

Mehra Goel & Co.
Chartered Accountants

Limited Review Report

Review Report to
The Board of Directors
Bhushan Steel Limited

1. We have reviewed the accompanying statement of un-audited financial results of Bhushan Steel Limited for the 3rd quarter ended 31st December, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* 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

3. As detailed in Note 6 to unaudited financial results, the Supreme Court of India, vide its order dated 24.09.2014, cancelled number of coal blocks allocated to various entities which includes to coal blocks 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) Second Ordinance, 2014, which inter-alia deal with the compensation in regard to investment in coal blocks. No effect has been taken on the value of investment made in coal blocks resulting from the re-allocation of coal blocks. In the opinion of the management the Company will receive the payments/expenditure paid / maid, including borrowing cost and other incidental expenditure, relating to de-allocated coal blocks.

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 unaudited financial result for the quarter ended December 31, 2014.

Qualified Conclusion

4. Based on our review conducted as above, except for the possible effect of our observation in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for Mehra Goel & Co.
Chartered Accountants



Signature
(Name of the Partner : R.K. Mehra)
(Membership Number : 6102)
(Firm Registration No: 000517N)

Place : New Delhi
Date : 14.02.2015