

BENGAL STEEL INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 63rd Annual Report together with the Audited Accounts of the company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

	<u>2009-2010</u> (Rs.)	<u>2008-2009</u> (Rs.)
Profit before Interest & Depreciation	4786099	2479094
Less: Interest	8581	14662
Depreciation	374338	648950
Net Profit before Tax	4403180	1815482
Less: Provision for Taxation	800000	538000
Short Provision of Tax for earlier year	308698	305699
Provision for Fringe Benefit Tax	--	44051
Net Profit after Tax	3294482	927732
Add: Balance Brought forward	23125170	22197438
Balance carried forward to Balance Sheet	26419652	23125170

COMPANY PERFORMANCE:

In the light of challenging business conditions, the working results of your Company during financial year ended on 31st March, 2010 was satisfactory.

DIVIDEND:

The Directors have considered to plough back the profit in business for better financial strength and as such they have not recommended any dividend for the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the financial year under review, as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges is appended below:

A. BUSINESS

The Company is engaged in Investment, Finance, Steel Fabrication and Allied Services. The manufacturing unit is located at Kolkata. Arrangements are in hand to diversify its line of business for the future growth and prosperity.

B. REVIEW OF OPERATIONS & FUTURE PROSPECTS

Your Directors sincerely feel that operations of your Company in the business of Investment, Finance and Other Services would start showing signs of improvement. Steps are in hand to achieve improvements in its business.

C. OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

Your Company's objective is to effect Continuous improvement in its infrastructure and facilities. However, the main causes of concern of your company in the years to come.

- i) Stagnancy in the market due to general economic conditions.
- ii) Inflationary trend in the market resulting in rising costs of all inputs.

- iii) Reduction in the industrial growth rate.
- iv) Uncertain Government policy in use.
- v) Lack of demand due to keen competition.

D. INTERNAL CONTROL SYSTEM

The Company has Internal control procedures commensurate with the nature of its business and size of its operations. The objective of these procedures is to ensure efficient use and protection of Company's resources, accuracy in financial reporting and due compliance of applicable statutes and Company's norms, policies and procedures.

The Internal Audit Report, the progress in implementation of recommendations contained in such reports and the adequacy of Internal Control Systems are reviewed by the Audit Committee of the Board in its periodical meetings.

E. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial Relations were cordial during the year under review. At all levels, employees of the Company are fully committed to the growth of the Company and there was no loss of work due to any Industrial relation problem during the year.

CORPORATE GOVERNANCE:

The Principles of Good Corporate Governance through professionalism, accountability, transparency, trusteeship and control have always been followed by your Company.

A separate Report on Corporate Governance as prescribed by the Listing Agreements with Stock Exchanges forms part of the Annual Report 2009-10 along with the Auditor's Certificate on its Compliance in Annexure "A".

DIRECTORS:

Shri V. N. Agarwal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

A Brief Resume of the above mentioned Director seeking re-appointment is attached to the Notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Directors state as follows:-

- i) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your company at the end of the financial year and of the profit or loss of your company for that period;
- iii) That the Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;

- lv) That the Directors had prepared the Annual Accounts for the financial year ended 31st March, 2010 on a "going concern" basis.

AUDITORS:

Messrs J. N. Banerjee & Co., Chartered Accountants, Auditors of the Company, hold office till the conclusion of this Annual General Meeting. They have expressed their willingness to continue as the Statutory Auditors of the Company, if so reappointed and have furnished to the Company the requisite certificate to the effect that their re-appointment if affected would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Accordingly, approval of the Shareholders will be sought at the ensuing Annual General Meeting of the Company to the re-appointment of and remuneration payable to Messrs J. N. Banerjee & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

COMMENTS ON AUDITORS OBSERVATIONS:

The Comments of the Directors on the observations made by the Statutory Auditor's in their Report are as follows:

- i) Value of Land & Building could not be segregated in absence of adequate details and without incurring huge expenses.
- ii) As per Management opinion, there is impairment loss, due to discontinuation of operation and disposal of fixed assets of ingot plant.
- iii) In the opinion of the Management, diminution in market value of investments held at costs are temporary in nature.

