



BAJAJ STEEL INDUSTRIES LIMITED
49th Annual Report 2009-2010

BAJAJ STEEL INDUSTRIES LIMITED
BOARD OF DIRECTORS

Chairman	Shri Hargovind Bajaj
Managing Director	Shri Rohit Bajaj
Executive Director	Shri Sunil Bajaj
Directors	Shri Vinodkumar Bajaj Shri Lalchand Mutha Smt. Ramadevi Ruia (upto 29.07.2010) Shri Kamal Kishore Kela Shri Mohan Agrawal Shri Alok Goenka Shri Raj Kumar Lohia Shri Rajiv Ranka Shri Deepak Batra
Company Secretary	Shri Jagdish Shirke
Chief Financial Officer	Shri Manoj Dhoot
Auditors	B. Chhawchharia & Co. 602, Govind Estates, Plot No. 172 Shivaji Nagar, Nagpur - 440 010
Bankers/Financial Institution	SICOM LIMITED, Mumbai State Bank of India, Bhopal The Karur Vysya Bank Limited & Axis Bank Limited, Nagpur
R & T Agent	Adroit Corporate Services Private Limited 1 st Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai - 400059 Tel : (022) 2859 0942/4442/4428/4060 E.mail: adroits@vsni.net
Registered Office	Imambada Road NAGPUR - 440 018 email: cs@bajajngp.com
Works	Imambada Road Nagpur - 440 018 Plot No. C-108 Hingna MIDC Area, G-108, Butibori, MIDC Area, Nagpur (Maharashtra)

BAJAJ STEEL INDUSTRIES LIMITED
NOTICE TO MEMBERS

NOTICE is hereby given that the Forty – Ninth Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Wednesday the 1st day of September 2010 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur – 440 001 (Maharashtra) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity shares of the Company for the year ended 31st March, 2010
3. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act 1956, M/s B.Chhawchharia & Co, Chartered Accountants, Nagpur, the retiring Statutory Auditors, be and hereby re-appointed as the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration as decided by the Board of Directors of the Company."
4. To appoint a Director in place of Shri Alok Goenka, who retires by rotation, and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Shri Rajiv Ranka, who who retires by rotation, and being eligible, offers himself for re-appointment

SPECIAL BUSINESS :

6. "RESOLVED THAT Shri Deepak Batra, who was appointed as an additional Director be and is hereby appointed as an Independent Director of the Company."
7. REPLACING THE ARTICLE 99 - RELATING TO QUALIFICATION SHARES OF DIRECTOR IN THE ARTICLES OF ASSOCIATION OF THE COMPANY :
"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and other provisions, if any as may be applicable, the Existing Article 99 relating to Qualification Shares of Directors in the Articles of Association of the Company be and hereby deleted and substituted by the following Article:
"Article 99 : There shall not be any qualification share necessary for qualification of any Director in the Company."
FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do such other acts, deeds, things as may be necessary for giving effect to the said resolution."

Registered office:
Imambada Road,
Nagpur - 440 018

Dated : 29.07.2010

By order of the Board

Jagdish Shirke
Company Secretary



NOTES

- (a) Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set under Item No. 6 & 7 is appended below.
- (b) MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members of the Company will remain closed from 14th August, 2010 to 1st September, 2010 (both days inclusive)
Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March, 2010, when declared at Annual General Meeting, will be paid to the members whose names appear:
- as Beneficial Owners as per List to be furnished by the Depositories in respect of the Shares held in Demat Form as of the Book Closure Date.
 - as Members on the Register of Members of the Company as on 1st September, 2010 after giving effect to all valid Share Transfer in physical form which could be received by the Company / Transfer Agent upto end of the Business hours on the 13th August, 2010.
- (d) Members are requested to :
- Intimate to the R&T Agent about the changes, if any, in their registered addresses, Dividend Mandates etc.,
 - Quote their Folio Number in all their correspondence.
- (e) Members who have multiple folios with identical order of name are requested to intimate to the R & T Agent these folios to enable the R & T Agent to consolidate all share holdings into one folio.
- (f) Dematerialisation of Shares :
This is to inform that 55.95% of the total equity shares have already been dematerialized as of 31st March, 2010. Shareholders who have not dematerialized their shares may opt the same accordingly.
- (g) Registrar and Share Transfer Agent :
M/s Adroit Corporate Services Private Limited, 1st Floor, 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai-400 059 is Registrar and Share Transfer Agents. Therefore Shareholders of the Company are advised to send all future documents/correspondence such as request for Dematerialisation of Shares, Transfers of Shares, Change of Address, Change of Bank Mandate/ECS and other Share related matters to M/s Adroit Corporate Services Private Limited at the above mentioned address only.
- (h) Change of Information/ Bank Mandate :
The members/ shareholders holding shares in physical form are requested to notify/ update any change in their address, Bank Mandate e.g. Name of bank, account number, branch address and ECS number to Registrar and Share Transfer Agent and/ or the Company or to their respective Depository Participants (DP), if the shares are held in electronic form.

BAJAJ STEEL INDUSTRIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/CFD/DIL/CG/1/2008/08/04 dated 8th April, 2008 has amended the Clause 49 of the Listing Agreement. In view of applicability of Clause 49 to the Company during the year 2009 -10 due to increase in limit of Net Worth of the Company more than Rs 25 crores, the Company is required to have 50% composition of Board consist of independent Directors

In view of above, Shri Deepak Batra was appointed as an Additional Director of the Company on 3rd March, 2010 and further reappointed on 11th May, 2010. In terms of Section 260 of the Companies Act, 1956, the term of Shri Deepak Batra as an Additional Director of the Company expires at the ensuing 49th Annual General Meeting and eligible for re-appointment.

Therefore, the Directors of the Company recommended the above resolution for the approval of the Members. The Company has received a valid notice and requisite deposit from a member of the Company Under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Deepak Batra for the office of the Director. Shri Deepak Batra is interested in the said resolution as it relates to his appointment.

Save as aforesaid, none of the other remaining Directors of the Company, in any way concerned or interested in the proposed resolution.

ITEM NO. 7

The Directors desire that the requirement of qualification share for holding the post of Directors is unnecessary and each time, even for appointment of Independent Professional Directors, the existing Article bind for holding of qualification shares. The Company desires to avoid unwanted compliances for having qualification shares.

In view of above, your Directors are proposed the resolution for deletion and substitution of Article 99 of the Article of Association.

Save as aforesaid, none of the Directors of the Company, in any way concerned or interested in the proposed resolution.



REPORT OF THE DIRECTORS

The Directors presents their Forty-Ninth Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2010:

FINANCIAL RESULTS :	31.03.2010	RUPEES 31.03.2009
	SALES AND OTHER INCOME	<u>2,282,240,338</u>
Profit before Interest & Depreciation	259,966,140	321,271,215
Less : Interest	55,999,830	44,729,064
Depreciation	51,392,407	43,138,545
	<u>152,573,903</u>	<u>233,403,606</u>
Add : Extra Ordinary Item	(-)	(-)
Profit before Tax	<u>152,573,903</u>	<u>233,403,606</u>
Provision for Taxation	50,131,000	82,225,500
Net Profit	<u>102,442,903</u>	<u>151,148,606</u>
Add : Balance Brought Forward from previous year	<u>18,586,973</u>	<u>12,586,147</u>
	121,029,876	163,734,753
Less : Appropriations :		
Proposed Dividend	4,400,000	4,400,000
Corporate Dividend Tax	730,785	747,780
Transfer to General Reserve	80,000,000	140,000,000
Balance Carried Forward to Balance Sheet	<u>35,899,091</u>	<u>18,586,973</u>
	<u>121,029,876</u>	<u>163,734,753</u>

DIVIDEND :

Your Directors are pleased to recommend a Equity Dividend of Rs. 2.00/- per share. The Dividend as recommended would involve an outflow of Rs. 44.00 Lacs towards Dividend and Rs. 7.31 Lacs towards corporate dividend tax, resulting in a total outflow of Rs. 51.31 Lacs. The dividend will be distributed to the members whose names appears on the register of members as on record date.

WORKING & FUTURE PROSPECTS :

The Company's performance was effected due to a very long dry spell in the country. During the year under review, the turnover of the Company has been gradually decreased from Rs. 261.66 crores in the year 2008-09 to Rs. 228.22 crores in the year 2009-10 representing a fall of 12.78%. The profitability of the Company has also been affected as the profit of the Company has decreased from Rs. 15.11 crores for the year 2008-09 to Rs.10.24 crores in 2009-10. The Board of Directors are trying their best to improve the performance of the Company. The working of both the division of the Company is given below:

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● STEEL DIVISION:

The steel division is concentrating in its core business of manufacturing Cotton ginning and Pressing machines which has a great potential to expand, considering the increasing cotton cultivation in India & abroad. The company is also exploring addition of Newer machines and developing new technologies in coming days.

● PLASTIC DIVISION (SUPERPACK) :

The Sale / Disposal of Superpack Division has been approved by the Shareholders of the company on 10th July, 2009 and authorised the Board of Directors to dispose off the Division at such price as it may deem fit.

Pursuant to the approval, the sale / disposal of the Superpack Division is under process and expected to complete during the current financial year.

PREFERENTIAL ALLOTMENT :

The Company is in the process of expanding its business activities by way of expansion plans. In view of the need of Long term working capital to cater the need of the consistent expansion plans undertaken by the Company, the company has issued and allotted 3,00,000 Lacs Share Warrants on 11th May, 2010 to meet the funds requirement. The Company has passed the special resolution Under Section 81(1A) of the Companies Act, 1956 and pursuant to SEBI Regulations vide Extra-ordinary general Meeting held on 30th April, 2010. The Company has received 25% application money towards share warrants amounting to Rs 1.98 Crores. The aforesaid share warrants will be convertible into equity share on exercise of conversion option by the allottees within the period of 18 months from the date of allotment and balance payment thereof.

RATING AGAINST THE BANKING FACILITIES :

Your Directors are glad to inform you that the Company has been rated with A+(Adequate safety- stable) by CRISIL in respect of Bank borrowings.

AUDITORS' REPORT :

The observations made by the auditors read together with the relevant notes thereon, are self - explanatory.

PUBLIC DEPOSITS :

The total public deposits as on 31st March, 2010 amounted to Rs 10,882,000/-. Two deposits amounting to Rs. 15,000/- though matured before 31st March, 2010 were not claimed by the depositors. As on date all the two unclaimed deposits have been paid. On or after 15th September, 2009 the Company has decided not to accept public deposits unless otherwise further decided by the Company.

