%
Rate of return on plan assets	-	-	8 %	8%
Expected Average remaining working lives of employees (years)	24	25	24	25
ii) Change in the obligation during the year ended 31st March, 2016				
Present value of obligation as at 31st March, 2015	1578.36	1349.50	2950.09	2380.04
Impact of Transition provision of (AS) -15	-	-	-	-
Interest cost	126.27	114.71	236.01	202.31
Past Service cost	-	-	-	-
Current service cost	291.24	310.90	451.46	412.61
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(165.27)	(168.98)	(227.76)	(160.53)
Actuarial (gain)/ loss on Obligations	(164.31)	(27.77)	61.01	115.66
Present value of obligation as at 31st March, 2016	1666.29	1578.36	3470.81	2950.09
iii) Change in fair value of plan Assets				
Fair value of Plan Assets as at 31st March, 2015	-	-	1680.36	1706.19
Expected return on Plan Assets	-	-	134.42	136.50
Contributions	-	-	-	-
Benefits Paid	-	-	(227.76)	(160.53)
Actuarial gain/ (loss) on Obligations	-	-	29.84	(1.80)
Fair value of Plan Assets as at 31st March, 2016	-	-	1616.86	1680.36
iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Plan Assets				
Present value of obligation as at 31st March, 2016	1666.29	1578.36	3470.81	2950.09
Fair value of Plan Assets as at 31st March, 2016	-	-	1616.86	1680.36
Funded Status	(1666.29)	(1578.36)	(1853.95)	(1269.73)
Present value of un-funded obligation as at 31st March, 2016	-	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognized in Balance Sheet	(1666.29)	(1578.36)	(1853.95)	(1269.73)
v) Expenses recognized/Pre-Operative Expenses in Statement of Profit and Loss				
Current service cost	291.24	310.90	451.46	412.61
Past Service cost	-	-	-	-
Interest cost	126.27	114.71	236.01	202.31
Expected return on Plan Assets	-	-	(134.42)	(136.50)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognized during the year	(164.31)	(27.77)	31.16	117.46
Total Expense recognized in Statement of Profit and Loss / Pre operative expenses	253.20	397.84	584.21	595.88

The estimate of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above details do not include expenditure/payables of joint venture amounting to ₹Nil / ₹Nil (Previous Year ₹0.11 Lacs / ₹1.51 Lacs) provided on accrual basis.

NOTE – 57

(₹ in Lacs)

Value of Import on C.I.F. Basis	Current Year	Previous Year
-Raw Material	411265.06	349257.10
-Capital Goods	16036.61	17171.19
-Stores / Spare Parts	10485.16	9321.82

NOTE – 58

Expenditure in Foreign Currency

- Travelling	282.70	199.65
- Sales Commission	264.85	252.94
- Machinery Repair & Maintenance	32.00	334.44
- Technical Consultancy	924.42	1549.05
- Interest & Finance Charges	33676.98	36555.45
- Capital Machinery/Indirect Expenses	1164.12	-
- Legal Expenses	20.47	23.23
- Rates & Taxes	-	14.07
- Subscription	3.48	4.31
- Insurance	-	7.44

NOTE – 59

Earnings in Foreign Exchange

- FOB Value of Export	119832.93	153641.20
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NOTE – 60

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

S. No.	Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or (loss)	
		As % of consolidated net assets	Amount (₹ In lacs)	As % of consolidated profit or (loss)	Amount (₹ In lacs)
	Parent				
	Bhushan Steel Limited	101.43	472482.46	97.53	(283936.71)
	Subsidiaries				
	Indian				
1	Bhushan Steel (South) Limited	(0.01)	(29.79)	0.00	(0.52)
2	Bhushan Steel (Orissa) Limited	0.00	(0.67)	0.00	(0.27)
3	Bhushan Steel Madhya Bharat Limited	0.00	(0.67)	0.00	(0.27)
	Foreign				
1	Bhushan Steel (Australia) Pty Limited	(0.12)	(549.26)	(0.06)	174.16
2	Bowen Energy Pty Limited	0.17	806.56	0.05	(138.61)
3	Bowen Coal Pty Limited	0.00	14.53	0.00	0.00
4	Bowen Consolidated Pty Limited	0.00	0.00	0.00	0.00
	Minority Interests in all subsidiaries	0.71	3300.60	0.00	(5.06)
	Associates (Investment as per the equity method)				
	Indian				
1	Bhushan Energy Limited	(1.47)	(6873.67)	2.48	(7234.25)
2	Bhushan Capital & Credit Services Private Limited	(0.00)	(2.31)	0.00	(0.26)
3	Jawahar Credit & Holdings Private Limited	(0.00)	(2.05)	0.00	(0.23)
	Joint Venture (as per proportionate consolidation/ Investment as per equity method)				
	Indian				
1	Andal East Coal Company Private Limited	(0.00)	(28.98)	0.00	(2.23)

NOTE – 61
SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013
PART "A": SUBSIDIARIES

