

DEOKI BIJAY & CO.

Chartered Accountants

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Auditors' Report

The Members

BMW Industries Limited

- 1) We have audited the attached Balance Sheet of BMW Industries Limited as at 31st March, 2009, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 (the "Act") and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Paragraph (3) above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. 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;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of Account;
 - d. In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement referred to in this report subject to non preparation of consolidated account of the company and its subsidiaries in terms of Accounting Standard (AS 21) on consolidated financial statements, as given in Note No.25 of schedule 17, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;



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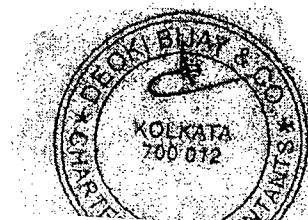
- e. On the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2009 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements *subject to (i) Note No.3 regarding sundry debtors, sundry creditors, Banks and other Balances being subject to confirmation and consequential adjustments, if any, which may arise there from, impact presently not ascertainable, (ii) Note no.6(a) regarding certain old debts and advances which have been carried forward at the book values, the exact status and adjustments if any, arising are presently not ascertainable, (Hi) Note No.6(b) regarding loans and advances made to certain body corporate pending prior approvable and other compliances stated therein consequential impact of which is not ascertainable, (iv) Note no. 22 regarding certain transaction entered with certain parties pending prior approvable and other compliances stated therein consequential impact of which is not ascertainable and read together with other notes of schedule 17 give the information as required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:-*
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- ii) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For DEOKI BIJAY & CO.
Chartered Accountants



(CA.D.N.AGRRAWAL)
Partner
Membership No 51157

Dated the 2nd day of September, 2009

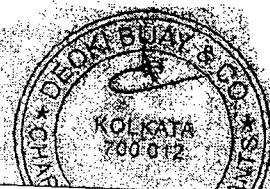


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Annexure to the Auditors' Report

(This is the Annexure referred to in paragraph 3 of our Report of even date to the members of BMW Industries Limited on the financial statements as on and for the year ended 31ST MARCH, 2009)

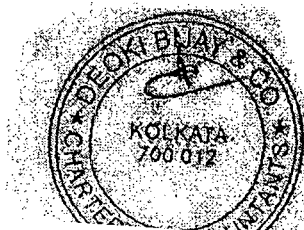
- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) According to the information and explanations given to us, fixed assets of the Company have been physically verified according to a phased programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. During the year, physical verification has been carried out for major plant and machinery and as explained no material discrepancy, to the extent reconciled with the fixed asset records, have been noticed on such verification.
c) In our opinion, during the year, the Company has not disposed off substantial part of its fixed assets.
- II. a) The inventories excepting scraps have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
b) According to the information and explanations given to us, in our opinion, except for scraps as aforesaid, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company is maintaining proper records of inventories. As explained to us, discrepancies noticed on the physical verification of inventories as compared to the book records were not material.
- III. a) The Company has not granted unsecured loan during the year under report to parties covered in the register maintained under Section 301 of the Act. However out of the loans granted to such parties in earlier years, maximum amount involved during the year and year end balance of loans are Rs 4,30,39,488/- and Rs 4,30,39,488/- respectively.
b) In our opinion and according to the information and explanations given to us, the aforesaid loans are interest free and other terms and conditions of such loans are not *prima facie* prejudicial to the interest of the Company.
c) According to the information and explanations given to us the aforesaid loans are repayable on demand and have been paid as and when demanded by the company.



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d) The aforesaid loans are repayable on demand and therefore the question of overdue amount does not arise.

- IV. In our opinion and according to the information and explanations given to us and on the basis of test checks carried out by us, there are adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, generally, we have not prima facie come across the cases of continuing failure on the part of the management to correct major weaknesses with regard to internal control.
- V. a) According to the information and explanations provided by the management, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance to such contracts and arrangements have been made at a price which are reasonable having regard to the prevailing market price at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public covered under Section 58A, 58AA or any other relevant provisions of the Act and rules framed there under.
- VII. The Company has appointed a firm of Chartered Accountants as its internal auditor.
- VIII. As explained to us, cost records in respect of steel pipes and tubes as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Act is required to be maintained by the Company. As explained to us the Company is in the process of maintenance of such records.
- IX. a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Employees' State Insurance, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable to it *except in cases of Provident Fund, Tax Deducted at Source, Advance tax, Sales Tax and Wealth Tax where it was not regular in depositing the respective statutory dues*. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable except (i) Wealth tax Rs.60000/-.