FIXED DEPOSIT:

Your Company has not invited and/or accepted any deposits from the General Public under Sections 58A and 58AA of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

Information required to be given pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to your Company.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

There are no information to be reported as required in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo.

CODE OF CONDUCT:

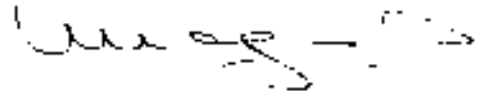
Your Company has formulated Code of Conduct which applies to Board Members and Senior Management Personnel of the Company. Confirmations towards adherence to the Code during the Financial year 2009-10 have been obtained from all the Board members and Senior Management Personnel in terms of the requirements of Clause 49 of the Listing Agreement and a declaration relating to compliance of this Code during the year under review by all Board members and Senior Management Personnel has been given by the Director of the Company which accompanies this report.

ACKNOWLEDGEMENTS:

ACKNOWLEDGEMENTS:

Your Directors would like to thank shareholders, customers, dealers, suppliers, bankers, employees union and all other business associates for the continuous support given by them to the Company and their confidence in its management.

FOR AND ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'S. S. S.', written over a horizontal line.

PLACE: KOLKATA

DATE: 31ST MAY, 2010

A handwritten signature in black ink, appearing to be 'S. S. S.', written over a horizontal line. Below the line, the word 'DIRECTORS' is printed in bold, uppercase letters.

ANNEXURE "A"

BENGAL STEEL INDUSTRIES LIMITED

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance:-

1) THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good Governance practices stem from culture and mind set of the organization. As stakeholders across the country evidence keen interest in the practices and performance of Companies, Corporate Governance has emerged on the centre stage.

Over the years, governance processes and systems have strengthened at the Company. In addition to complying with statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. For implementing the Corporate Governance practices, the Company has a well defined policy framework. These policies and their effective implementation underpin the commitment of the Company to uphold the highest principles of Corporate Governance consistent with the Company's goal to enhance shareholder's value.

The Company continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavors to implement the best national practices of Corporate Governance in the overall interest of all stakeholders.

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operation and in all its interactions with its stakeholders, employees, lenders, Government and Society at large.

The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions might serve the underlying goal of enhancing overall shareholder value on a sustained basis.

2) BOARD OF DIRECTORS

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that long term interests of the shareholders are being served.

The Board of Directors of your Company is comprises of Non-Executive and Independent Directors. As on 31st March 2010, the Board consists of Four Directors out of which one is Non-Executive Independent and three are Non-Executive Directors. Directors are persons with experience and expertise in Business, Industry, Finance and Law.

The Independent Director of the Company furnishes a declaration at the time of his appointment as also annually that he qualifies the conditions of his being

independent as laid under Clause 49. Such declaration is placed before the Board. Shri K. K. Ganeriwala is the Independent Director of the Company.

The Composition of the Board and the category of Directors as on 31.03.2010 are as follows:-

Sl. No.	Categories of Directors	No. of Directors	% of Total No. of Directors
1.	Non-Executive Director & Promoter	2	50.00
2.	Non-Executive & Independent Director	1	25.00
3.	Non-Executive Director	1	25.00
	TOTAL	4	100.00

The further details relating to Composition of the Board as on 31.03.2010 are as follows:-

Sl. No	Name of the Board Members	Category	No. of other Directorships including Public Limited and Private Limited Companies	No. of other Board Committee(s) of which he/she is a Member	No. of other Board Committee (s) of which he/she is a Chairperson
1.	Shri V. N. Agarwal	Non - Executive Director & Promoter	12	6	2
2.	Shri Prakash Agarwal	Non - Executive Director & Promoter	15	7	--
3.	Shri K. K. Ganeriwala	Non - Executive & Independent Director	12	9	4
4.	Shri G. K. Agarwal	Non - Executive Director	6	--	--

3) DETAILS OF BOARD MEETINGS AND ANNUAL GENERAL MEETING HELD AND ATTENDED BY THE DIRECTORS DURING THE YEAR ENDED 31st MARCH 2010

- (i) During the Financial Year 2009-10 Six Board Meetings were held on:-
30th April, 2009, 9th June, 2009, 30th July, 2009, 27th October, 2009, 27th January, 2010 & 15th February, 2010.
- (ii) Details of Attendance record of the Directors at the Board Meetings and the last Annual General Meeting are as follows:-

