

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/SE 17
NOVEMBER 14, 2017

The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street,
MUMBAI- 400 001.

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

Sub: Un-Audited Financial Results for Quarter Ended September 30, 2017

Dear Sirs,

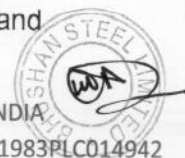
In continuation of our letter no. BSL/CS/SE17 dated November 6, 2017 this is to inform that the Resolution Professional (RP) has today, November 14, 2017, considered the limited review report and approved the un-audited financial results for the quarter ended September 30, 2017. The un-audited financial results and limited review report is enclosed herewith.

These un-audited financial results have been prepared by the management of the Company and certified by Mr. Neeraj Singal, Managing Director & Chief Executive Officer and Mr. Nittin Johari, Whole Time Director & Chief Financial Officer. The RP has relied upon the assistance provided by the members of the audit committee in review of the financial results and certifications, representations and statements made by Mr. Neeraj Singhal, Managing Director & Chief Executive Officer and Mr. Nittin Johari, Whole Time Director & Chief Financial Officer in relation to these financial results. The reviewed financial results have been taken on record by the members of the board of directors. These un-audited financial results of the Company for the quarter ended September 30, 2017 have been approved by the RP on the basis of and on relying on the aforesaid certifications, representations and statements of the management of the Company. The RP has approved these financial results only to the limited extent of discharging the powers of the board of directors of the Company which has been conferred upon him *inter alia* in terms of provisions of Section 17 of the Insolvency and Bankruptcy Code 2016.

Further, please note that the Company has already made necessary arrangement to publish the same in newspaper as required under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Registered Office : Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place, New Delhi - 110066 INDIA

Tel. : 91-11-39194000 **Fax :** 91-11- 26478750 **Email :** bsl@bhushansteel.com **Website :** www.bhushansteel.com **CIN :** L74899DL1983PLC014942

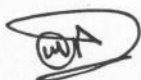


The meeting of the members of board of directors, along with the Resolution Professional, Key Managerial Personnel and Statutory Auditors of the Company commenced on 4.30 P.M. and concluded at 7.45 P.M.

The above is for your information and record.

Thanking you,

Yours faithfully,
For **Bhushan Steel Limited**



O. P. Davra

Company Secretary



Encl: as above

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 Telephone: 91-11-71194000 Fax : 91-11-46518611 Website : www.bhushansteel.com Email: bsil@bhushansteel.com CIN : L74899DL1983PLC014942

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & HALF YEAR ENDED ON 30TH SEPTEMBER, 2017

(Rs. in Crs. except as stated)

S.NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		(UNAUDITED)			(AUDITED)		
1	INCOME						
	Gross Sale	4188.05	4041.88	2890.28	8229.93	6155.30	14570.05
	Other operating income	136.57	134.24	118.41	270.81	218.34	457.25
	Revenue from operations	4324.62	4176.12	3008.69	8500.74	6373.64	15027.30
	Other Income	0.98	19.98	17.10	20.96	41.06	71.96
	Total Income	4325.60	4196.10	3025.79	8521.70	6414.70	15099.26
2	Expenses						
	Cost of materials consumed	2205.47	2560.52	1398.72	4765.99	3057.71	7061.63
	Purchase of Stock in Trade	7.12	-	-	7.12	-	0.18
	Change in inventories of Finished Goods, Work in Progress and Stock in Trade	404.06	(304.35)	7.53	99.71	(322.78)	(511.49)
	Excise Duty expenses	-	392.09	291.11	392.09	601.18	1321.36
	Employee benefits expense	163.78	133.70	123.22	287.48	234.51	490.62
	Finance cost	1491.18	1482.46	1328.35	2953.64	2623.90	5426.76
	Depreciation and amortisation expense	425.93	419.78	288.04	845.71	584.09	1685.61
	Other expenses	982.37	1134.66	701.30	2117.03	1507.86	3742.99
	Total Expenses	5669.91	5798.86	4138.27	11468.77	8286.47	19217.66
3	Profit / (Loss) before exceptional item and tax	(1344.31)	(1602.76)	(1112.48)	(2947.07)	(1871.77)	(4118.40)
4	Exceptional items	63.33	-	-	63.33	-	6.69
5	Profit / (Loss) before tax	(1407.64)	(1602.76)	(1112.48)	(3010.40)	(1871.77)	(4125.09)
6	Tax Expense						
	Current Tax	-	-	-	-	-	-
	Deferred Tax Liability/ (Assets)	(940.27)	(116.63)	(132.26)	(1056.90)	(235.34)	(623.97)
7	Profit / (Loss) after tax for the period/year	(467.37)	(1486.13)	(980.22)	(1953.50)	(1636.43)	(3501.12)
8	Other Comprehensive Income (OCI)						
	(i) Items that will not be reclassified to profit or loss	(0.31)	(4.29)	(1.84)	(4.60)	(4.44)	(1.27)
	(ii) Income tax relating to Items that will not be reclassified to profit or loss Liability/ (Assets)	(0.10)	(1.49)	(0.64)	(1.59)	(1.54)	(0.44)
	(iii) Items that will be reclassified to profit or loss	0.15	0.08	0.06	0.23	0.07	0.22
	(iv) Income tax relating to Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income / (Loss)	(0.06)	(2.72)	(1.14)	(2.78)	(2.83)	(0.61)
9	Total comprehensive income / (Loss) for the period / year	(467.43)	(1488.85)	(981.36)	(1956.26)	(1639.26)	(3501.73)
10	Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	45.30	45.30	45.30	45.30	45.30	45.30
11	Other Equity (excluding Revaluation Reserve)	-	-	-	-	-	(1288.96)
12	Earning per share (of Rs. 2/- each) (for continuing and discontinued operations)						
	i) Basic (Rs.)	(20.63)	(65.61)	(43.69)	(86.24)	(72.66)	(154.56)
	ii) Diluted (Rs.)	(20.63)	(65.61)	(43.69)	(86.24)	(72.66)	(154.56)