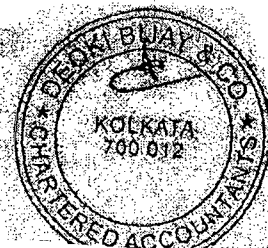


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b) As informed by the management, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute except following:

Nature of Dues	Period to which	Amount in Dispute	Forum where dispute is pending
Income - tax	Asst. Year 2003-04	Rs. 12725 63	Commissioner (Appeals)- Kol

- X. The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- XI. In our opinion and on the basis of information and explanations provided by the management, the Company has not defaulted in repayment of dues, if any, to financial institutions and banks. The Company has not issued any debentures.
- XII. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- XV. The Company has not given guarantees for loans taken by others from banks.
- XVI. During the year, the Company has received term loans towards financing of steel service centers of the Company. Having regard to the amount spent before and subsequent to the disbursement of these loans in connection with the said service centers, the amount have been applied for the purpose for which such loans were obtained.
- XVII. According to the information and explanation given to us and based on an overall examination of the balance sheet of the Company, in our opinion, funds raised on short term basis have not been used for long term investment.



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- XVIII. The Company has not made any preferential allotment of shares during the year under report.
- XIX. The Company has issued no debentures. Accordingly, provisions of clause 4(xrx) of the Order are not applicable to the Company.
- XX. The Company has not raised monies by public issues during the year.
- XXI. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, *prima facie*, we have neither come across any incidence of fraud on or by the Company nor have we been informed of such cases by the management.

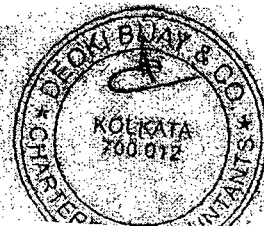
Kolkata

Dated the 2nd day of September, 2009

For DEOKI BIJAY & CO.
Chartered Accountants



(C.A.D.N.AGRAWAL)
Partner
Membership No 51157



BMW INDUSTRIES LTD.

Balance Sheet AT 31ST MARCH, 2009

	Schedule	31.03.2009 Rs.	31.03.2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Capital	1	124000000	124000000
Reserves and Surplus	2	976914665	915559588
LOAN FUNDS			
Secured loans	3	1491876747	1192279194
Unsecured loans	4	<u>742688103</u>	<u>606429043</u>
		2234564850	
DEFERRED TAX LIABILITY (NET)		76655814	60273840
		<u>3412135329</u>	<u>2898541665</u>
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		1454253520	1408937337
Less: Depreciation		<u>371529075</u>	<u>313756015</u>
Net Block		1082724445	1095181322
Capital Work-in-progress		<u>274518673</u>	<u>170953160</u>
		1357243118	1266134482
INVESTMENTS	6	115360347	115360347
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	651158297	480847298
Sundry debtors	8	770823069	591554023
Cash and bank balances	9	39116745	38269040
Loans and advances	10	<u>833477978</u>	<u>810938277</u>
		2294576089	1921608640
LESS:			
CURRENT LIABILITIES AND PROVISIONS			
Liabilities	11	197499238	260716817
Provisions	12	<u>157544988</u>	<u>143844988</u>
		355044226	404561805
NET CURRENT ASSETS		<u>1939531864</u>	<u>1517046835</u>
		<u>3412135329</u>	<u>2898541664</u>


NOTES ON ACCOUNTS

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The schedules referred to above form an integral part of the Balance Sheet.

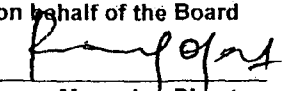
As per our report of even date

For Deoki Bijay & Co.
Chartered Accountants

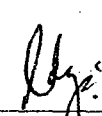

(C.A. D.N. AGRAWAL)
(M.No. 051157)
Partner

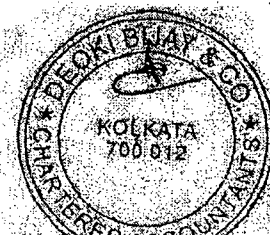
Place: Kolkata
Dated: 2nd September, 2009

For and on behalf of the Board


Managing Director


Director


Company Secretary



BMW INDUSTRIES LTD.