INDUSTRIAL RELATIONS :

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of employees.

DIRECTORS :

Shri Alok Goenka and Shri Rajiv Ranka retires by rotation and being eligible offers themselves for re-appointment.

Shri Ashish Bajaj was the whole Time Director (WTD) of the company for Superpack division and his term of office as WTD expired on 29.10.2009. Subsequently company has requested him to look after Superpack Division till its final disposal / sale of the same. Thereafter, Shri Ashish Bajaj was appointed as a Chief Executive Officer (CEO) of Superpack Division, for the period of two years w.e.f. 20.03.2010 which was recommended by the Selection Committee to the Board subject to the approval of Shareholders of the Company and Central Government. The Company obtained the approval of the Shareholders with requisite



majority through postal ballot process as declared by the Scrutinizer in his report on 1st April, 2010. The company has filed the requisite forms for taking Central Government approval and the same is awaited. During the year, Shri Deepak Batra was appointed as an Additional Director (Independent-Non executive) of the Company on 3rd March, 2010 and further reappointed on 11th May, 2010. In terms of Section 260 of the Companies Act, 1956, the term of Shri Deepak Batra as an Additional Director of the Company expires at the ensuing Annual General Meeting. The resolution for his appointment as an Independent Directors have been included in the notice for approval of the members. Further, Smt Ramadevi Ruia has resigned from the Board of Directors of the Company with effect from 29.07.2010. She has resigned due to the old age and health problems. The Board has accepted her resignation and relieved her at its Board Meeting held on 29.07.2010. The Board of Directors extends their sincere appreciation to Smt Ramadevi Ruia for her contribution to the Company. The Board of Directors also wish for her good health and long life.

CORPORATE GOVERNANCE REPORT :

Your Directors are pleased to report that the Clause-49(Corporate Governance) is applicable to the Company during the year 2009 -2010 in view of net worth of the Company crossed the limit of Rs 25 crores. Accordingly, the Company had taken steps for appointment of Independent Directors on the Board of the Company and also constituted the Audit Committee, Remuneration Committee and Investor Grievance/ Share Transfer Committee.

A certificate from the Statutory Auditors- M/s B.Chhawchharia & Co, Chartered Accountants, Nagpur; confirming compliance with conditions as stipulated under the aforesaid Clause 49 is annexed to the Report of Corporate Governance.

AUDIT COMMITTEE :

As the Clause 49 (Corporate Governance) is applicable to the Company during the year 2009- 2010, the Company constituted the audit committee of the board under Chairmanship of Shri Deepak Batra, Chartered Accountant consisting of Independent members Shri Rajiv Ranka and Shri Alok Goenka as a practice of good Corporate Governance.

PROJECTS :

The Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants/Machineries. The facilities are equipped with state of art machines with latest technologies and managed by team of engineers. Moreover, the Company is in the process of expanding its business activities by way of expansion plans. The Company has acquired land admeasuring 38757.50 sq. meters at Plot No. G-108 at Butibori Industrial Area, Nagpur, where the Company is planning to manufacture new machineries like Cotton Seed Delinting Machines/Decorticating Machines, Oil Mill Machineries, Steel Structure Buildings and Electrical Intelligent Panels for increased volume.

PARTICULARS OF EMPLOYEES U/s 217 (2A) :

As per Annexure attached with the Directors Report.

RESEARCH AND DEVELOPMENT :

The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products in the Company's in House Research and Development Centre. At present, the Company is working on various products like Fire Detection System for Cotton Ginning Plant, improved model of Double Roller Cotton Ginning Machine, etc under the able leadership of Shri Sunil Bajaj, Executive Director. Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products like Auto Feeder, Down Packing Cotton Bailing Press, Overhead Distribution Conveyor Raw Cotton Feeding System, etc in the earlier years.

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CONSERVATION OF ENERGY :

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy as far as possible.

TECHNOLOGY ABSORPTION

The Company is always in pursuit of finding the ways and means to improve the performance, quality and cost effectiveness of its products. The technology used by the Company is updated as a continuous exercise.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Traveling and other matters etc. are shown in the Notes No. 13(b), 13(c) and 13(d) respectively of Notes on Accounts. To avoid repetition, the members are requested to refer to these Notes.

LISTING OF SHARES :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd, The Delhi Stock Exchange Limited and the Calcutta Stock Exchange Limited. The Company has paid annual listing fees of the Stock Exchange for the financial year 2009-2010. There are no trading of Company's shares at the Delhi Stock Exchange and the Calcutta Stock Exchange. However the company has paid the annual listing fees to The Delhi Stock Exchange and the Calcutta stock exchange.

DIRECTORS RESPONSIBILITY STATEMENT :

As per provision of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and the Profit and Loss Account of the Company for the period.
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis.

AUDITORS :

M/s B. Chhawchharia & Co., Chartered Accountants, Nagpur retires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT :

The Directors are grateful to the Bankers and Financial Institutions for their continued support, co-operation and assistance during the year.

The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year.

FOR AND ON BEHALF OF THE BOARD

PLACE : NAGPUR
Dated : 29.07.2010

HARGOVIND BAJAJ
CHAIRMAN



ANNEXURES TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THIS DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED AS ON 31ST MARCH, 2010 :

Name	Age	Qualification	Date of joining	Designation	Remuneration (Per Annum)	Experience	Last Employment	Equity Shares held in the Company
Shri M.K. Sharma	53	M.Com	19.10.1996	President	Rs.47.03 Lacs	More than 20 years	Worked as a Chief Commercial Manager in Pepega Kores Group From 1994 to 1996	100 Equity Shares

Names of employee employed for part of the year and were in receipt of remuneration at a rate of not less than Rs 2 Lacs Per Month in terms of Section 217 (2A) of the Companies Act, 1956.

NIL

NOTES :

1. Experience includes number of years of service elsewhere, wherever applicable;
2. Shri M. K. Sharma is not a relative of any Director of the Company;
3. Further, Shri M. K. Sharma is in full time employment with the Company;
4. The details of aforesaid are available at the Registered Office of the Company for inspection.

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DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

{Pursuant to Clause 49 of the Listing Agreement}

Name of Director	Date of Birth	Date of Appointment	Qualification
Shri Alok Goenka	19.12.1956	18.10.2007	B. Tech (IIT Kanpur) M.S. - USA
Expertise in specific functional areas	Having more than 14 years of experience in management of plastic processing and agricultural farming		
Directorship held in other Companies	<ul style="list-style-type: none"> • M/s Savatram Dairy Products Limited • M/s Akay Mouldings Private Limited 		
Membership/ Chairmanship of committee	Bajaj Steel Industries Limited i. Audit Committee – Member ii. Investor Grievance / Share Transfer Committee – Member iii. Remuneration Committee – Member		
Shareholding in Bajaj Steel Industries Limited	100 Equity Shares		
Shri Deepak Batra	30.07.1957	03.03.2010	Chartered Accountant
Expertise in specific functional areas	Having more than 20 years of experience in the field of finance, accounts, commerce and industry.		
Directorship held in other Companies	<ul style="list-style-type: none"> • M/s Deepak Batra Financial Services Private Limited 		
Membership/ Chairmanship of committee	Bajaj Steel Industries Limited i. Audit Committee – Chairman ii. Investor Grievance / Share Transfer Committee – Chairman iii. Remuneration Committee – Chairman		
Shareholding in Bajaj Steel Industries Limited	100 Equity Shares		
Shri Rajiv Ranka	18.11.1953	18.10.2007	BE – Mechanical from Birla Institute of Technology and Science
Expertise in specific functional areas	He has setup an SSI unit Duro Foam in Nagpur in 1983. He joined the management of Kinetic Engineering Limited as an Incharge of Material Projects till 1987 and was instrumented in setting up of Kinetic Honda project in Pithampur. In 1987 he became Managing Director of Jayahind Industries Limited which is largest diecasting foundry in the country and was instrument of setting auto electrical division for two wheeler in collaboration with Mitsuba & Toya Deuso of Japan. He has also worked as head materials at Bajaj Tempo Limited. In 1993, He incorporated M/s Alpha Foam Limited in Pune which manufactures Polyurethane foam, seats plastics, vaccume parts, Polyethylene Foam, Spunbond non woven fabric & Spunlace Non woven fabric.		
Directorship held in other Companies	<ul style="list-style-type: none"> • M/s Alpha Foam Limited 		
Membership/ Chairmanship of committee	Bajaj Steel Industries Limited i. Audit Committee – Member ii. Investor Grievance / Share Transfer Committee – Member iii. Remuneration Committee – Member		
Shareholding in Bajaj Steel Industries Limited	100 Equity Shares		



MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS :

1. Disclaimer

These financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward – looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

2. Future Trend & Opportunities :

The technological developments on Ginning & Pressing Machinery has acted as a driving force in structural shift from old outdated to more productive advanced machinery. By and large the good pace of technology development and dissemination has been witnessed in India in the last 10 years. The continuous thrust of Government, research institutes like Central Institute for Research on Cotton Technology, organizations like Cotton Association of India and machinery manufacturers towards technological developments will prove a driving force for the further improvement of cotton ginning and pressing machinery in future. The growth rate for utilization of cotton is about 10-15%, at present and among all the natural fibers cotton constitutes about 80% of the total consumption of natural fibers in the world. There are various possibilities to increase the use of cotton for diversified product manufacture, thus the requirement of modernization machinery is going to increase which will improve the working of the company in the core business. Further, the company has planned to take up other areas of cotton ginning & pressing factories such as building structures, electrical panels, fire diversion, humidification systems and advanced material handling systems which will result in substantially higher value for orders as compared to earlier orders only for core machinery.

The Company has also started manufacturing Delinting and Decorticating Plant Machineries as well as other items for the same on turnkey basis under technical collaboration with M/s. Continental Eagle Corporation USA, this will also result in additional business.

INDUSTRY STRUCTURE & DEVELOPMENT :

Primarily, the Company is consisting two Divisions viz Steel Division and Superpack (Plastic) Division. Steel Division of the Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants located at Imambada Road and C-108, Hingana Industrial Area, Hingana, Nagpur. However, during the year 2009-10, the Company has also started export of Cotton Bales through its Cotton Division.

The Superpack Division of the Company is for manufacturing of Masterbatches. However, the Superpack Division, pursuant to approval of the Shareholders dated 10.07.2009, is under process of disposal and expected to complete the process of disposing the same during the current financial Year. The Major thrust of the Management is on the operation of Steel Division of the Company which is its core business.