Name of Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 29 th July, 2009
Shri V. N. Agarwal	5	Yes
Shri Prakash Agarwal	6	Yes
Shri K. K. Ganertwala	6	Yes
Shri G. K. Agarwal	6	Yes

4) BOARD MEETINGS

- i) The Company's Governance policy requires the Board to meet at least four times in a year with a time gap between any two Board Meetings not exceeding four months.
- ii) In terms of Company's Corporate Governance Policy, all statutory, significant and material information are placed before the Board to enable it to discharge its responsibility.
- iii) The Internal Guidelines for Board Meetings facilitate the decision making process at the Meeting of the Board in an informed and efficient manner.

5) BOARD AGENDA

Meetings are governed by structured Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration of the Board.

6) INFORMATION PLACED BEFORE THE BOARD

Apart from the items that are required to be placed before the Board for its approval, both under the statutes and the Governance policy, the following are also tabled for the Board's periodic review and information.

- i) Quality performance against plan
- ii) Treasury Policy
- iii) Internal Audit Findings
- iv) Status of business risk exposure and its managements.
- v) Write offs/disposals
- vi) Significant Court judgement and order.
- vii) Terms of reference of Board Committees.

7) BOARD PROCEDURE

- (I) The Members of the Board have been provided with the requisite information as required by Annexure 1A to Clause 49 of the Listing Agreements well before the Board Meetings and the same were dealt with appropriately.

- (ii) All directors who are in various committees are within the permissible limits as stipulated in Clause 49 (IC) of the Listing Agreements. The Directors have intimated from time to time about their Memberships/Chairmanships in various Committees in other Companies.

8) POST MEETING FOLLOWUP SYSTEM

The Governance process in the Company includes an effective post-meeting follow up, review and reporting process for action taken/pending on decision of the Board/Board Committees.

9) COMMITTEES OF THE BOARD

Currently there are two Board Committees- the Audit Committee and Investors Grievance Committee. The Terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed minutes of Board Committee meetings are placed at the Board Meetings for the information of the Board.

i) AUDIT COMMITTEE

Audit Committee of the Board, inter alia provides re-assurance to the Board on the existence of an effective internal control environment that ensures:-

- (a) Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and creditable.
- (b) Compliance with Stock Exchange formalities and legal requirements concerning financial statements.
- (c) Recommending to the Board the appointment/re-appointment of Auditors
- (d) Reviewing with the Management the Quarterly and the Annual Financial Statements before submission to the Board for approval.
- (e) Reviewing with the management the adequacy of internal control function.
- (f) Reviewing the internal audit function and the progress in the implementation of recommendations contained in the Internal Audit Report.
- (g) Efficiency and effectiveness of operations.
- (h) Safeguarding of the assets and adequacy of provision for all liabilities.
- (i) Reliability of financial and other management information and adequacy of disclosures
- (j) Compliance with all relevant statutes.

The Composition of the Audit Committee and the Attendance of the Members at the Audit Committee Meetings during the financial year ended 31st March, 2010 are furnished below:-

Name of the Director	No. of meetings attended	Chairman/ Member	Category
Shri. V. N. Agarwal	5	Member	Non Executive & Promoter
Shri. K. K. Ganeriwala	5	Chairman	Non Executive & Independent
Shri. G. K. Agarwal	5	Member	Non Executive

ii) **INVESTORS GRIEVANCE COMMITTEE**

The Investors Grievance Committee of the Board oversees redressal of shareholders and Investor grievances and approves sub-division/transmission or transfer of shares, issue of duplicate share certificate etc.

Investors Grievance Committee consists of Shri K. K. Ganeriwala and Shri Prakash Agarwal of which Shri K. K. Ganeriwala is the Chairman. Miss Ranu Dey has been designated as the Compliance Officer of the Company with effect from 1st February, 2010.

During the year ended 31st March 2010, no complaints/queries were received and accordingly no reply was pending as on 31st March, 2010. There were no transfer of shares pending for registration as on 31st March 2010 and all transfers had been effected within a period of 30 days from the date of lodgement.