S. No,	Name of Subsidiary Company	Country	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities excluding Shareholder's Funds	Investments included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
(₹ in Lacs)														
1	Bhushan Steel (Orissa) Ltd.	India	INR	5.00	(0.67)	4.71	0.38	-	-	(0.27)	-	(0.27)	-	100.00%
2	Bhushan Steel (South) Ltd.	India	INR	105.00	(29.79)	77.59	2.38	-	-	(0.52)	-	(0.52)	-	100.00%
3	Bhushan Steel Madhya Bharat Ltd.	India	INR	5.00	(0.67)	4.71	0.38	-	-	(0.27)	-	(0.27)	-	100.00%
4	Bhushan Steel (Australia) PTY Ltd.#	Australia	AUD	26946.53	(683.33)	26791.17	527.97	7544.37	-	191.45	-	191.45	-	90.97%
5	Bowen Energy PTY Ltd.***	Australia	AUD	8900.04	*292.71	11296.01	2103.26	2.58	-	(157.75)	-	(157.75)	-	100.00%
6	Bowen Coal PTY Ltd.***	Australia	AUD	0.00	*14.53	14.53	-	-	-	-	-	-	-	100.00%
7	Bowen Consolidated PTY Ltd.***	Australia	AUD	0.01	-	0.01	-	-	-	-	-	-	-	100.00%

* Includes Foreign Currency Translation Reserve .

** Subsidiary of Bhushan Steel (Australia) Pty Limited.

*** Subsidiaries of Bowen Energy Pty Limited.

Financial Statement is based on Unaudited Results.

Names of Subsidiaries which are yet to commence operations-

S. No.	Name of Subsidiary Companies
1	Bhushan Steel (Orissa) Ltd.
2	Bhushan Steel (South) Ltd.
3	Bhushan Steel Madhya Bharat Ltd.
4	Bhushan Steel (Australia) PTY Ltd.
5	Bowen Energy PTY Ltd.
6	Bowen Coal PTY Ltd.
7	Bowen Consolidated PTY Ltd.

PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associates / Joint Venture	Latest audited Balance Sheet Date	Shares of Associates/Joint Ventures held by the company on the year end			Network attributable to Shareholding as per latest audited Balance Sheet (₹ In lacs)	Profit/(Loss) for the year	
			No.	Amount of Investment in Associates/Joint Venture (₹ In Lacs)	Extent of Holding %		Considered in Consolidation (₹ In Lacs)	Not Considered in Consolidation
Associates								
1	Bhushan Energy Limited	31.03.2015	65000000	35000.00	47.71%	20409.92	(7234.25)	-
2	Bhushan Capital & Credit Services Private Limited	31.03.2016	8643742	940.31	42.58%	3578.15	(0.26)	-
3	Jawahar Credit & Holdings Private Limited	31.03.2016	8643742	940.31	39.65%	3943.19	(0.23)	-
Joint Venture								
1	Andal East Coal Company Private Limited	31.03.2015	330000	145.50	33.89%	111.09	(2.23)	-

Names of Associates / Joint Venture which are yet to commence operations-**S. No. Name of Joint Venture**

1 Andal East Coal Company Private Limited

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

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

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

Sd/- **NITTIN JOHARI**
WHOLE TIME DIRECTOR (FINANCE) & CHIEF FINANCIAL OFFICER

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

Place: New Delhi
Dated: 30th May, 2016

NOTE – 62**Value of Imported / Indigenous Raw Material and Store / Spares Consumed**

	Current Year		Previous Year	
	Value (₹ in lacs)	% age	Value (₹ In lacs)	% age
Raw Material:				
Imported	348937.04	53.10	209886.04	36.76
Indigenous	308230.25	46.90	361054.89	63.24
	657167.29	100.00	570940.93	100.00
Stores/Spare Parts:				
Imported	10399.26	25.79	7370.69	23.32
Indigenous	29926.15	74.21	24231.48	76.68
	40325.41	100.00	31602.17	100.00

NOTE – 63**Remittance in foreign currency on account of Dividend**

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

	Current Year		Previous Year	
	USD	INR	USD	INR
(a) Number of Non-Resident Shareholders		-		396
(b) Number of Equity Shares held by them		-		4581360
(c) (i) Amount of dividend paid (Gross)	-	-	130	2290680
(a) Amount of dividend paid through transfer in NRE a/c		-		2282680
(b) Amount of Dividend paid through Foreign Currency	-	-	130	8000
(ii) Tax deducted at source	-	-	-	-
(iii) Year to which dividend relates		N.A.		2013-14

NOTE – 64

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

NOTE – 65

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

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

Sd/-
R. K. MEHRA
PARTNER
M. NO.:006102

For **MEHROTRA & MEHROTRA**
Chartered Accountants
(Registration No.000226C)

Sd/-
M.P. MEHROTRA
PARTNER
M.NO.:005699

Sd/-
B. B. SINGAL
NON-EXECUTIVE CHAIRMAN

Sd/-
NEERAJ SINGAL
VICE CHAIRMAN &
MANAGING DIRECTOR

Sd/-
PANKAJ KUMAR
HEAD
(ACCOUNTS)

Sd/-
NITTIN JOHARI
WHOLE TIME DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Sd/-
O. P. DAVRA
COMPANY
SECRETARY

Place: New Delhi
Dated: 30th May, 2016

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



BHUSHAN

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