The strong vision and dedication of the promoters has put the Company as one of the biggest manufacturers of Cotton Ginning and Pressing Machineries with distinction of having only company in the world with capabilities for manufacturing Cotton Ginning Machines for all the three major cotton ginning technologies being used in the world and enjoying more than two – thirds of the market share in India while rapidly expanding wings in the other cotton growing countries of the world.

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The company has entered technical collaborations to manufacture the Cotton Processing Machines with following companies / institutes:

Sr. No	Name of Machines	Name of Collaborators
1	Continental Products	Continental Eagle Corporation, USA
2.	Ginning and Pressing Machines	Central Institute for Research on Cotton Technology (CIRCOT), ICAR, Govt of India Mumbai
3.	Humidification System	Samuel Jackson Inc. of USA

These collaborations have enabled the company to expand its goodwill and to tap new areas of business.

DEVELOPMENT & EXPANSION :

The Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants / Machineries. The facilities are equipped with state of art machines with latest technologies and managed by team of engineers. Moreover, the Company is in the process of expanding its business activities by way of expansion plans. The Company has acquired land admeasuring 38757.50 sq. meters at Plot No. G-108 at Butibori Industrial Area, Nagpur, where the Company is planning to manufacture new machineries like Cotton Seed Delinting Machines/ Decorticating Machines, Oil Mill Machineries, steel structure buildings and Electrical Intelligent Panels for increased volume.

EXPORT POTENTIAL OF GINNING MACHINES:

Like Indian economy, agriculture always remains the base of most of the developing countries. The company has successfully exported its cotton processing machines to Peru, Tajikistan, Srilanka, Myanmar, Bangladesh, Egypt, Pakistan, Madagascar, Nigeria, Zimbabwe, Zambia, Uganda, Tanzania etc.

The demand for spare parts for ginning machines and allied equipments are increasing manifold. In order to meet this demand, the company has opened a depot at Ahmedabad and planning to open more depots in other cotton growing areas in India.

SEGMENT WISE – PRODUCT WISE PERFORMANCE :

The Steel Division of the Company consist of manufacturing of Cotton Ginning & Pressing machineries and its spare parts & accessories.

During the year, the Steel Division has achieved a Turnover of Rs.137.85 Crores and Superpack Division has achieved a turnover of Rs. 67.60 Crores. The turnover of Cotton Division in domestic sale and export of Cotton Bales during the year is Rs.22.65 Crores. The Total Turnover of the Company during the year 2009-10 is Rs. 224.53 Crores. The details of segment wise revenue, Results & capital employed has mentioned in Notes to the Accounts in this Annual Report.

THREATS

In the current global uncertain economic environment certain risks may gain more prominence either on a standalone basis or when taken together. Your Company has already initiated in this direction by resorting to man power review, cutting unnecessary costs, etc. Moreover, cotton being a seasonal industry based on agricultural output any adverse effect on cotton crop may affect sales of the company.

RISK AND CONCERNS :

The challenges ahead are to find out ways and means to reduce the energy consumption of per kg lint produced, to bring down the processing costs, to further improve fibre quality, to further increase the productivity and efficiency of machines and to standardize the machinery used for each level of operation in the Ginning & Pressing Factories and Delinting & Decorticating Factories.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure :

1. That all assets and resources are used efficiently and are adequately protected.
2. That all the internal policies and statutory guidelines are complied with; and
3. The accuracy and timing of financial reports and management information is maintained.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES:

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs.

BAJAJ STEEL INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Introduction

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Company's philosophy on Corporate Governance is guided by strong emphasis on transparency, accountability, responsibility, fairness, integrity and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company's beliefs on Corporate Governance are intended at supporting the management of the Company for competent conduct of its business and ensuring long term value for shareholders, employees, customers and statutory authorities.

The Company is committed to implement the standards of good Corporate Governance and endeavors to preserve nurture these core values in all its activities with an aim to increase and sustain its corporate value through growth and innovation.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchange, the details are set out below :

2. BOARD OF DIRECTORS

Composition :

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in which the Company's shares are listed. The composition of the Board are as under :

Name of the Director	Designation	Category
Shri Hargovind Bajaj	Chairman	Promoter (Non- executive)
Shri Rohit Bajaj	Managing Director	Promoter(Executive)
Shri Sunil Bajaj	Executive Director	Promoter(Executive)
Shri Vinod Kumar Bajaj	Director	Promoter (Non- executive)
Smt. Ramadevi Ruia (upto 29.07.2010)	Director	Promoter (Non- executive)
Shri Lalchand Mutha	Director	Non- executive
Shri Alok Goenka	Director	Independent(Non-Executive)
Shri Rajiv Ranka	Director	Independent(Non-Executive)
Shri Mohan Agrawal	Director	Independent(Non-Executive)
Shri Kamal Kishore Kela	Director	Independent(Non-Executive)
Shri Rajkumar Lohia	Director	Independent(Non-Executive)
Shri Deepak Batra	Director	Independent(Non-Executive)

Category of Directors	Number of Directors	Percentage to the Board
Executive Director (including Managing Director)	2	17%
Non-Independent (Non-Executive)	4	33%
Independent (Non-Executive)	6	50%



Attendance of each Director at the Board Meeting, Last Annual General Meeting and Number of other Directorship/ Chairmanship of Committee of each Director's of various Companies.

Name of Director	Attendance particular		No. of other Directorships and Committee Membership / Chairmanship		
	Board Meeting	Last AGM	Other Directorship (including Pvt Ltd Company)	Other Committee Membership	Other Committee Chairmanship
Shri Hargovind Bajaj	5	No	None	None	None
Shri Rohit Bajaj	6	Yes	10	1	None
Shri Sunil Bajaj	5	Yes	9	1	None
Shri Ashish Bajaj (upto 29.10.2009)	4	No	9	None	None
Shri Vinod Kumar Bajaj	6	Yes	4	None	None
Smt. Ramadevi Rula (upto 29.07.2010)	3	No	None	None	None
Shri Lalchand Mutha	5	Yes	None	None	None
Shri Alok Goenka	4	No	2	3	None
Shri Rajiv Ranka	5	No	1	3	None
Shri Mohan Agrawal	5	No	6	None	None
Shri Kamal Kishore Kela	4	No	1	None	None
Shri Rajkumar Lohia	2	No	6	2	1
Shri Deepak Batra	1	No	1	None	3

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 (I) (C) (ii)). All the Directors have made the requisite disclosure regarding Committee position held by them in other Companies

Meetings Held :

The Board met 6 (six times) on the following dates during the financial year 2009-2010

April 14, 2009	October 29, 2009
July 30, 2009	January 28, 2010
September 15, 2009	March 19, 2010

3. AUDIT COMMITTEE :

Composition

The Audit Committee of the Company comprises of :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee
 All the members of the Committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal controls etc. The Composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

Terms of Reference :

The terms of reference of the Audit Committee, broadly as under :

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair ;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Discussing with the auditors any significant findings and follow up there on ;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with the auditors before the audit commences, about the nature and scope of the audit as well as post – audit discussion to ascertain any area of concern;
- To look into the reasons, if any, for substantial defaults in the payments to the depositors, creditors shareholders (in case of non- payment of declared dividend).

4. REMUNERATION COMMITTEE :

Composition :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

Terms of Reference :

- To appraise the performance of Managing and Executive Director , and
- To determine and recommend to the Board, compensation payable to the Managing and Executive Director .

Remuneration Policy :

The Company's pays remuneration to its Managing Director and Executive Director by way of salary, perquisites , allowances and commission. Salary is paid within the overall limits approved by the members of the Company subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.



5. SHAREHOLDER'S / INVESTOR GRIEVANCE & SHARE TRANSFER COMMITTEE :
Composition :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member
4.	Shri Rohit Bajaj	Member
5.	Shri Sunil Bajaj	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

Terms of Reference :

To look into redressal of investors' complaints and request such as transfer of shares / debentures, non receipt of dividend, annual reports etc

Name, Designation and Address of Compliance Officer :

Shri Jagdish Shirke
Company Secretary
Bajaj Steel Industries Limited
Imambada Road,
Nagpur- 440018
E.mail : cs@bajajngp.com

6. CODE OF CONDUCT :

The Board of Directors have laid down the code of conduct for all Board members and senior management of the Company. All Directors and Senior Management Personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors

7. DETAILS ON GENERAL BODY MEETINGS :

Year	Location	Date	Day	Time
2006-07	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	28.09.2007	Friday	4.00 P.M
2007-08	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	30.09.2008	Tuesday	4.00 P.M
2008-09	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	29.10.2009	Thursday	4.00 P.M

Special Resolution passed at the last 3 Annual General Meetings (AGM)

1. At the AGM held on September 28, 2007 : There was no matter that required passing of special resolution.
2. At the AGM held on September 30, 2008 : There was no matter that required passing of special resolution.
3. At the AGM held on October 29 , 2009 :
 - Re-appointment of Shri Rohit Bajaj as a Managing Director and Shri Sunil Bajaj as a Executive Director of the Company,
 - Appointment of Shri Lav Bajaj as a Business Development Executive of the Company

BAJAJ STEEL INDUSTRIES LIMITED

Resolutions passed Through Postal Ballot during Financial Year 2009-10

➤ Sale of whole or substantially the whole of undertaking namely "Superpack" Division of the Company as specified Under Section 293(1)(a) of the Companies Act, 1956. Passed by the Shareholder of the Company through Postal Ballot with requisite majority as declared by the scrutinizer on 10th July, 2009.

8. DISCLOSURES :

Related Party Disclosures:

Names	Category
Shri Rohit Bajaj, Managing Director	Key Managerial Personnel
Shri Sunil Bajaj, Executive Director	Key Managerial Personnel
Shri Ashish Bajaj ,Whole Time Director upto 29 th October, 2009	Key Managerial Personnel
Shri Lav Bajaj	Relative of Key Managerial Personnel
Shri Vedant Bajaj	Relative of Key Managerial Personnel

Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence :

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plastics Private Limited, Ridhi Vinimay Private Limited, Sidhi Vinimay Private Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Bajaj Packaging, Gangalaxmi Agrotech Pvt Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited ,Luk Plastcon Limited, Plast Master Batches Private Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Pvt Ltd., Luk Craft Pvt. Ltd., Bajaj Polyblends Pvt. Ltd , Bajaj Superpack Pvt. Ltd, Bajaj Gintech Pvt. Ltd and Bajaj Plastics Private Limited.