PROFIT & LOSS ACCOUNT THE YEAR ENDED 31ST MARCH, 2009

	Schedule	31.03.2009 Rs.	31.03.2008 Rs.
INCOME			
Sales	13	3180780424	1727916354
Less: Excise Duty		149400779	83163850
		<u>3031379645</u>	<u>1644752505</u>
Other income	14	21053123	13106001
Increase/(Decrease) in stock		51488365	199808288
		<u>3103921133</u>	<u>1857666794</u>
EXPENDITURE			
Manufacturing, Administrative, Selling and Other expenses	15	2748511413	1572774546
Excise Duty		21789404	26891191
Interest	16	174126914	91900657
Depreciation		60729292	
Less: Transferred from Revaluation Reserve		8361035	52368257
		<u>2996795988</u>	<u>1725201097</u>
Profit before taxation and prior period adjustments		107125145	132465697
Surplus arising towards change in method of depreciation from WDV to SLM		0	58227638
Prior period Adjustments (Net)		-73371	-59309
Profit before taxation		<u>107051774</u>	<u>190634026</u>
Provision for taxation			
	Current	12500000	22000000
	Deferred	16381974	42978616
	Fringe Benefit	1200000	30081974
		<u>76969800</u>	<u>124415721</u>
Profit after taxation		469244985	352082954
Balance brought forward from previous year		546214785	476498675
Profit available for appropriations			
Appropriations :			
Proposed dividend		6200000	6200000
Corporate dividend tax		1053690	1053690
Balance carried to Balance Sheet		<u>538961095</u>	<u>469244985</u>
Earning per Share			
Basic & Diluted		6.21	10.03
Weighted average outstanding shares		12400000	12400000

NOTES ON ACCOUNTS

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The schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date

For Deoki Bijay & Co.
Chartered Accountants

(C.A. D.N. AGRAWAL)
(M.No. 051157)
Partner

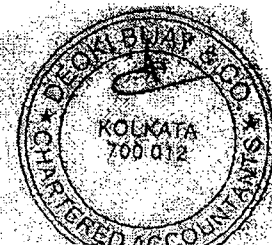
Place: Kolkata
Dated: 2nd September, 2009

For and on behalf of the Board

Managing Director

Director

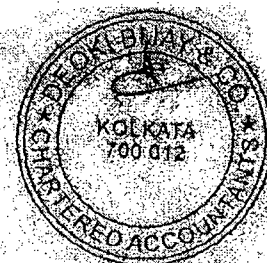
Company Secretary



BMW INDUSTRIES LTD.

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

		31.03.2009 Rs.	31.03.2008 Rs.
1. SHARE CAPITAL			
Authorised	2,00,00,000 (p.y. 2,00,00,000) equity shares of Rs. 10/- each.	<u>200000000</u>	<u>200000000</u>
Issued, subscribed and paid up	1,24,00,000 (p.y. 1,24,00,000) equity shares of Rs. 10/- each fully paid up	<u>124000000</u> <u>124000000</u>	<u>124000000</u> <u>124000000</u>
2. RESERVES AND SURPLUS			
Capital Reserve			
State Capital Investment Subsidy from State Government		1500000	1500000
Revaluation reserve			
As per last Balance Sheet	101559778		109920813
Add: Due to change in Method of Depreciation			
Less: Transfer to Profit & Loss A/c	<u>8361035</u>	<u>8361035</u>	<u>8361035</u>
		93198744	101559778
General Reserve			
As per last Balance Sheet		191254826	191254826
Share Premium			
As per last Balance sheet		152000000	152000000
Surplus in Profit and loss account		<u>538961095</u> <u>976914665</u>	<u>469244984</u> <u>915559588</u>
3. SECURED LOANS			
Term loans:			
a) Term Loan 1		127871484	179003858
(secured by way of first parri passu mortgage alongwith other co lender bank/FIs on all fixed assets (including land and building, plant & machinery both present and future) of the steel service centre unit of the company. Further collaterly secured by extension of first parripassu alongwith other co lender bank/FIs hypothecation charge on all current assets of the steel service centre of the company. Further secured by personal guarantee of two directors of the Company)			
b) Term Loan 2		374169534	389933314
(secured primarily by exclusive 1st charge on the fixed assets of the Steel Service Centre, Ghamaria Unit at Jamshedpur, Jharkhand, both present & future, by way of equitable mortgage of the immoveable assets and hypothecation of plant & machineries and other movable fixed assets of the Ghamaria Unit at Jamshedpur, Jharkhand. Further secured by personal guarantee of three directors of the Company)			
c/f		<u>502041018</u>	<u>568937172</u>