10) **REMUNERATION COMMITTEE**

Remuneration Committee as contemplated under Clause 49 of the Listing Agreement is yet to be constituted. Details of remuneration paid/payable to Directors are as under:-

- No Commission is payable to any Director.
- Apart from sitting fees no other remuneration is paid/payable to the Non-Executive Directors.
- Sitting fees paid/payable to Non-Executive Directors during the financial year ended 31st March 2010 were as follows:-

Name of the Director	Sitting Fees paid
Shri V. N. Agarwal	Rs. 3000/-
Shri Prakash Agarwal	Rs. 3,000/-
Shri K. K. Ganeriwala	Rs. 3,000/-
Shri G. K. Agarwal	Rs. 3,000/-

11) **GENERAL MEETINGS**

i) Details of Annual General Meeting held in the last three years are as under:

Financial Year	Location	Date	Time
2008-2009	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016	29 th July, 2009	4.00 p.m.
2007-2008	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016	29 th August, 2008	11.00 a.m.
2006-2007	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016	27 th August, 2007	3.00 p.m.

- ii) Whether Special Resolutions were put through Postal Ballot last year : No
- iii) Are Special Resolutions proposed to be put through Postal Ballot this year : No
- iv) Procedure to be followed for Postal Ballot (if applicable) : In accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Rules made there under, and guidelines issued by the Institute of Company Secretaries of India.

12) **DISCLOSURES**

- i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large. However, suitable disclosures as required by Accounting Standard (AS)-18 on "Related Party Disclosures" have been made under Note B in Item No. 7 of Schedule 14 to the Accounts for the period under review.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets, during the last three years.
- iii) Your Company has a well laid out Code of Conduct and Business Ethics for the Board of Directors and Senior Management Personnel. It is one of the best means for increasing the transparency in the working of the Companies. The Members of the Board and the Senior Management Personnel of the Company adhere to this principle and have agreed to abide them by agreeing to affix their signature on the same.
- iv) The Company is in compliance with the requirements of the Corporate Governance, which reflects in this report. The Company can assure to adopt the residual non-mandatory requirements, not covered under this report in the coming years. The details of compliance status as on 31.03.2010 are given herein under:

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
I. Board of Directors	Clause 49 (I)		
(A) Composition of Board	Clause 49 (IA)	Yes	
(B) Non-Executive Directors' Compensation & Disclosures	Clause 49 (IB)	N.A.	
(C) Other provisions as to Board and Committees	Clause 49 (IC)	Yes	
(D) Code of Conduct	Clause 49 (ID)	Yes	Declaration as necessary has been made in the Directors Report
II. Audit Committee	Clause 49 (II)		
(A) Qualified & Independent Audit Committee	Clause 49 (IIA)	Yes	
(B) Meeting of Audit Committee	Clause 49 (IIB)	Yes	
(C) Powers of Audit Committee	Clause 49 (IIC)	Yes	
(D) Role of Audit Committee	Clause 49 (IID)	Yes	
(E) Review of Information by Audit Committee	Clause 49 (IIE)	Yes	
III. Subsidiary Companies	Clause 49 (III)	N.A.	The Company does not have any Subsidiary Company
IV. Disclosures	Clause 49 (IV)		
(A) Basis of related party transactions	Clause 49 (IVA)	Yes	
(B) Disclosure of Accounting Treatment	Clause 49 (IVB)	Yes	Not required as there is no deviation from Accounting Standard
(C) Board Disclosures	Clause 49 (IVC)	Yes	
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	Clause 49 (IVD)	N.A.	The Company has not made any such issues in the recent past
(E) Remuneration of Directors	Clause 49 (IVE)	Yes	Disclosures as necessary have been made in the Corporate Governance Report forming

			part of Annual Report.
(F) Management	Clause 49 (IVF)	Yes	Management Discussion and Analysis Report forms part of respective year's Directors' Report
(G) Shareholders	Clause 49 (IVG)	Yes	
V. CEO/ CFO Certification	Clause 49 (V)	Yes	The Certificate as required has been provided to the Board for the year ended 31 st March, 2010.
VI. Report on Corporate Governance	Clause 49 (VI)	Yes	Report on Corporate Governance forms part of the Annual Report
VII. Compliance	Clause 49 (VII)	Yes	Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report