Statutory Compliance, Penalties and Strictures :

The Company has complied with the requirements of the Stock Exchange / SEBI and Statutory Authority on all matters related to the capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

CEO / CFO Certification :

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended March 31, 2010

9. NON- MANDATORY REQUIREMENTS :

The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement relating to Corporate Governance.

The status of compliance with Non-Mandatory requirements is as under.

The Company has set up a Remuneration Committee pursuant to Clause 49 of the Listing Agreement.

The Board terms of reference of the Committee are to appraise the performance of Managing / Executive Directors and to determine and recommend to the Board, compensation payable to Managing / Executive Directors.



10. MEANS OF COMMUNICATION :

- **Website** : The Company's website www.bajajngp.com contains a separate dedicated section "Investor Relations" where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form.
- **Financial Results** : The annual, half yearly and quarterly results are regularly posted by the Company on its website www.bajajngp.com These are also submitted to the Stock Exchanges in accordance with the Listing Agreement and published in Indian Express, Times of India, Loksatta and Sakaal (Marathi Edition)
- **Annual Report** : Annual Report containing inter- alia Audited Annual Accounts, Director's Report, Auditors' Report and other important information is circulated to Members and other entitled thereto.
- **Corporate Filing** : Announcements, Quarterly, Shareholding Pattern etc., of the Company regularly filed by the Company, are also available on the website of The Bombay Stock Exchange Ltd www.bseindia.com

11. GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting :

Date and Time : 1st September, 2010 at 4.00 P.M.
Venue : VIA Hall, Udyog Bhawan, Civil Lines, Nagpur – 440001
Financial Year : April to March
Book Closure Date : 14.08.2010 to 01.09.2010 (both days are inclusive)
Dividend payment date : 08.09.2010

Listing on Stock : The Company's shares are listed on the Bombay Stock Exchanges Exchange Limited, the Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited

The Company has paid the Annual Listing fees for the Financial Year 2009 -2010

Scrip Code

The Bombay Stock Exchange Limited : 507944

12. STOCK MARKET DATA :

The Equity Shares of the Company have been listed during the year on The Bombay Stock Exchange Limited (BSE), The Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited.
Equity Shares of Rs. 10/- each.

	The Bombay Stock Exchange Limited (BSE)	
	Monthly High Price (in Rs.)	Monthly Low Price (in Rs.)
April, 2009	158.00	116.00
May, 2009	175.00	112.25
June, 2009	182.90	131.40
July, 2009	150.00	119.60
August, 2009	140.00	117.10
September, 2009	202.00	125.05
October, 2009	178.00	148.00
November, 2009	197.35	144.05
December, 2009	193.85	161.05
January, 2010	192.00	168.10
February, 2010	197.45	168.20
March, 2010	333.00	180.00

BAJAJ STEEL INDUSTRIES LIMITED

* Market data of trading at The Delhi Stock Exchange and The Calcutta Stock Exchange are not available

ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS/ INVESTOR	
For all matters relating to shares and Dematerialisation of shares, Change of address etc be sent to :	For all matters relating to Annual Reports / Dividend:
M/s Adroit Corporate Services Private Limited 1 st Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai – 400 059 Tel: 022- 28590942 / 4442/ 4428/4060 E.mail : adroits@vsnl.net	Company Secretary Bajaj Steel Industries Limited Imambada Road, Nagpur-440018 Tel : 0712- 2720071 – 80 Fax : 0712- 2728050 E.mail : cs@bajajngp.com

Share Transfer Process :

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agent and the share certificates are returned within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respects and confirmation in respect of the request for Dematerialisation of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) expeditiously.

Distribution of Shareholding as on 31st March, 2010

Category	No. of shareholders	Percentage	No. of shares	Percentage
Up to - 500	4110	95.05	523779	23.81
501 – 1000	93	2.15	73669	3.35
1001 - 2000	49	1.13	76767	3.49
2001 – 3000	13	0.30	32686	1.49
3001- 4000	7	0.16	22896	1.04
4001 - 5000	17	0.39	82385	3.74
5001 – 10000	5	0.12	82385	1.54
10001 & Above	30	0.69	1353834	61.54
TOTAL	4324	100.00	2200000	100.00

Pattern of Shareholding as on 31st March, 2010

Sr. No	Category	No. of Holders	No. of Shares	Percentage(%)
1.	Non Resident Individuals/ FIIs	454	109987	4.99
2.	Corporate Bodies	145	599943	27.27
3.	Indian Public	3654	1429348	64.98
4.	Banks /Mutual Funds	3	3000	0.13
5.	Clearing Members/ Broker	68	57722	2.63
		4324	2200000	100.00



Dematerialisation of Shares : (as on 31st March, 2010)

Percentage of Share held in

Physical form	:	44.05%
Electronic Form with NSDL	:	44.69%
Electronic Form with CDSL	:	11.26%

Shares of the Company were actively traded on the Bombay Stock Exchange Limited and hence have good liquidity.

Secretarial Audit :

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

The Statutory Auditor of the company carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in Physical form and the total number of Shares in dematerialized form (held with NSDL/CDSL)

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

We, Shri Rohit Bajaj, CEO and Managing Director and Shri Manoj Dhoot, Chief Financial Officer of M/s Bajaj Steel Industries Limited, to the best of our knowledge and belief hereby certify that :

1. We have reviewed the Financial Statements for the Year ended as on 31st March, 2010 and that to the best of our knowledge and belief that :
 - (a) the Financial Statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there are no deficiencies in the design or operation of internal control.
4. We have indicated to the Auditors and the Audit Committee that there are no
 - (a) significant changes in internal control during the year ended as on 31.03.2010;
 - (b) significant changes in accounting policies during the year ended as on 31.03.2010, if any that the same have been disclosed in the notes of the statements;
 - (c) instances of significant frauds of which we are aware, that involves management or other.

ROHIT BAJAJ
CEO & MANAGING DIRECTOR

MANOJ DHOOT
CHIEF FINANCIAL OFFICER

PLACE : NAGPUR
DATE : 29th July 2010

BAJAJ STEEL INDUSTRIES LIMITED

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

**TO THE MEMBERS OF
BAJAJ STEEL INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s Bajaj Steel Industries Limited ("the Company") for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with all material respect by the Company

**FOR M/S B.CHHAWCHHARIA & CO.
CHARTERED ACCOUNTANTS**

**PLACE : NAGPUR
DATE : 14th June, 2010**

**SANJAY AGRAWAL
PARTNER
Membership No. 66580**



AUDITORS' REPORT

To the members of Bajaj Steel Industries Limited

We have audited the attached Balance Sheet of M/s. Bajaj Steel Industries Limited as at 31st March, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with 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 from 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 and we report that:

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred 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 purpose 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 such books;
 - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account;
 - (d) In our opinion, subject to our comments hereinafter, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representation received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes to the Accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the 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, 2010,
 - ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
 - iii) in the case of the Cash Flow Statements, of the Cash flows of the Company for the year ended on that date.

**For B. CHHAWCHHARIA & CO.
Chartered Accountants**

**P. K. CHHAWCHHARIA
Partner
Firm Registration No. 305123 E
Membership No. 50786**

**Place: Nagpur
Date: 29th July 2010**

BAJAJ STEEL INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31st March, 2010.

- (i) a) As informed, proper records showing full particulars including quantitative details and situation of fixed assets are being compiled by the Company.
- b) According to the information and explanation given to us, all the fixed assets including Capital Work in progress have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, the Company has not disposed substantial part of its fixed assets during the year.
- (ii) a) According to the information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
- (iii) a) The Company has not granted any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has taken unsecured loans from four companies and one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 117.34 Lacs and the year-end balance of such loans taken was Rs.0.02 Lacs, which has since being repaid.
- c) In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from such companies and parties are, prima facie, not prejudicial to the interest of the Company.
- d) The payment of principal amounts and interest are regular as per stipulations, wherever such stipulations exist.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness, if any, in internal control system.
- (v) a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 are being updated 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 that were made in pursuance of contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.5,00,000/- or more, in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or other relevant provision of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.



- (vii) In our opinion and according to the information and explanations given to us, the Company has a formal internal audit system commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) In our opinion and according to the information and explanations given to us:
 - a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities.
 - b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited on account of any dispute except as detailed in Annexure I.
- (x) There are no accumulated losses in the Company and the Company has not incurred any cash loss in the year under review or in the immediately preceding year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. All the Shares and Securities held as investments are in company's own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company for the year under review, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year under review.
- (xix) The Company has not issued any debentures during the year under review.
- (xx) The Company has not raised any money by public issue during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Place : Nagpur
Date : 29th, July 2010

P. K. CHHAWCHHARIA
Partner
Membership No. 50786

Annexure 1 as referred in clause [ix (b)] of the Annexure to our Report of even date for the year ended 31st March, 2010

Name of the Statute	Nature of the Dues	Amount (Lacs)	Relating to the year	Forum where dispute Pending
Central Sales Tax Act, 1956	Non submission of Forms	0.44	1998-99	Deputy Commissioner, Sales Tax, Nagpur
Central Sales Tax Act, 1956	Non submission of Forms	2.41	2001 - 2002	Deputy Commissioner, (Appeals)
Central Sales Tax Act, 1956	Non submission of Forms	4.25	2002 - 2003	Joint Commissioner, (Appeals), Nagpur
Central Sales Tax Act, 1956	Non submission of Forms	7.92	2003 - 2004	Joint Commissioner, (Appeals), Nagpur
Bombay Sales Tax Act, 1956	Non submission of Forms	13.76	2003 - 2004	Joint Commissioner, (Appeals), Nagpur
Central Excise Act, 1944	Duty on material cleared after Job Work	0.43	Oct-03 to Apr - 2004	Assistant Commissioner, Chhindwara
The Customs Act, 1962	Duty and Penalty on import of material	136.60	2002-2003 & 2003-2004	Tribunal, Mumbai
Madhya Pradesh Commercial Tax Act, 1994	Demand on regular Assessment	0.27	2002 - 2003	Assistant Commissioner, Commercial Tax
Central Sales Tax Act, 1956	Non submission of Forms	0.63	2004 - 2005	Additional Commissioner of Commercial Tax Jabalpur
Central Excise Act, 1944	MODVAT Credit on dead raw material Stock	6.14	2001-2002 to 2005-2006	CESAT New Delhi
Central Sales Tax Act, 1956	Non submission of Forms	0.82	2006-2007	Deputy Commissioner, Commercial Tax (Appeal) Chhindwara

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Place : Nagpur
Date : 29th, July 2010

