

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT TO

The Board of Directors
Bhushan Steel Limited

1. We have reviewed the accompanying statement of stand alone un-audited financial results of Bhushan Limited for the quarter ended 30th September, 2015 [the financial statement, being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges] 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 reviewed 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 the financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditors 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

3. *The Supreme Court of India vide its order dated 24.09.2014, cancelled number of coal blocks allocated to various entities, that includes one coal block allocated to the company and one of its associate company, which were under development. Subsequently, the Government of India has passed the Coal Mines (Special Provision) Act, 2015, which, inter-alia, deal with the payment of compensation to the affected parties in regard to their investment in the de-allocated coal blocks.*

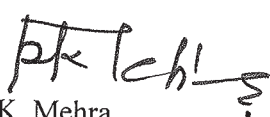
No effect has been taken by the company on the value of investment made by the company in the de-allocated coal blocks amounting to Rs.56289.96 lacs [including expenditure incurred Rs.13546.46 lacs and advance given Rs.42743.50 lacs] and Rs.668 lacs in Equity Shares/advance for share capital in the associate company, whose coal blocks have been de-allocated. In the opinion of the management, the Company/associate company will receive compensation from the government commensurating the total investment and expenses (including respective finance cost) made by the company and associate company till the date of de-allocation.

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, if any.




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 specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized 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.

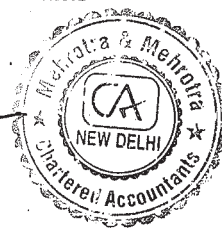
For Mehre Goel & Co.
[FRN: 000517N]
Chartered Accountants


R.K. Mehra
Partner
M No. 006102



For Mehrotra & Mehrotra
[FRN: 00226C]
Chartered Accountants


Rajesh Jhalani
Partner
M. No. 74809



Place : New Delhi
Date : 14th November, 2015