NOTES:

- A corporate insolvency resolution process ("CIRP") has been initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated 26th July, 2017 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Pursuant to the order, the powers of the board of directors stand suspended and are exercisable by Mr. Vijay Kumar V Iyer, who was appointed as Interim Resolution Professional ("IRP") by the National Company Law Tribunal and was consequently confirmed as Resolution Professional ("RP") by the Committee of Creditors ("CoC"). These un-audited financial results have been prepared by the management of the Company and certified by Mr. Neeraj Singhal, Managing Director & Chief Executive Officer and Mr. Nitin Johari, Whole Time Director & Chief Financial Officer. The RP has relied upon the assistance provided by the members of the audit committee in review of the financial results and certifications, representations and statements made by Mr. Neeraj Singhal, Managing Director & Chief Executive Officer and Mr. Nitin Johari, Whole Time Director & Chief Financial Officer in relation to these financial results. The limited review for the quarter and six month ended on 30th September, 2017, as required under Regulation 33 of SEBI (Listing obligation & disclosure requirements) Regulation, 2015 has been carried out by the Statutory Auditors. The reviewed financial results have been taken on record by the members of the board of directors. These un-audited financial results of the Company for the quarter ended September 30, 2017 have been approved by the RP on the basis of and on relying on the aforesaid certifications, representations and statements of the management of the Company. The RP has approved these financial results only to the limited extent of discharging the powers of the board of directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.
- Under the CIRP, a resolution plan needs to be presented to and approved by the CoC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. Currently, the RP is in the process of receiving expression of interests from resolution applicants who would be submitting their resolution plans for potential revival of the Company. Accordingly, the financial statements have been prepared on a going concern basis.
- As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. The RP is still in the process of collating and verifying such claims, as and when they are received, and shall subsequently admit such verified claims against the Company as per the Code. Pending admission of the claims received, the impact of such claims, if any, that may arise has not been considered in the preparation of the financial statements.
- The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per IND AS 108 'Operating Segments'.
- Revenue from operation for the period up to 30th June, 2017 includes excise duty, which is discontinued effectively 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with "Ind AS 18 - Revenue", GST is not included in Gross Sale. In view of aforesaid change in indirect taxes, Gross Sales for the quarter and half year ended on 30th September, 2017 are not comparable to the previous periods.
- 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 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 block amounting to Rs.562.90 crores (including Expenditure incurred of Rs. 135.46 crores and Advances given Rs. 427.44 crores). In the opinion of the management, the Company will receive back the payments/ expenditure paid/ made, including borrowing cost and other incidental expenditure, relating to de-allocated coal block. The Company has filed its claim for compensation with Govt. of India, Ministry of Coal. Subsequently, the Company had filed a Writ Petition bearing No. 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on 22nd July, 2016 to Union of India and others. The Counter Affidavit(s) were filed by Union of India in November, 2016 and subsequent thereto pleadings were completed. The matter was last taken up on 13th September, 2017 and is now further posted for 29th November, 2017.
- Further to Note 2 above, during the quarter Deferred tax assets (DTA) of Rs.940.37 Crores is recognized on account of deductible temporary differences which requires to be recognized, as per Ind AS-12, to the extent it is probable that taxable profit will be available in future against which the deductible temporary difference, carry forward of unused tax losses and unused tax credits can be utilized.
- The Nine Judges constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016 had upheld the constitutional validity of levy of Entry Tax by States and had referred the matter to Divisional regular bench of the Supreme Court to decide the issues left open for various states. The Divisional regular bench of Supreme Court now vide its judgement dt 9th October, 2017 held the liability of levy of Entry Tax on goods imported from out of the country and accordingly the provision of Rs.63.33 Crores has been made during the quarter and shown as exceptional item.

