

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
June 23, 2016

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

Kind Attention : Ms. Divya Poojari

SUB.: Submission of Auditors Reports as per Regulations 33 of SEBI (LODR) Regulations 2015.

Dear Sir / Madam,

This refers to your letter no. NSE/LIST/76636 dated June 16, 2016 on the above referred subject.

As required, we are attaching herewith Auditors Reports on the Standalone and Consolidated Financial Statements as at March 31, 2016.

This could not be submitted earlier as SEBI Circular dated November 30, 2016 do not prescribed any format for submitting the modified report along with Financial Results and it was not clear whether we are required to submit this report or not.

Delay, if any, in this regard may kindly be condoned.

Thanking You,

Yours faithfully,
for **BHUSHAN STEEL LIMITED**

(O.P. DAVRA)
COMPANY SECRETARY

Encl. : As above.

**Independent Auditor's Report on standalone financial results
Pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To
Board of Directors of
Bhushan Steel Ltd
New Delhi.

1. We have audited the accompanying Statement of Standalone Financial Results of Bhushan Steel Ltd. ("the Company") for the year ended 31st March, 2016 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We have conducted our audit in accordance, with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the statement. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that audit evidence, we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.
3. 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 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.

4. Qualified opinion:

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the Statement;

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - ii) give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the company for the year ended 31st March, 2016.
5. The Statement includes the results for the quarter ended 31st March, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to Limited Review by us.

For Mehra Goel & Co.
Chartered Accountants
(FRN: 000517N)


R.K. Mehra

Partner
M.No. 006102



Place: New Delhi
Date: 30.5.2016

For Mehrotra & Mehrotra
Chartered Accountants
(FRN: 000226C)


M.P. Mehrotra
Partner
M.No. 005699



**Independent Auditor's Report on Consolidated financial results
Pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To
Board of Directors of
Bhushan Steel Ltd
New Delhi.

1. We have audited the accompanying Statement of Consolidated Financial Results of Bhushan Steel Ltd. ("the Company") for the year ended 31st March, 2016 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related consolidated financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We have conducted our audit in accordance, with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the statement. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that audit evidence, we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.
3. 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 Holding 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 Holding 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 holding 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 holding 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.

4. 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 audited Consolidated Financial Statement of the Bowen Energy Pty Limited (Australia) is available after June, 30, 2013. Unaudited consolidated Financial Statement/information of the Bowen Energy Pty Limited (Australia), whose unaudited consolidated financial statements/information reflect total assets of Rs. 11298.49 Lacs as at 31st March, 2016, Loss of Rs. 150.84 Lacs, and cash outflows amounting to Rs. 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 information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial statements / financial information.
- b) We have relied on the unaudited financial statements of a foreign subsidiary, namely Bhushan Steel (Australia) Pty. and a joint venture, namely Andal East Coal Company Pvt. Ltd., whose financial statements/financial information reflect total assets of Rs. 26791.18 Lacs and Rs. 728.71 Lacs as at 31st March, 2016, Profit/(Loss) of Rs. 191.45 Lacs and Rs. (2.23) Lacs and cash outflows amounting to Rs. 2.23 Lacs and Rs. 0.05 Lacs for the year ended at 31st March, 2016 respectively as considered in the consolidated financial statement. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity is based solely on such unaudited financial statements / financial information
- 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 Rs.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 is based solely on such unaudited financial statements/financial information.



5. Qualified opinion:

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the Statement:

Include the year to date financial results of the following entities:

List of subsidiaries:

Bhushan Steel (Australia) Pty. Ltd., Bhushan Steel Madhya Bharat Ltd., Bhushan Steel (Orissa) Ltd., Bhushan Steel (South) Ltd., Bowen Energy Pty. Ltd., Bowen Coal Pty. Ltd., Bowen Consolidated Pty. Ltd.

List of Associates/JV

Bhushan Energy Ltd., Bhushan Capital & Credit Services (P) Ltd., Jawahar Credit & Holdings (P) Ltd., Andal East Coal Company (P) Ltd.

- i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- ii) give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the company for the year ended 31st March, 2016.

For Mehra Goel & Co.
Chartered Accountants
(FRN: 000517N)



R.K. Mehra
Partner
M.No. 006102



Place: New Delhi
Date: 30.5.2016

For Mehrotra & Mehrotra
Chartered Accountants
(FRN: 000226C)


M.P. Mehrotra
Partner
M.No. 005699