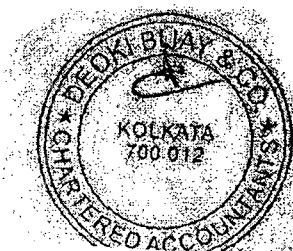
BMW INDUSTRIES LTD.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	31.03.2009	31.03.2008
	Rs.	Rs.
b/f	502041018	568937172
c) Term Loan 3 (secured primarily by exclusive 1st charge on the fixed assets of the Structural Rolling Mill at NH VI, Argori, Howrah, both present & future, by way of equitable mortgage of the immoveable assets and hypothecation of plant & machineries and other movable fixed assets of the Rolling Mill Unit at Howrah. Further secured by personal guarantee of two directors of the Company)	294002606	0
d) Term Loan 4 (secured primarily by exclusive 1st charge on the fixed assets of the Wire Rod Rolling Mill at NH VI, Argori, Howrah, both present & future, by way of equitable mortgage of the immoveable assets and hypothecation of plant & machineries and other movable fixed assets of the Rolling Mill (TMT) Unit at Howrah. Further secured by personal guarantee of two directors of the Company)	6746097	0
e) Cash Credit 1 (secured by first hypothecation charge on current assets and moveable, plant & machinery and mortgage charge of land and building of Unit-I, located at G.T. Road and guaranteed by three directors of the company)	181996599	237743046
f) Cash Credit 2 (secured by way of first parri passu hypothecation along with other co lender bank of all the current assets of the steel service centre of the company including Raw materials, work in process, finished goods and sundry debtors. Further collaterally secured by extension of first parri passu mortgage charge along with other co lenders on all fixed assets (incl. Land & Building, plant & machinery both present & future) of the steel service centre of the company. Further secured by personal guarantees of two directors of the company).	265784790	285777209
g) Cash Credit 3 (secured by way of first parri passu charge on entire current assets relating to the structural rolling mill at NH VI, Argori, Sankrail, Howrah. Further collaterally secured by extension of first parri passu charge on the entire Block of assets (incl. Land & Building, plant & machinery both present & future) of the structural rolling mill. Further secured by personal guarantee of two directors of the company.)	209765010	40278323
Other finances from banks (secured by hypothecation of vehicles & other machinery acquired)	29557198	56196306
Loans from Bodies Corporate (secured by hypothecation of vehicles & other machinery acquired)	1983430	3347137
	1491876747	1192279194

4. UNSECURED LOANS

From Banks/Bodies corporate	736963103	599929043
From Directors (Interest free)	5725000	6500000
	742688103	606429043