The Divisional regular bench of Supreme Court vide its judgment dt 9th October, 2017 in case of Orissa entry tax matter has allowed the parties to file application to revive their writ petitions on the issue of discrimination as well as due to pending decision of the respective High Court of other states, the disputed Entry Tax demand has been treated as contingent liability.
- 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 but clarification regarding Leave Encashment, PF and taxable Car perquisite has been sought by the Company from Central Government, which is awaited.
- Some parties' accounts including banks / financial institutions are subject to confirmation / reconciliation. Balances of suppliers / vendors are net of advances / payments made after the insolvency commencement date and are subject to confirmation/reconciliation.
- Previous period figures have been regrouped / rearranged wherever considered necessary to make them comparable with current period.



INDEPENDENT LIMITED REVIEW REPORT

The Resolution Professional (RP)

Bhushan Steel Limited

New Delhi

We have reviewed the accompanying statement of unaudited standalone financial results (Statement) of **Bhushan Steel Limited** (the Company) for the quarter and half year ended 30th September, 2017 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and approved by the Resolution Professional (appointed by National Company Law Tribunal vide order dated 26.07.2017 under Insolvency and Bankruptcy Code, 2016). Our responsibility is to issue a report on these financial statements based on our review.

This Statement has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

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, which was 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.562.90 crores (including expenditure incurred of Rs.135.46 crores and advance given of Rs.427.44 crores). In the opinion of the management, the



company will receive back the payments / expenditure paid / made, including borrowing cost and other incidental expenditure, relating to de-allocated coal block. The company has filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the company has filed a petition before the Hon'ble Delhi High Court for early recovery of amount, in which notice has been issued to the Union of India and the matter is still pending for disposal.

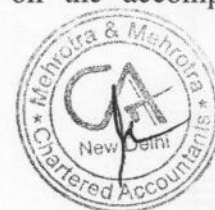
We are unable to comment on the impact on the value of investment made by the company in the de-allocated coal blocks and their consequent impact on the losses for the period ended 30th September, 2017.

Qualified Conclusion

Based on our review conducted as above, except for the matters described in the Basis of Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/ 15/2015 dated 30 November, 2015 and CIR/CFD/FAC/62/2016 dated 5 July, 2016 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Attention is invited to following:

- a) The company is continuously incurring losses, consequently its net worth is negative and the company's total liabilities exceeded its total assets. The company has obligations towards borrowings (including interest) aggregating to Rs 59,021.68 crores. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These indicate the existence of material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. However, in view of the Corporate Insolvency Resolution Process (CIRP) in respect of the Company having been commenced before NCLT, the accounts have been prepared on a going concern basis for the reasons stated in Note 2 to the accompanying statement;
- b) Note 3 to the accompanying statement in respect of various claims submitted by the creditors of the Company to the Resolution Professional (RP) pursuant to the Insolvency and Bankruptcy Code, 2016, that are currently under consideration / verification. Pending verification and admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;



- c) Given the current operating level of the Company, and the company being under the resolution process, the further impairment, if any, in the realizability of the economic value of the assets cannot be determined.

Our opinion is not qualified in respect of these matters.

For Mehrotra & Mehrotra

Chartered Accountants

[FRN: 00226C]



Rajesh Jhalani

Partner

M. No. 074809



Place : New Delhi

Date : 14th November, 2017