P. K. CHHAWCHHARIA
Partner
Firm Registration No.305123E
Membership No. 50786



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule		As at 31.03.2010		As at 31.03.2009
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds :					
a) Share Capital	1	22,000,000		22,000,000	
b) Reserves and Surplus	2	<u>441,189,337</u>		<u>343,877,219</u>	
			463,189,337		365,877,219
Loan Funds :					
a) Secured Loans	3	237,906,201		87,985,080	
b) Unsecured Loans	4	<u>222,258,938</u>		<u>219,324,981</u>	
			460,165,139		307,310,061
Deferred Tax-Net	5		<u>4,060,000</u>		<u>8,837,000</u>
			<u>927,414,476</u>		<u>682,024,280</u>
APPLICATION OF FUNDS					
Fixed Assets :					
a) Gross Block	6	614,035,762		559,138,420	
b) Less: Depreciation		<u>296,796,774</u>		<u>253,613,417</u>	
c) Net Block		<u>317,238,988</u>		<u>305,525,003</u>	
d) Capital Work-in-Progress		<u>103,554,814</u>		<u>45,953,614</u>	
			420,793,802		351,478,617
Investments	7		2,783,689		16,463,486
Current Assets, Loans and Advances					
a) Inventories	8	458,023,965		273,886,293	
b) Sundry Debtors	9	155,573,230		160,190,894	
c) Cash and Bank Balances	10	233,754,605		161,040,327	
d) Loans and Advances	11	<u>100,512,291</u>		<u>47,441,559</u>	
		947,864,091		642,559,073	
Less: Current Liabilities and Provisions					
a) Current Liabilities	12	424,212,373		297,187,101	
b) Provisions		<u>19,814,733</u>		<u>31,289,795</u>	
		<u>444,027,106</u>		<u>328,476,896</u>	
Net Current Assets			<u>503,836,985</u>		<u>314,082,177</u>
			<u>927,414,476</u>		<u>682,024,280</u>
NOTES ON ACCOUNTS	20				
BALANCE SHEET ABSTRACT AND COMPANY'S					
GENERAL BUSINESS PROFILE	21				

The Schedules referred to above form an integral part of accounts
In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Sunil Bajaj
Executive Director

Rohit Bajaj
Managing Director

H. G. Bajaj
Chairman

P. K. CHHAWCHHARIA
Partner
Membership No. 50786

Manoj Dhoot
Chief Financial Officer

L. C. Mutha
Mohan Agrawal
Rajiv Ranka
Directors

V. K. Bajaj
A. Goenka
Deepak Batra
Directors

Place : Nagpur
Date : 29th, July 2010

Jagdish Shirke
Company Secretary

BAJAJ STEEL INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	2009-2010 Rs.	2008-2009 Rs.
INCOME :			
Sales		2,245,394,763	2,558,863,294
Processing Charges		374,633	1,315,427
Other Income	13	36,470,942	56,434,655
Increase/(Decrease) in Stock	14	<u>128,973,292</u>	<u>(83,319,328)</u>
		<u>2,411,213,630</u>	<u>2,533,294,048</u>
EXPENDITURE:			
Cost of Materials	15	1,315,542,400	1,518,714,331
Purchases		208,415,430	19,958,308
Manufacturing and Processing charges		141,422,766	130,351,981
Power and Fuel		11,731,615	10,860,658
Personnel	16	158,794,661	125,201,308
Excise Duty		136,991,321	269,459,652
Cost of Borrowing	17	55,999,830	44,729,064
Other Expenses	18	178,349,297	137,476,595
Depreciation		<u>51,392,407</u>	<u>43,138,545</u>
		<u>2,258,639,727</u>	<u>2,299,890,442</u>
PROFIT BEFORE TAX		152,573,903	233,403,606
Less: Direct Taxes	19	<u>50,131,000</u>	<u>82,255,000</u>
PROFIT AFTER TAX		102,442,903	151,148,606
Balance Surplus Brought Forward		<u>18,586,973</u>	<u>12,586,147</u>
		<u>121,029,876</u>	<u>163,734,753</u>
APPROPRIATIONS			
Provision for proposed dividend		4,400,000	4,400,000
Corporate Dividend Tax		730,785	747,780
Transfer to General Reserve		80,000,000	140,000,000
Balance Surplus Carried to Balance Sheet		<u>35,899,091</u>	<u>18,586,973</u>
		<u>121,029,876</u>	<u>163,734,753</u>
EARNING PER SHARE			
(On Shares of nominal value of Rs. 10/- each)			
Basic and Diluted		46.56	68.70

The Schedules referred to above form an integral part of accounts
In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Sunil Bajaj
Executive Director

Rohit Bajaj
Managing Director

H. G. Bajaj
Chairman

P. K. CHHAWCHHARIA
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Manoj Dhoot
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Rajiv Ranka
Directors

V. K. Bajaj
A. Goenka
Deepak Batra
Directors

Place : Nagpur
Date : 29th, July 2010

Jagdish Shirke
Company Secretary



SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010	As at 31.03.2009
1 SHARE CAPITAL	Rs.	Rs.
Authorised :		
15,000,000 Equity Shares of Rs. 10 each	150,000,000	150,000,000
Issued, Subscribed and paid-up :		
2,200,000 Equity Shares of Rs. 10 each fully paid	22,000,000	22,000,000
(The above includes 510,000 Equity Shares issued as fully paid Bonus shares by capitalisation of General Reserve)	<u>22,000,000</u>	<u>22,000,000</u>
2 RESERVES AND SURPLUS		
Capital Reserve :		
Capital Subsidy	5,286,746	5,286,746
On re-issue of forfeited Equity Shares	<u>3,500</u>	3,500
	5,290,246	5,290,246
General Reserve :		
As per last account	320,000,000	180,000,000
Transfer from Profit & Loss Account	<u>80,000,000</u>	140,000,000
	400,000,000	320,000,000
Profit and Loss Account	<u>35,899,091</u>	<u>18,586,973</u>
	<u>441,189,337</u>	<u>343,877,219</u>
3 SECURED LOANS		
A) * Term Loans from :		
SICOM Limited	75,000,000	20,800,000
Secured by first charge on the fixed assets and entire movable assets, present and future, situated at Plot No. C-108, MIDC, Hingna, Nagpur and floating charge on all other assets of the Company and by personal guarantee of the Managing and Executive Director of the company.		
B) (i) Working Capital Loans from :		
a) State Bank of India	61,948,129	42,131,038
Secured by pari passu first charge on Stocks and Book debts and second charge on the fixed assets of the company situated at Sausar and Imambada Road, Nagpur and by personal guarantee of the Managing, Executive and two other Directors and C.E.O. of Superpack Division of the company.		
b) Karur Vysya Bank Limited	46,271,175	-
Secured by first charges on current assets of steel Division, collateral security by way of extension of first and exclusive charge on the entire fixed assets, present and future situated at plot No. G-108, Butibori, MIDC, Nagpur (Collateral Security pending documentation and Registration and by personal guarantee of the Managing and Executive Directors of the company.)		
ii) Overdraft from :		
a) HDFC Bank Limited	17,124,051	8,868,225
b) Wardhanam Co-operative Bank Limited	15,222,300	9,020,712
c) AXIS Bank Limited	3,014,616	2,219,669
d) Karur Vysya Bank Limited	9,074,594	-
- Secured by pledge of certain Fixed Deposit Receipts		
C) * Vehicle Loans from :		
a) ICICI Bank Limited	77,328	955,038
b) HDFC Bank Limited	8,453,501	3,990,398
c) AXIS Bank Limited	1,720,507	-
- Secured by hypothecation of vehicles financed by them		
	<u>237,906,201</u>	<u>87,985,080</u>
* Repayable within one year	10,924,487	23,886,688

SCHEDULES TO THE ACCOUNTS
6. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2009	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	UPTO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(A) LAND									
- Freehold	1,207,012	-	-	1,207,012	-	-	-	1,207,012	1,207,012
- Leasehold	11,180,158	-	-	11,180,158	-	-	-	11,180,158	11,180,158
BUILDING	168,293,887	17,480,036	-	185,773,923	59,843,826	9,089,398	68,933,224	116,840,699	108,459,061
PLANT AND MACHINERY	311,929,570	23,959,805	9,395,957	326,493,418	183,578,115	30,921,689	186,899,938	139,593,482	148,351,455
OFFICE EQUIPMENTS	31,281,207	3,320,980	-	34,602,187	15,812,574	5,543,159	21,355,733	13,246,454	15,468,633
FURNITURE AND FIXTURES	15,436,936	1,197,355	-	16,634,291	5,180,521	1,955,469	7,135,990	9,498,301	10,296,415
VEHICLES	18,660,336	13,307,490	860,306	31,107,520	8,822,795	3,737,227	11,950,837	19,156,683	9,837,541
TECHNICAL KNOW HOW	1,149,314	5,887,939	-	7,037,253	375,586	145,468	521,054	6,516,199	773,728
TOTAL (A)	559,138,420	65,153,605	10,256,263	614,035,762	253,613,417	51,392,410	8,209,053	317,238,988	305,525,003
(B) CAPITAL WORK IN PROGRESS:									
BUILDING	41,651,354	56,397,124	17,253,306	80,795,172	-	-	-	80,795,172	41,651,354
PLANT AND MACHINERY	1,945,643	200,246	608,511	1,537,378	-	-	-	1,537,378	1,945,643
OFFICE EQUIPMENTS	-	4,593,556	-	4,593,556	-	-	-	4,593,556	-
TECHNICAL KNOW HOW	2,016,796	19,541,237	5,887,939	15,670,094	-	-	-	15,670,094	2,016,796
PRE-OPERATIVE EXPENSES	339,821	618,793	-	958,614	-	-	-	958,614	339,821
TOTAL (B)	45,953,614	81,350,956	23,749,756	103,554,814	-	-	-	103,554,814	45,953,614
GRAND TOTAL (A + B)	605,092,034	146,504,561	34,006,019	717,590,576	253,613,417	51,392,410	8,209,053	420,793,802	-
PREVIOUS YEAR FIGURES	508,174,809	263,753,293	166,836,068	605,092,034	271,101,391	43,138,545	60,626,520	-	351,478,617