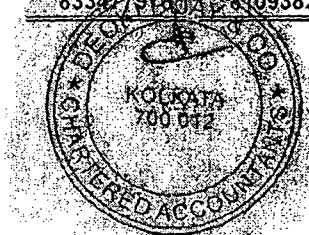
SCHEDULE -5

DESCRIPTION	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS AT 31.03.08	ADDITIONS	SALE/ ADJUSTMENTS	AS AT 31.03.09	AS AT 31.03.08	Adjustments	FOR THE YEAR	Sale	AS AT 31.03.09	AS AT 31.03.09	AS AT 31.03.08
FREEHOLD LAND & LAND DEVELOPMENT	59905607	10055016	0	69960623	0	0	0	0	0	69960623	59905607
LEASEHOLD LAND & LAND DEVELOPMENT	45158052	0	0	45158052	0	0	0	0	0	45158052	45158052
BUILDINGS *	316520998	2733632	0	319254630	29236762	0	10050061	0	39286823	279967807	287284235
PLANT & MACHINERY	944352381	34124459	0	978476840	281053465	0	47056032	0	328109517	650367323	663298896
FURNITURE & FIXTURES	6998308	1175056	0	8173364	854406	0	707726	0	1562132	6611232	6143902
VEHICLES	36001991	1255391	4027371	33230011	2611362	0	2915473	2956231	2570604	30659408	33390629
TOTAL	1408937337	49343554	4027371	1454253520	313756015	0	60,729,291.69	2956231	371529075	1082724445	1095181322
PREVIOUS YEAR	822629722	586307615	0	1408937337	384532275	112771998	41,995,737.81	0	313756015	1095181322	

BMW INDUSTRIES LTD.

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	31.03.2009 Rs.	31.03.2008 Rs.
6. INVESTMENTS (Refer note no.11)		
Trade Investments, Long Term Unquoted Equity Shares (Fully Paid up) in		
Subsidiary Companies		
Sail Bansal Service Centre Limited (4800000 equity shares of Rs.10/- each, Face Value Rs.10/- each)	48000000	48000000
Bansal Nepal Private Limited (508693 equity shares of Nepalese Rs.100/- each, Face Value of Nepalese Rs.100/- each)	31793313	31793313
Others		
Utkarsh Tubes Pvt. Ltd. (subsidiary till 30.3.2006) (607600 equity shares of Rs.10/- each, Face Value Rs.10/- each (Previous Year 2207600 equity shares))	31757035	31757035
Incore Metals and Cement Pvt. Ltd. (30000 equity shares of Rs.100/- each, Face Value Rs.100/- each (Previous Year nil equity shares))	3810000	3810000
	<u><u>115360347</u></u>	<u><u>115360347</u></u>
7. INVENTORIES		
Stores and spare parts	16520594	6838898
Raw materials	342440870	233299931
Finished goods	292196833	240708468
	<u><u>651158297</u></u>	<u><u>480847298</u></u>
8. SUNDRY DEBTORS (Unsecured)		
a) Debts outstanding for a period exceeding six months -		
Considered good	49757298	42795177
b) Other debts		
Considered good	721065771	548758846
	<u><u>770823069</u></u>	<u><u>591554023</u></u>
9. CASH & BANK BALANCES		
a) Cash in hand (as certified by the management)	3381098	6122864
c) Balances with scheduled banks		
on margin account (pledged against guarantees issued by the bank)	24410084	16128301
Fixed deposit receipts (pledged with a bank against overdraft facilities)	1900000	1900000
On current accounts	9425563	14117876
	<u><u>39116745</u></u>	<u><u>38269040</u></u>
10. LOANS AND ADVANCES (Unsecured, considered good by the management except stated otherwise)		
a) Advances recoverable in cash or in kind or for value to be received	521931682	532472107
b) Advances with bodies corporate towards equity participation	8214574	8214574
c) Other Receivables	7500000	7500000
d) Income tax advance (including tax deducted at source)	95473138	79465069
e) Fringe Benefit Tax Advance	3187210	3187210
f) Deposit with Government Departments	197171372	180099317
	<u><u>833477980</u></u>	<u><u>810938277</u></u>



BMW INDUSTRIES LTD.

**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND
& LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	31.03.2009 Rs.	31.03.2008 Rs.
LIABILITIES		
a) Sundry Creditors	172957499	243564057
b) Sales tax payable	18176476	0
b) Advance from customers	6365263	16578407
c) Temporary overdrawn bank balance	0	574353
	<u>197499238</u>	<u>260716817</u>
 12. PROVISIONS		
For income tax	133199604	120699604
For Fringe Benefit Tax	4496185	3296185
For works contract	12595509	12595509
For Proposed dividend	6200000	6200000
For corporate dividend tax	1053690	1053690
	<u>157544988</u>	<u>143844988</u>
 13. SALES		
Pipes and Others, etc.	2687185472	1381680928
Services and Others	493594953	346235427
	<u>3180780425</u>	<u>1727916354</u>
Less: Excise Duty	149400779	83163850
	<u>3031379646</u>	<u>1644752504</u>
 14. OTHER INCOME		
Interest on deposits and others	5026693	3190057
Liabilities no longer required written back	15134342	112962
Insurance Claims	253115	232407
Miscellaneous income	638973	9570576
	<u>21053123</u>	<u>13106002</u>



BMW INDUSTRIES LTD.

MODULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT
LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

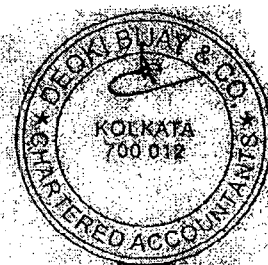
15. MANUFACTURING, ADMINISTRATIVE SELLING AND OTHER EXPENSES

Raw materials consumed
Purchase
Stores and spares consumed
Power and fuel
Wages and salaries
Labour charges
Job Charges
Contributions to provident and other funds
Workmen and staff welfare
Repairs to -
 Plant and machinery
 Buildings
 Others
Loading and unloading charges
Carriage inward
Rates and taxes
Rent
Insurance
Directors remuneration
Charity and donation
Auditors remuneration
Brokerage and commission
Carriage outward
Provision for doubtful advances
Miscellaneous expenses

	31.03.2009	31.03.2008
	2267346540	1272828831
	0	0
	74832133	56922639
	35164355	22744941
	58381856	37432788
	16732064	3700224
	90948825	39119866
	2594910	2358996
	7443822	4650891
	1307751	1223708
	294200	795746
	9316680	3457916
	5592831	2011164
	18783762	8538761
	4494698	4786919
	4559375	3307598
	1250732	1414729
	3659300	942720
	1052811	974202
	125000	125000
	633169	22958
	26771371	12680796
	203722	127712
	117020507	92605444
	<u>2748511413</u>	<u>1572774546</u>
	63859745	19160878
	110267169	72739779
	<u>174126914</u>	<u>91900657</u>

16. INTEREST

On term and other fixed period loan-
On others



ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The accounts, except in respect of certain fixed assets which are stated on revalued amount, have been prepared on the historical cost basis and on the accounting principles of going concern.

b) USE OF ESTIMATES

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and estimates are recognized as and when, the results are known / materialized.

c) REVENUE RECOGNITION

i) All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

ii) Revenue in respect of claims of insurance, exports incentives etc. are recognised only when there is reasonable certainty as to the ultimate collection.

iii) In respect of construction contracts, revenue is recognised on percentage completion basis when completion level is minimum 10%. Completion level is the percentage of revenue earned to total contract value net of discount. Warranty cost, penalties or possible losses that are dependent upon future events are recognised as and when these are ascertained/ascertainable.

d) SALES

Sales are inclusive of excise duty but net of Value Added Tax (VAT)/sales tax. Sales tax remission and freight charges collected/realised are included in Sales.

e) FIXED ASSETS

i) Fixed assets are stated at cost of acquisition/construction or at revalued amounts less depreciation.

ii) Depreciation on fixed assets is provided for on straight line method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.

iii) Leasehold land is being amortised over the remaining period of lease.

iv) Administrative and other preoperative expenditure incurred during the pre-operation period, after setting off recoveries incidental thereto and adjustments to be made there against, are allocated to respective assets.

f) IMPAIRMENT

Fixed assets are reviewed at each balance sheet date for impairment. In case, events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An



Impairment loss is recognized, whenever the carrying amount of assets exceeds the recoverable amount. The recoverable amount is greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rates. An impairment loss is reversed if there has been change in the recoverable amount and as such, loss no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets.

g) INVESTMENTS

Long term investments have been valued at cost, less provision for diminution in their value, if any, not temporary in nature. Current Investments are valued at lower of cost or fair value.

h) INVENTORIES

i) Inventories are valued at lower of cost or net realisable value. Cost of raw materials includes the purchase price as well as incidental expenses. The cost in respect of raw materials is determined on First in First out basis.

ii) Finished goods are valued at weighted average cost, or on net realisable value whichever is lower. Excise duty is considered as cost for valuation. Cost of finished goods and work in progress represents materials, direct labour and appropriate portion of overhead expenses allocated against the same.