13) **MEANS OF COMMUNICATIONS**

- (i) **Quarterly Results:** - Quarterly Results are announced within one month from the end of the relevant Quarter (except the last quarter) and are published in The Financial Express (English) and the Dainik Statesman (Bengali). In place of the results for the last quarter, the Company opts to submit the Audited Financial results for the entire financial year.
- (ii) **Annual Reports:** - Annual Reports containing, inter alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information are circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.
- (iii) **Website:** - The shareholders information is not displayed on the Website of the Company.
- (iv) **News Releases:** - Official Media Releases are not sent to the Stock Exchanges.
- (v) **Displays, Presentations etc:** - Displays, presentations etc are not made to Institutional Investors/ Analysts.

14) **GENERAL SHAREHOLDERS' INFORMATION**

(i) **Company Registration Details:**

The Company is registered in the State of West Bengal. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is **L70109WB1947PLC015087**.

(ii) **Annual General Meeting to be held – Day, Date, Time and Venue:**

Sl. No.	Particulars	Remarks
A.	Day	Friday
B.	Date	30 th July, 2010
C.	Time	10.00 a.m.
D.	Venue	Registered Office at: 41, Mirza Ghalib Street, Kolkata-700016.

(iii) **Calendar for Financial Results for the Financial Year 2010-2011:**

Sl. No.	Particulars	Remarks
A.	1 st Quarter ending 30 th June, 2010	Before 14 th August, 2010
B.	2 nd Quarter and Half-year ending 30 th September, 2010	Before 14 th November, 2010
C.	3 rd Quarter ending 31 st December, 2010	Before 14 th February, 2011
D.	4 th Quarter and Annual Results for the year ending 31 st March, 2011.	Before 30 th May, 2011

(iv) **Dates of Book Closure:** 16th July, 2010 to 30th July, 2010
(Both days inclusive for the purpose of AGM)

(v) **Dividend payment date:** Not applicable since no dividend has been recommended for the year ended 31st March, 2010.

(vi) **Name of the Stock Exchanges at which Equity Shares are listed and Scrip Code assigned to the Company's shares at the respective Stock Exchanges:**

The Equity Shares of the Company are listed at the following Stock Exchanges:

1. The Calcutta Stock Exchange Limited (CSE)
7, Lyons Range, Kolkata - 700001
Scrip Code: 012155
2. The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Scrip Code: 512404

The Company has paid the listing fees for the Financial Year 2010-2011 to both the Stock Exchanges.

(vii) **Market Price Data:**

There was no trading of the shares of the Company at the BSE and CSE during the year ended 31st March, 2010.

(viii) **Registrars and Share Transfer Agents:**

Transfer of Shares are registered and processed in-house by the Company, at the following address:-

BENGAL STEEL INDUSTRIES LIMITED

41, Mirza Ghalib Street,

Kolkata - 700 016.

Tel : (033) 30216800/6808

Fax No: (033) 30216863

E-mail ID : kkg@hul.net.in

(ix) Share Transfer System:

Share Transfers are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects.

In terms of the requirement of Clause 47(c) of the Listing Agreement with Stock Exchanges, the Company obtains half yearly Certificates from a Company Secretary in practice for due compliance of share transfer formalities.

(x) Distribution Schedule:

The Distribution Pattern of the Equity Shares of the Company as on 31st March, 2010 is given below:

Sl. No.	No. of Equity Shares held	No. of Holders	Percentage of total holders	No. of Shares	% of Shareholding
1.	1 - 500	634	87.45	87,337	1.78
2.	501 - 1000	14	1.93	11,362	0.23
3.	1001 - 2000	5	0.69	6,108	0.12
4.	2001 - 3000	2	0.28	5,300	0.11
5.	3001 - 4000	--	--	--	--
6.	4001 - 5000	2	0.28	8,600	0.18
7.	5001 - 10000	2	0.27	15,400	0.32
8.	10001 - above	66	9.10	47,65,893	97.26
	Total	725	100.00	49,00,000	100.00

(xi) Shareholding Pattern as on 31st March, 2010:

Sl. No.	Category	No. of Equity Shares held	Percentage of holding
A.	Promoters' holding :		
	1. Promoters		
	-- Indian Promoters	30,83,998	62.94
	-- Foreign Promoters	----	----
	2. Persons acting in concert	----	----
	Sub-Total	30,83,998	62.94

B.	Non-Promoters' holding :		
	3. Institutional Investors	----	----
	4. Others :		
	-- Private Corporate Bodies	500	0.01
	-- Indian Public	18,15,502	37.05
	-- Any others	----	----
	Sub-Total	18,16,002	37.06
	GRAND TOTAL	49,00,000	100.00

(xii) **Dematerialization of Equity Shares:**

As on 31st March, 2010, 100% of the Company's total shares representing 49,00,000 equity shares were held in physical form.