SCHEDULES TO THE ACCOUNTS

			As at 31.03.2010	As at 31.03.2009
4 UNSECURED LOANS				
+ Fixed Deposits			10,867,000	19,158,000
From Bodies Corporate			<u>211,391,938</u>	<u>200,166,981</u>
			<u>222,258,938</u>	<u>219,324,981</u>
+ Repayable within one year			5,394,000	12,591,000
5 DEFERRED TAX-NET				
Deferred Tax Liability on Fiscal allowances of fixed assets			11,892,000	16,986,000
Less : Deferred Tax Assets on				
Unabsorbed Losses			-	150,000
Employees Benefits			5,054,000	4,610,000
Fiscal allowances on provisions			<u>2,778,000</u>	<u>3,389,000</u>
			<u>4,060,000</u>	<u>8,837,000</u>
7 INVESTMENTS - LONG TERM				
<i>In fully paid up Equity Shares of Companies</i>	Face Value	No. of Shares/Unit	As at 31.03.2010	No. of Shares/Unit
	Rs.	Nos.	Rs.	Nos.
<u>Quoted:</u>				
Wopolin Plastics Limited	10	85,850	1,788,050	85,850
Less: Provision for diminution in value of Investments			<u>1,788,049</u>	<u>1,788,049</u>
			1	1
BPL Limited	10	-	-	30,000
Mcleod Russel India Limited	5	-	-	15,000
Peninsula Land Ltd	2	-	-	5
Jaiprakash Hydropower Limited	10	-	-	100,000
Ushita Trading & Agencies Ltd	10	90,000	2,117,975	90,000
Murl Industries Limited.	10	-	-	6,000
Confidence Petroleum Industries Limited.	1	-	-	100,000
				3,313,548
<u>Unquoted:</u>				
Associated Biscuits Co.Ltd.	100	3,800	627,000	3,800
Nagpur Nagrik Sahakari Bank Ltd.	50	1	50	1
Shikshak Sahakari Bank Ltd.	25	24	600	24
				627,000
				50
				600
<i>In fully paid up Preference Shares of a company</i>				
<u>Unquoted:</u>				
Associated Biscuits Co.Ltd.				
- 11% Non Cumulative Convertible Preference Shares	10	3,800	<u>38,063</u>	3,800
			<u>2,783,689</u>	<u>38,063</u>
				<u>16,463,486</u>
Aggregate amount of Quoted Investments			2,117,976	15,797,773
Aggregate amount of Unquoted Investments			665,713	665,713
Market Value of Quoted Investments			2,934,000	8,289,559
8 INVENTORIES				
(As taken, valued and certified by Management)			As at 31.03.2010	As at 31.03.2009
Stores, spares and fuel			11,788,219	6,970,660
Raw Materials (Includes stock in Transit Rs. 2991712/-; P.Y. -Nil)			218,417,060	168,070,239
Semi-finished Goods			185,516,128	61,563,734
Finished Goods			40,957,084	37,281,660
Trading Goods			1,345,474	-
			<u>458,023,965</u>	<u>273,886,293</u>

BAJAJ STEEL INDUSTRIES LIMITED

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010	As at 31.03.2009
9 SUNDRY DEBTORS		
Due for more than six months		
Considered Good		
- Secured	678,934	4,073,186
- Unsecured	19,502,780	24,399,182
Considered Doubtful		
- Unsecured	8,362,620	9,970,342
Others		
Considered good		
- Secured	5,038,040	5,185,600
- Unsecured	<u>130,353,476</u>	<u>126,532,926</u>
	163,935,850	170,161,236
Less: Provision for Doubtful Debts	<u>8,362,620</u>	<u>9,970,342</u>
	<u>155,573,230</u>	<u>160,190,894</u>
10 CASH AND BANK BALANCES		
Cash in hand	885,194	2,254,759
Cheques in hand	469,638	505,400
Balance with Scheduled Banks:		
In Current Account	26,317,600	29,308,518
In Unpaid Dividend Account	1,156,146	970,226
In Term Deposit Account	204,926,027	128,001,424
(Pledged Rs.66094566/-;P.Y. Rs.26536337/-)		
	<u>233,754,605</u>	<u>161,040,327</u>
11 LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	68,873,433	24,340,324
Balances with Government Authorities	23,246,241	20,058,264
Deposits	2,556,934	3,042,971
Taxation advance and refundable (Net of Provisions)	<u>5,835,683</u>	--
	<u>100,512,291</u>	<u>47,441,559</u>
12 CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Acceptances	19,507,327	--
Sundry Creditors	277,193,549	145,072,184
Advance from Customers	80,337,732	106,808,698
Unclaimed Dividend	1,156,146	970,226
Deposits	13,456,205	17,139,387
Other Liabilities	32,030,711	26,131,783
Interest accrued but not due	<u>530,703</u>	<u>1,064,823</u>
	<u>424,212,373</u>	<u>297,187,101</u>

**SCHEDULES TO THE ACCOUNTS**

	As at 31.03.2010	As at 31.03.2009
b) Provisions		
For Taxation (Net of Advance & Refundable)	-	12,995,852
For Proposed Dividend	4,400,000	4,400,000
For Corporate Dividend Tax	730,785	747,780
For Gratuity	11,062,352	10,054,831
For Leave Encashment	3,621,596	3,091,332
	<u>19,814,733</u>	<u>31,289,795</u>
13 OTHER INCOME	<u>444,027,106</u>	<u>328,476,896</u>
Rent	60,000	60,000
Dividend	107,891	177,004
Interest (Includes TDS Rs 2803035/-; P.Y. Rs.2506926/-)	18,370,345	11,974,831
Profit on sale of fixed assets (Net)	479,265	21,648,584
Profit on sale of Investments (Net)	1,009,426	-
Miscellaneous Income	10,307,875	20,408,800
Excess provision for Bonus written back	6,300	-
Provision for Doubtful debts written back	6,129,840	2,165,436
	<u>36,470,942</u>	<u>56,434,655</u>
14 INCREASE/(DECREASE) IN STOCK		
Closing Stock :		
a) Finished Goods	40,957,084	37,281,660
b) Semi-finished Goods	185,516,128	61,563,734
c) Trading Goods	1,345,474	-
	<u>227,818,686</u>	<u>98,845,394</u>
Less : Opening Stock :		
a) Finished Goods	37,281,660	41,155,821
b) Semi-finished Goods	61,563,734	141,008,901
	<u>98,845,394</u>	<u>182,164,722</u>
	<u>128,973,292</u>	<u>(83,319,328)</u>
15 COST OF MATERIALS		
Raw Materials Consumed	1,239,250,687	1,441,554,894
Stores and Spares Consumed	76,291,713	77,159,437
	<u>1,315,542,400</u>	<u>1,518,714,331</u>
16 PERSONNEL		
Salaries, Wages, Bonus and allowances	140,716,535	110,777,408
Directors' Remuneration	6,833,138	4,509,200
Contribution to Provident and Other Funds	7,103,492	6,212,906
Staff and Labour welfare Expenses	4,141,496	3,701,794
	<u>158,794,661</u>	<u>125,201,308</u>

BAJAJ STEEL INDUSTRIES LIMITED

SCHEDULES TO THE ACCOUNTS	2009-2010 Rs.	2008-2009 Rs.
17 COST OF BORROWING		
Interest		
On Term Loans	12,749,658	4,661,217
On Fixed Deposits	2,236,824	2,185,329
On Others	39,062,850	37,374,811
Loan Processing Fees	1,950,498	507,707
	<u>55,999,830</u>	<u>44,729,064</u>
18 OTHER EXPENSES		
Rent	6,024,850	3,223,111
Rates and Taxes	1,283,182	773,907
Insurance	1,875,240	758,582
Discount on Sales	29,107,333	14,210,632
Freight and other Expenses	20,608,273	10,999,951
Travelling and Conveyance	25,877,193	17,913,782
Commission on Sales	14,933,225	19,131,151
Repairs and Maintenance:		
Machinery	3,281,772	3,060,795
Buildings	2,090,109	3,441,174
Others	2,676,275	4,569,600
Directors' Sitting Fees	76,000	70,000
Irrecoverable Debts and Advances written off	7,083,584	11,152,155
Provision for Doubtful Debts	4,522,118	4,589,225
Miscellaneous Expenses	58,744,092	42,033,386
Items relating to previous years (Net)	166,051	1,549,144
	<u>178,349,297</u>	<u>137,476,595</u>
19 DIRECT TAXES		
Provision for Income Tax	54,800,000	71,000,000
Provision for Wealth Tax	108,000	76,000
Provision for Fringe Benefit Tax	-	1,710,000
Deferred Tax Adjustments	(4,777,000)	9,469,000
	<u>50,131,000</u>	<u>82,255,000</u>



SCHEDULES TO THE ACCOUNTS

20. NOTES ON ACCOUNTS

1. Significant Accounting Policies:

i) Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards.

ii) Valuation of Fixed Assets:

Fixed assets are stated at cost without deducting capital grants which are shown separately in the accounts.

iii) Method of depreciation:

Depreciation is provided on 'Written Down Value Method' in accordance with the provisions of Schedule XIV to the Companies Act, 1956.

iv) Treatment of expenditure during construction:

The expenditure including Pre-Operative expenditure, incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

v) Inventories:

Inventories are valued as follows:

Raw Materials, Stores, Spares and Fuel:-

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods:-

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

vi) Obsolescence and damaged materials:

The inventories are periodically reviewed to ascertain dormant/ obsolescence materials and necessary adjustments are made thereof.

vii) Investments:

Long Term investments are valued at cost except that provision is made to recognize the permanent diminution in their value. Investments intended to be held for less than one year are classified as current investments and are valued at lower of cost and market value.

viii) Foreign Exchange Variations:

Closing balances of current assets and current liabilities relating to foreign currency transactions are converted into Rupees at prevailing rates or at the rate of forward cover. Export sales are recorded in rupee amount by applying the exchange rate existing at the time of discounting the bills of exchange with the bankers or at closing rate of exchange.

ix) Sales and other income:

i) Sales include excise duty and exclude sales tax/Value Added Tax.

ii) Revenue recognition is postponed to a later date only when it is not possible to estimate it with reasonable accuracy.

x) Employees Benefits:

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of

BAJAJ STEEL INDUSTRIES LIMITED

the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

xi) Taxes on Income :

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

xii) Impairment of assets:

Impairment loss in the value of assets as specified in Accounting Standard 28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

xiii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

2) Contingent liabilities (not provided for) in respect of :- (Rs. In Lacs)

	<u>2009-2010</u>	<u>2008-2009</u>
a) Labour matters	7.40	7.04
b) Excise duty	6.57	6.57
c) Customs Duty	136.60	136.60
d) Sales Tax	39.58	7.98

3) Estimated amount of contracts to be executed on Capital accounts and not provided for Rs.285.08 lacs (P.Y. Rs. 22.93 lacs), advance thereagainst Rs.207.74 lacs (P.Y. Rs. 5.62 lacs).