iii) Scrap generated is valued at net realisable value.

iv) Cost in respect of stores and spares is determined on weighted average basis.

i) RETIREMENT BENEFITS

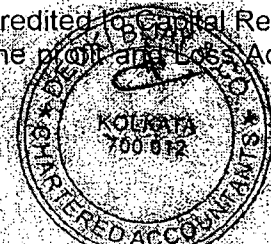
Retirement benefits are accounted for on accrual basis. Contribution to gratuity funds is being made under cash accumulation scheme of Life Insurance Corporation of India. Contributions to Provident Funds are charged to the Profit and loss account.

j) FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities at the year end are translated using the closing exchange rates whereas non-monetary assets are translated at the rate on the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expenses and are adjusted to the profit and loss account except in cases where a) where such liabilities and/or transactions relate to fixed assets/projects and were entered into before 1.4.2004, b) where fixed assets have been acquired from a country outside India in which case, these are adjusted to the cost of respective fixed assets.

k) GOVERNMENT GRANTS

Grants from Government relating to fixed assets are shown as a deduction from the gross value of fixed assets and those of the nature of capital subsidy are credited to Capital Reserve. Other Government grants including incentives etc. are credited to the profit and loss account or deducted from the related expenses.



BORROWING COST

Borrowing cost incurred in relation to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of such asset upto the date when such assets are ready for intended use or sale. Other borrowing costs are charged as an expense in the year in which they are incurred.

) TAXATION

Provision for tax is made for current, deferred and fringe benefit taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred Tax Assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

) PROVISIONS, CONTINGENCIES AND CONTINGENT ASSETS

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 assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

a) The Gross block of fixed assets includes revaluation as on 31st March 1994, 31st March, 1997 and 31st March, 2000 carried out by approved valuer on the basis of Net replacement value and consequential increase in value of fixed assets amounting to Rs. 3,46,71,251/- (Previous year Rs. 3,46,71,251/-), Rs. 2,07,54,054/- (Previous year Rs. 2,07,54,054/-) and Rs. 12,47,56,830/- (Previous year Rs. 12,47,56,830/-) were correspondingly credited to Revaluation Reserve with respect to these assets.

b) Depreciation on incremental value of Plant and Machinery and Buildings due to revaluation has been charged at the rates as prescribed under Schedule XIV to the Companies Act, 1956 and equivalent amount has been transferred from Revaluation Reserve Account to Profit and Loss Account amounting to Rs. 8361035/- (Previous Year Rs. 8361035/-)

c) Balances of sundry debtors, sundry creditors, fixed deposits with banks, security and other deposits, other liabilities, certain bank balances (including on account of term loans and balances in margins) and advances, secured and unsecured loans to/from body corporates are subject to confirmation/reconciliation and consequential adjustments, if any, arising there from.

d) Escalation bills are accounted for on the basis of rates notified by the customers/authorities upto the year end.

5(a) Contingent Liabilities not provided for:

i) Counter guarantees issued by the Company to banks, in respect to bank guarantees issued, amounting to Rs. 244100840/- (Previous Year Rs. 161283010/-)

ii) Corporate Guarantee issued by the Company amounting to Rs. 1213.43 lacs (P.Y. Rs. 1213.43 lacs)

iii) Income Tax Demand for the Assessment year 2003-2004 pending under Appeal before Commissioner of Income Tax (Appeals), Kolkata, Rs. 1272563/- (P.Y. Rs. 1272563/-)

Estimated amount of contract remaining to be executed on capital account not provided
s. Nil (P.Y. Rs. Nil)

6(a) Sundry debtors as on 31st March 2009 includes Rs. 16754320/- (Previous year Rs. 20705344/-) which are outstanding since a considerable period. Necessary persuasive steps have been taken for realisation and as such no provisions against these are considered necessary.

(b) Advances recoverable (considered good) as on 31st March, 2009 includes Rs.43039488/- (P. Y. Rs 43039488/-) being advances made to BMW Ceramics Pvt. Ltd., BMW Infotech Pvt. Ltd. and JIT Steel Service Centre Pvt. Ltd. in which directors of the Company are interested as director / member. The Maximum amount outstanding at any time during the Year against the said advances were Rs.43039488/- (Previous year Rs. 43039488/-). Steps are being taken to comply with Sections 295, 372A and other relevant provisions of the Companies Act, 1956. Considering long term involvement with these companies, amounts outstanding have been considered good and recoverable.