4) According to the accounting system consistently followed by the Company, excise duty payable on finished goods is accounted for at the time of removal of the same for sale. Had the said liability been provided, the same would have resulted in higher value of inventory having no impact on the profit for the year.

5)a. As per the information available with the Company and relied upon by the auditors, Sundry Creditors include Rs.17,843,454/- (P.Y. Rs. 14,975,997/-) due to Small Scale Industrial Undertakings (SSI). Names of the SSI Undertakings to whom there are dues for more than 30 days are Bofnut (India), Hindustan Metal Industries, Kirti Fasteners, Laxmi Iron & Steel Industries, Raju Steel Industries, Sanvijay Rolling & Engineering, Gangalaxmi Agrotech Private Limited and Luk Technical Services Private Limited.

b. In absence of necessary information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 the Company is unable to identify such suppliers, hence the information required under the said Act, cannot be ascertained.

6) a) Managing, Executive, and Whole-time Directors' remuneration:

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs.	Rs.
Salary	3,657,000	2,580,000
Contribution to Provident Fund	438,840	309,600
Perquisites (As per I.T. Rules)	942,930	812,700
Commission	3,176,138	1,929,200
	<u>8,214,908</u>	<u>5,631,500</u>



SCHEDULES TO THE ACCOUNTS

b) Computation of net profit U/s 198 read with Section 309(5) of Companies Act, 1956 and Directors' Commission:		
	<u>2009-2010</u>	<u>2008-2009</u>
i) Managing Director and Executive Director:	Rs.	Rs.
Profit Before Tax	152,573,903	233,403,606
Add: Directors' remuneration	7,271,978	4,818,800
Sitting fees	76,000	70,000
Provision for Doubtful debts	<u>4,522,118</u>	<u>4,589,225</u>
	164,443,999	242,881,631
Less: Profit on Sale of Fixed Asset above its original cost	5,867	1,242,017
Profit on Sale of Investments	1,009,426	--
Provision for Doubtful debts Written back	<u>6,129,840</u>	<u>2,165,436</u>
	<u>157,298,866</u>	<u>239,474,178</u>
Commission payable to the Managing Director and the Executive Director each @1% on the net profit restricted to their annual salary and overall managerial remuneration of 10% of profits	<u>3,145,977</u>	<u>1,710,000</u>
ii) * Whole-time Director:		
Profit / (Loss) before Tax (Superpack Division)	(1,401,591)	4,792,441
Add: Whole-time Director's remuneration (Part of the year)	618,161	1,193,600
Provision for Doubtful debts	<u>4,522,118</u>	<u>3,732,684</u>
	<u>3,738,688</u>	<u>9,718,725</u>
Less: Profit on Sale of Fixed Asset above its original Cost	--	1,056,106
Provision for Doubtful debts Written back	<u>2,015,163</u>	<u>1,355,957</u>
	<u>1,723,525</u>	<u>7,306,662</u>
Commission payable to whole-time Director @3% (Prorata) on the net profit of the Division restricted to his annual salary. * Resigned on 29/10/2009	<u>30,161</u>	<u>2,19,200</u>
7) Payments to Auditors:	Amount(Rs.)	Amount(Rs.)
Statutory Audit fees	650,000	400,000
Tax Audit fees	100,000	75,000
Internal Audit Fee	35,000	30,000
For Other Services	65,000	62,500
Reimbursement of expenses	8,892	25,190
8) The "Earning per share (EPS)" has been calculated as specified in Accounting Standard 20 issued by the Institute of Chartered Accountants of India by dividing the Net Profit after Tax for the year by the number of shares allotted by the Company.		
9) Related Party Disclosures:		
1. Enterprises where control exists:		None
2. Other related parties with whom the Company had transactions:		
a) Key Management Personnel - Shri Rohit Bajaj (Managing Director), Shri Sunil Bajaj (Executive Director) and Shri Ashish Bajaj (Whole Time Director)* *Resigned on 29/10/2009		
b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence - Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytext Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar		

BAJAJ STEEL INDUSTRIES LIMITED

SCHEDULES TO THE ACCOUNTS

Plasticoats Private Limited, Ridhi Vinimay Private Limited, Sidhi Vinimay Private Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Bajaj Packaging, Gangalaxmi Agrotech Pvt Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt. Ltd, Bajaj Polymin Pvt. Ltd., Luk Craft Pvt. Ltd., Bajaj Polyblends Pvt. Ltd Bajaj Superpack Pvt. Ltd, Bajaj Gintech Pvt. Ltd., and Bajaj Plastics Pvt. Ltd.

3. Disclosures of transactions between the Company and related parties and the status of outstanding balances as on 31.03.2010:

a) Transactions

	Enterprises over which Key Management personnel and their relatives have significant influence		Key Management personnel and their relatives	
	<u>2009-2010</u> Rs.	<u>2008-2009</u> Rs.	<u>2009-2010</u> Rs.	<u>2008-2009</u> Rs.
<u>Income</u>				
Rent	60,000	60,000		
Service Charge	135,600	135,600		
Sales	1,683,052	123,934		
Jobwork	156,963	241,882		
<u>Expenses</u>				
Computer Charges	50,000	66,453		
Furniture Hire Charges	180,000	180,000		
Interest	16,466,108	14,531,163		
Jobwork charges	8,459,607	10,308,503		
Processing charges	88,223,641	80,444,668		
Purchase	28,301,343	45,448,111		
Rent	5,498,000	2,604,000	651,000	336,000
Labour Supply Charges	38,233,489	27,060,481		
Vehicle Hire Charges	1,470,000	1,460,000		
Legal & Professional Fees	39,030	--		
Remuneration			7,271,978	4,818,800
Sitting Fees			22,000	18,000
<u>b) Balances</u>			As at <u>31-3-2010</u>	As at <u>31-3-2009</u>
			Rs.	Rs.
Debtors			1,601,497	1,80,999
Creditors			29,751,353	15,337,184
Loans Taken			124,552,114	106,194,605
Investments			665,064	665,064

- 10) On the basis of physical verification of assets, as specified in Accounting Standard – 28 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2010.



SCHEDULES TO THE ACCOUNTS

11. Segment Revenue, Results and Capital Employed

Sr No.	Particulars	Steel Division		Plastic Division		Cotton Division		Total of Segments			Unallocated		Total		
		2009-2010 (Rs.)	2008-2009 (Rs.)	2009-2010 (Rs.)	2008-2009 (Rs.)	2009-2010 (Rs.)	2008-2009 (Rs.)	2009-2010 (Rs.)	2008-2009 (Rs.)	2009-2010 (Rs.)	2008-2009 (Rs.)	2009-2010 (Rs.)	2008-2009 (Rs.)	2009-2010 (Rs.)	2008-2009 (Rs.)
1	Revenue - Domestic	1,278,422,743	1,776,877,268	627,799,188	645,895,597	60,326,665	21,147,923	1,965,548,617	2,443,920,788	1,966,548,617	2,443,920,788	--	--	1,966,548,617	2,443,920,788
	- Export	100,140,741	76,515,124	49,329,356	96,177,464	166,221,624	--	315,691,721	172,692,588	315,691,721	172,692,588	--	--	315,691,721	172,692,588
	Less: Inter-Segment Revenue	--	--	1,127,049	832,355.00	--	--	1,127,049	832,355	1,127,049	832,355	--	--	1,127,049	832,355
	Total Revenue	1,378,563,484	1,853,392,392	675,001,495	741,240,705	226,548,310	21,147,923	2,281,113,289	2,615,781,021	2,281,113,289	2,615,781,021	--	--	2,281,113,289	2,615,781,021
2	Result														
	Profit before Interest, Tax, Depreciation	238,889,319	274,352,551	37,220,218	45,625,061	(16,143,398)	1,293,593	259,966,139	321,271,215	259,966,139	321,271,215	--	--	259,966,139	321,271,215
	Less: Depreciation	50,252,485	42,096,376	1,139,922	1,042,169	--	--	51,392,407	43,138,545	51,392,407	43,138,545	--	--	51,392,407	43,138,545
	Less: Interest Expenses	18,120,728	4,938,613	37,481,887	39,790,451	397,214	--	55,999,829	44,729,054	55,999,829	44,729,054	--	--	55,999,829	44,729,054
	Add/ (Less): Extra Ordinary Items	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Provision for Taxation	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	- Current Tax	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	- Wealth Tax	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Deferred Tax	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Fringe Benefit Tax	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Securities Transaction Tax Adjustments	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Net Profit	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3	Other Information														
	Segment Assets	1,106,200,297	791,541,695	251,495,482	210,908,996	7,910,127	8,050,486	1,365,605,900	1,010,501,177	1,365,605,900	1,010,501,177	194,711,583	120,972,148	1,560,317,583	1,131,473,325
	Segment Liabilities	637,819,201	418,275,555	250,594,655	203,975,706	15,788,380	538,749	904,192,246	622,791,110	904,192,246	622,791,110	188,876,000	133,968,000	1,093,068,246	756,759,110
	Capital Expenditure	122,134,884	157,747,286	613,921	1,960,499	--	--	122,754,805	159,707,785	122,754,805	159,707,785	--	--	122,754,805	159,707,785
	Depreciation	50,252,485	42,096,376	1,139,922	1,042,169	--	--	51,392,407	43,138,545	51,392,407	43,138,545	--	--	51,392,407	43,138,545

NOTES:

1. Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.

BAJAJ STEEL INDUSTRIES LIMITED

- 12) The disclosures required under accounting standard-15:Employees Benefit, notified in the company's (Accounting standard) Rules.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:
(Rs. in lacs)

	2009-2010	2008-2009
Employer's Contribution to Provident & Pension Fund	71.04	62.13

Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	2009-2010		2008-2009	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	100.55	30.91	93.62	22.59
Current Service Cost	13.88	8.74	7.02	6.04
Interest Cost	7.94	2.41	7.04	1.62
Actuarial (gain)/loss	(10.53)	(3.70)	(2.02)	4.04
Benefits (paid)	(1.22)	(2.14)	(5.11)	(3.38)
Defined Benefit obligation at year end	110.62	36.22	100.55	30.91
b. Reconciliation of fair value of assets and obligations				
Present value of obligation as at 31st March, 2009	110.62	36.22	100.55	30.91
Amount recognised in Balance Sheet	110.62	36.22	100.55	30.91
c. Expenses recognized during the year				
Current Service Cost	13.88	8.74	7.02	6.04
Interest Cost	7.94	2.41	7.04	1.62
Actuarial (gain) / loss	(10.53)	(3.70)	(2.02)	4.04
Net Cost	11.29	7.45	12.04	11.70
d. Actuarial assumptions				
Mortality Table (L.I.C.)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)
Discount rate (per annum) compounded	8.25%	8.25%	7.50% to 8.00%	7.50% to 7.75%
Rate of escalation in salary (per annum)	5.00% to 6.00%	5.00% to 6.00%	5.00% to 6.00%	5.00% to 6.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on Plan Assets is based on actuarial expectations of the average long term rate of return expected on investments of the fund during the estimated terms of the obligations. The above information is certified by the Actuary.



	2009-2010		2008-2009	
13)a) Raw Material consumed	Rs.	%	Rs.	%
Imported	355,405,155	28.68%	261,103,289	18.11%
Indigenous	883,845,532	71.32%	1,180,451,605	81.89%
	<u>1,239,250,687</u>		<u>1,441,554,894</u>	
Stores & Spare parts consumed				
Indigenous	76,291,714	100.00%	77,159,436	100.00%
	<u>76,291,714</u>		<u>77,159,436</u>	

b) CIF Value of Imports	Rs.	Rs.
Capital Goods	6,298,425	32,272,996
Raw Material	320,970,838	249,605,525
c) Earnings in Foreign Currency		
FOB Value of Exports	293,613,661	164,024,075
d) Expenditure in Foreign Currency		
Travelling expenses	3,761,900	1,168,629
Commission	1,820,204	795,721
Advertisement	621,371	563,051
Membership and Subscription	234,356	100,171
Testing Charges	6,663	750,968
Bank Charges	-	136,356
Books & Periodicals	31,625	40,640
Consultancy charges	1,193,783	2,836,160
Registration Fees	292,176	435,959
Discount on Sales	6,881,665	-
Price difference on settlement of Contract	14,900,065	-
Technical Know-How	19,541,237	2,016,796

14) Raw Materials consumed:

	2009-2010		2008-2009	
	Qty (MT)	Value (Rs.)	Qty (MT)	Value (Rs.)
a) Iron and steel	*	277,999,179	*	364,548,506
Castings, gun metal, etc.	*	161,705,508	*	220,521,612
Ball bearings	*	26,990,921	*	36,533,884
Others	*	319,294,290	*	362,919,269
b) Polymers	4617.75	290,301,956	4485.157	305,281,376
Mineral Powders	17,495.28	143,628,988	16451.375	134,116,680
Chemicals	131.889	19,329,845	89.781	17,059,603
Others	*	-	*	573,964
* Not ascertainable				
		<u>1,239,250,687</u>		<u>1,441,554,894</u>

15) Licensed and installed capacities:

		2009-2010		2008-2009	
	Unit	Licensed capacity *	Licensed Installed capacity *	Installed capacity *	capacity
Sacks/Fabrics	MTs	N.A.	-	N.A.	-
Master Batches	MTs	N.A.	5000	N.A.	5000
Machines assorted	Nos.	N.A.	N.A.	N.A.	N.A.

* As certified by the management

BAJAJ STEEL INDUSTRIES LIMITED

SCHEDULES TO THE ACCOUNTS

16. Opening Stock, Purchases, Production, Sales and Closing Stock

I T E M S	Unit	Opening Stock		Purchases		Production		Sales		Closing Stock	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
a) D. R. Gins	Nos.	1	67,129	-	-	3760	-	3760	343,788,978	1	59,351
		(5)	(335,645)	(-)	(-)	(5743)	(-)	(5,747)	(533,592,987)	(1)	(67,129)
Liliput Gins	Nos.	-	-	17	385,800	-	-	17	536,531	-	-
		(-)	(-)	(5)	(119,000)	-	-	(5)	(150,000)	(-)	(-)
Cotton	Bales	-	-	18,959	208,029,630	-	-	18,834	229,144,170	125	1,345,474
		(-)	(-)	(2,146)	(19,839,308)	(-)	(-)	(2,146)	(21,147,924)	(-)	(-)
Others		-	13,573,910	-	-	-	-	-	1,000,906,614	-	7,763,240
		-	(8,561,185)	-	-	-	-	-	(1,290,562,054)	-	(13,573,910)
Sacks and fabrics	MTs	23,134	1,488,040	-	-	-	-	14,423	1,110,570	8,711	591,333
		(28,638)	(1,918,058)	-	-	-	-	(5,504)	(406,039)	(23,134)	(1,488,040)
Master Batches	MTs	1,020,966	22,152,581	(-)	(-)	21836.760	(-)	21,469,885	671,498,914	1,387.841	32,543,160
		(1,224,761)	(30,340,933)	-	-	(20289.835)	(-)	(20,496.630)	(623,005,824)	(1,020.966)	(22,152,581)
Others		-	-	(-)	(-)	-	(-)	-	2,408,986	-	-
		-	-	-	-	-	-	-	(89,998,466)	(-)	-
		-	37,281,660	-	208,415,430	-	-	-	2,245,394,763	-	42,302,558
		-	(41,155,821)	-	(19,958,308)	-	-	-	(2,558,863,294)	-	(37,281,660)

Note:

1. Production -

Include :

Company's materials processed by outside Agencies :
Master Batches

2. Previous year figures above are given in brackets. 17712.335 MT (16642.775 MT)

17 Previous year figures are rearranged/regrouped wherever considered necessary



21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II Capital raised during the year (Amount in Rs. Thousand)

	Public Issue	Right Issue
	<input type="text" value="Nil"/>	<input type="text" value="Nil"/>
Private Placement	<input type="text" value="Nil"/>	Bonus Issue
		<input type="text" value="Nil"/>

III Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)

	Total Liabilities	Total Assets
	<input type="text" value="927,414"/>	<input type="text" value="927,414"/>
Sources of Funds	Paid-up Capital	Reserves & Surplus
	<input type="text" value="22,000"/>	<input type="text" value="441,189"/>
	Secured Loans	Unsecured Loans
	<input type="text" value="237,906"/>	<input type="text" value="222,259"/>
	Deferred Tax - Net	
	<input type="text" value="4,060"/>	
Application of Funds	* Net Fixed Assets	Investments
	<input type="text" value="420,794"/>	<input type="text" value="2,783"/>
	Net Current Assets	Misc. Expenditure
	<input type="text" value="503,837"/>	<input type="text" value="NIL"/>
	Accumulated Losses	
	<input type="text" value="Nil"/>	

* Includes Capital Work In Progress 103555

IV Performance of Company

	Turnover (Gross Revenue)	Total Expenditure
	<input type="text" value="2,282,240"/>	<input type="text" value="2,129,666"/>
<input type="text" value="+/-"/>	Profit/Loss Before Tax	<input type="text" value="+/-"/>
<input type="text" value="+"/> Profit/Loss Before Tax	<input type="text" value="152,574"/>	<input type="text" value="102,443"/>
<input type="text" value="+"/> Profit/Loss Before Tax	Earning per share	Dividend Rate %
<input type="text" value="+"/> Profit/Loss Before Tax	<input type="text" value="46.56"/>	<input type="text" value="20"/>

BAJAJ STEEL INDUSTRIES LIMITED

V Generic Name of Three Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	844519.10
Product Description	Main Activity - Machinery for cotton Ginning and Pressing used for preparing textile fabrics
Item Code No. (ITC Code)	320649.90
Product Description	Subsidiary Activity - Plastic Master Batches based on Caco 3

Signature to Schedule 1 to 21

For B. CHHAWCHHARIA & CO.
Chartered Accountants

P. K. Chhawchharia
Partner
Membership No. 50786

Place : Nagpur
Date : 29th, July 2010

Sunil Bajaj
Executive Director

Manoj Dhoot
Chief Financial Officer

Jagdish Shirke
Company Secretary

Rohit Bajaj
Managing Director

L. C. Mutha
Mohan Agrawal
Rajiv Ranka
Directors

H. G. Bajaj
Chairman

V. K. Bajaj
A. Goenka
Deepak Batra
Directors



BAJAJ STEEL INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	<u>2009-2010</u>	<u>2008-2009</u>
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items		
Add: Adjusted for :		
Depreciation	152,573,903	233,403,606
Interest Expenses	51,392,407	43,138,545
	<u>55,999,830</u>	<u>44,729,064</u>
Less: Adjustments for :	259,966,140	321,271,215
Profit on sale of Fixed Assets	(479,265)	(21,648,584)
Profit on sale of Investments	(1,009,426)	-
Interest & Dividend Received	(18,478,236)	(12,151,835)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>239,999,213</u>	<u>287,470,796</u>
Adjusted for Changes in Working Capital		
Trade Payables		
Trade & Other receivables	128,563,057	(123,217,656)
Inventories	(48,453,068)	33,391,613
Cash generated from operations	<u>(184,137,672)</u>	<u>100,752,079</u>
Less: Interest paid	135,971,530	298,396,832
Direct Taxes paid/adjusted	(55,999,830)	(44,729,064)
Cash flow before extra ordinary items	<u>(68,651,632)</u>	<u>(71,433,316)</u>
Extra Ordinary items	11,320,068	182,234,452
NET CASH FROM OPERATING ACTIVITIES	<u>11,320,068</u>	<u>182,234,452</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	2,526,475	23,812,625
Sale of Investments	37,936,893	-
Purchase of Investments	(23,247,667)	-
Purchase of Fixed Assets	(122,754,805)	(159,707,785)
Interest & Dividend received	18,478,236	12,151,835
NET CASH USED IN INVESTING ACTIVITIES	<u>87,060,868</u>	<u>(123,743,325)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend paid	(4,400,000)	(4,400,000)
Proceeds from long term and other borrowings	152,855,078	(36,970,511)
NET CASH USED IN FINANCING ACTIVITIES	<u>148,455,078</u>	<u>(41,370,511)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	72,714,278	17,120,616
CASH AND CASH EQUIVALENTS - OPENING BALANCE	161,040,327	143,919,711
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	233,754,605	161,040,327

NOTES: 01. Proceeds from long term and other borrowings are shown net of repayment.
02. Cash and cash equivalents represent cash and bank balances only

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Sunil Bajaj
Executive Director

Rohit Bajaj
Managing Director

H. G. Bajaj
Chairman

P. K. Chhawchharia
Partner
Membership No. 50786

Manoj Dhoot
Chief Financial Officer

L. C. Mutha
Mohan Agrawal
Rajiv Ranka
Directors

V. K. Bajaj
A. Goenka
Deepak Batra
Directors

Place : Nagpur
Date : 29th, July 2010

Jagdish Shirke
Company Secretary