7 In the opinion of the management, current assets and loans and advances will have value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

8 Profit and loss on sale of raw material remains adjusted in the respective consumption account.

9 In view of inadequate information from suppliers, total outstanding dues and the names of SSI where the amounts in excess of Rs.1 lac are outstanding for more than 30 days, disclosures as required under the MSMED Act, 2006 have not been disclosed/provided separately.

10 The Company has an investment of Rs. 4,80,00,000/- (P.Y.Rs.48000000/-) and Rs. 3,17,93,313 (P.Y.Rs. 3, 17,93,313/-) in the equity shares of the subsidiaries viz. Sail Bansal Service Centre Limited and Bansal Nepal Private Limited.

11 Miscellaneous Expenses include Rs.60422683/- (P.Y. Rs. 43845907/-) incurred for processing/job charges.

15 Deposit with Government and other authorities include Rs.8126882/- (Previous Year Rs. 11394872/-) on account of earnest money deposit with certain Government Authorities/Departments against orders and tenders.

16	Expenditure in foreign currency : Traveling & others	31.03.2009 Rs.15,05,006/-	31.03.2008 Rs.6,98,050/-
17	Earning in foreign exchange FOB value of exports	Rs.Nil/-	Rs.Nil/-
18	C.I.F. value of imports Raw Material and Stores & Spares Capital Goods	Rs.Nil/- Rs.13018830/-	Rs.Nil/- Rs.20197163/-

19 Remuneration paid to Managing Director/Whole Time Director Gross Salary Rs.3859300/- (Previous Year Rs. 939120/-)



20 Auditors remuneration and expenses :

Statutory Auditors -

Audit fees

Tax audit fees

Certificates etc

31.3.2009

100000.00

20000.00

5000.00

125000.00

31.03.2008

100000.00

0.00

5000.00

125000.00

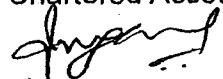
21 Advances recoverable in cash or in kind include Rs.22179793/- (P.Y. Rs. 25124603) being various expenses incurred, payments made to / on behalf of certain companies, for development of various projects.

22 The Company in current year and in earlier years has/had entered into transactions for purchase and sale of goods and services with certain companies, for which approval of Central Government as required under Section 297 of the Companies Act, 1956 has not been taken. Steps are being taken to regularise these transactions as per the provisions of the Companies Act, 1956.

23 As the financial statements of subsidiaries are not available, the consolidated accounts of the company and these subsidiaries have not been prepared in terms of Accounting Standard-21 on "Consolidated Financial Statements".

24 Figures for previous years have been regrouped/rearranged wherever necessary.

For Deoki Bijay & Co.
Chartered Accountants



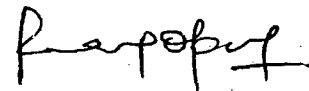
(C.A.D.N. Agrawal)

(M.No. 051157)

Partner

Place :Kolkata

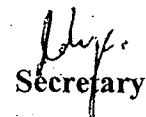
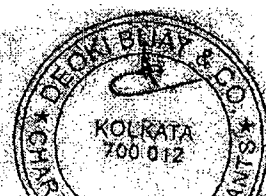
Dated: 2nd September, 2009



Managing Director



Director


Secretary

25 As the financial statements of subsidiaries are not available, the consolidated accounts of the company and these subsidiaries have not been prepared in terms of Accounting Standard-21 on "Consolidated Financial Statements".

26 Figures for previous years have been regrouped / rearranged wherever necessary.

For Deoki Bijay & Co.
Chartered Accountants
(FRN: 313105E)



(C.A.D.N. Agrawal)

Partner

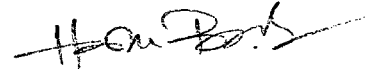
(M.No. 051157)

Place :Kolkata

Dated: 2nd September, 2010



Managing Director



Director

Priyanka Sarda.

Secretary