(xiii) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and like Impact on Equity:**

NOT APPLICABLE [The Company has not issued any GDRs or ADRs]

(xiv) **Plant Locations:**

180/176, Upen Banerjee Road, Kolkata – 700 060.

(xv) **Address for correspondence:**

Shareholders should address their correspondence to the Secretarial Department of the Company at the following address:-

BENGAL STEEL INDUSTRIES LIMITED
41, Mirza Ghalib Street,
Kolkata – 700 016.
Tel : (033) 30216800/6808
Fax No: (033) 30216863
E-mail ID : kkg@hul.net.in

The above report has been placed before the Board at its Meeting held on 31st May, 2010 and the same was approved.

PLACE: KOLKATA

DATE: 31ST MAY, 2010


DIRECTORS

DECLARATION BY THE DIRECTOR ON THE CODE OF CONDUCT

A Declaration signed by the Director of the Company is given below:-

I hereby confirm that the Company has obtained from all the Members of the Board and the Senior Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management Personnel in respect of the Financial Year 2009-2010.

FOR BENGAL STEEL INDUSTRIES LIMITED

PLACE: KOLKATA

DATE: 31ST MAY, 2010



(K.K. BANERJIWALA)
DIRECTOR

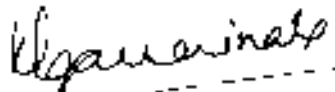
CEO/CEO CERTIFICATION

I, K. K. Ganeriwala, Director certify that:-

- a) I have reviewed the Financial Statements and Cash Flow Statement for the Financial Year ended 31st March, 2010 and to the best of my knowledge and belief.
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of my knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2010 are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements and,
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

PLACE: KOLKATA

DATE: 31ST MAY, 2010



(K. K. GANERIWALA)
DIRECTOR

J. N. BANERJEE & Co.

CHARTERED ACCOUNTANTS

G. BANDYOPADHYAY, F.C.A.
U. B. GHOSH, F.C.A.

PHONES : OFF. : 2248 1114/15
RES. : 2290 4578
" : 2463 7690

5 & 6, PANMALAL BANERJEE LANE
(FORMERLY FANCY LANE)
KOLKATA - 700 001

AUDITORS' CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To

The Members of Bengal Steel Industries Limited

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

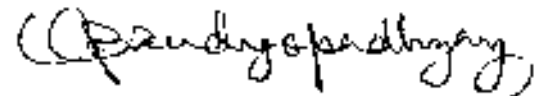
The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to the procedures and the implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression 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, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month as on 31st March, 2010 as per records maintained by the Shareholders/ Investors' Grievance Committee.

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

For J. N. Ban erjee & Co.
Chartered Accountants



(G. BANDYOPADHYAY, F.C.A.)

Partner

Membership No. 050270

PLACE: KOLKATA

DATE: 31ST MAY, 2010

J. N. BANERJEE & Co.

CHARTERED ACCOUNTANTS

G. BANDYOPADHYAY, F.C.A.

U. B. GHOSE F.C.A.

PHONES | OFF 2248 1114/15
OFF 2262 1915
RES 2290 4578
2463 7680

E-mail : jnb_co@rediffmail.com

5 & 6, PANNALAL BANERJEE LANE
(FORMERLY FANCY LANE)
KOLKATA - 700 001

AUDITOR'S REPORT TO THE MEMBERS OF BENGAL STEEL INDUSTRIES LIMITED

We have audited the Balance Sheet of Bengal Steel Industries Limited as at 31st March, 2010, and the Profit & Loss Account for the year ending on that date together with Schedules annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :-

1. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 2. 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 the said books ;
 3. The Balance Sheet and Profit & Loss Account dealt with in this report are in agreement with the Books of Account ;
 4. In our opinion and to the best of our information and explanations given to us, the said accounts together with the Schedules 1 to 14 give the information required by the Companies Act 1956, in the manner so required and also give, subject to:
 - i) Charge of depreciation on the Composite cost of Land & Building, the value of which are not segregated ;
 - ii) Non-recognition of impairment loss, if any, on discontinuation of operation and disposal of fixed assets of Ingot plant in absence of adequate information.
 - iii) Non-provision in diminution in value of investments, the amount of which could not be ascertained in absence of adequate information.
- a true and fair view :
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - b) In the case of the Profit & Loss Account, of the Profits for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. In our opinion, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in subsection (3 C) of Section 211 of the Companies Act, 1956, subject to notes in para 4 above

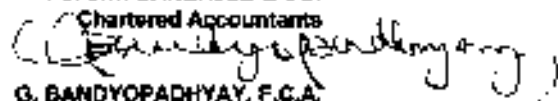
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" 2 "

6. On the basis of written representations received from Directors, and taken on record by the Board of Directors, we report that none of the Directors 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.
7. As required by Companies (Auditors' Report) Order, 2003 issued by the Central Govt. of India under section 227(4-A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company and according to the information and explanations given to us, we report further that
- 1) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. The Fixed Assets do not appear to have been physically verified by the Management during the year under Audit and therefore, the question of discrepancy on physical verification could not be determined. During the year substantial part of fixed assets have been disposed off but this did not effect the going concern.
 - 2) We are informed that physical verification of inventory has been conducted at reasonable intervals by the Management. 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. The Company is maintaining proper records of its inventory and no material discrepancy were noticed on physical verification.
 - 3) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.
 - 4) Transactions that need be entered into register mentioned under section 301 of the Companies Act, 1956, have been so entered and these transactions have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
 - 5) The Company does not have an internal audit system commensurate with its size and nature of its business.
 - 6) The Company is regular in depositing undisputed statutory dues with the appropriate authorities so far as applicable to the affairs of the Company during the year. There are no disputed dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty or Cess.
 - 7) The Company does not have any accumulated loss or Cash loss in the current or immediately preceding financial year.
 - 8) Proper records of transactions and contracts relating to dealing in shares, securities or other investments have been maintained so far as applicable to such transactions and timely entries have been made therein, and the shares, securities, debentures or other securities have been held in the Company's name.
 - 9) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, short term funds have not been used for long term purposes.
 - 10) We have not noticed nor have been reported any fraud on or by the Company during the year under audit.
 - 11) Clauses (iii), (vi), (vii), (x), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) of paragraph 4 of the order are not applicable to the Company for this year.

For J.N. BANERJEE & CO.

Chartered Accountants



G. BANDYOPADHYAY, F.C.A.

Partner

Membership No. 050270

Kolkata - 700 001.

Dated - 31st May, 2010

Bengal Steel Industries Limited

Balance Sheet as at 31st March, 2010

	Schedule	As at		As at	
		31st March, 2010		31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUND :					
SHAREHOLDER'S FUND :					
SHARE CAPITAL	1	49,000,000		49,000,000	
RESERVE & SURPLUS	2	<u>26,419,652</u>	75,419,652	<u>23,125,170</u>	72,125,17
SECURED LOAN	3		64,221		144,28
			76,483,943		72,269,41
II. APPLICATION OF FUND :					
FIXED ASSETS :					
Gross Block	4	25,002,506		25,136,006	
Less: Depreciation		<u>22,375,766</u>	2,828,740	<u>22,134,696</u>	3,001,31
INVESTMENTS :	5		66,660,228		66,768,27
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	6	5,461,885		5,461,885	
Cash & Bank Balances	7	430,504		2,448,866	
Loans & Advances	8	<u>47,000,096</u>		<u>52,067,025</u>	
		52,892,484		59,975,776	
Less: CURRENT LIABILITIES AND PROVISIONS :					
Current Liabilities	9	45,895,510		45,021,901	
Provisions	10	<u>800,000</u>		<u>1,452,006</u>	
		46,695,510		46,473,907	
Net Current Assets			6,186,974		13,501,88
			76,483,943		72,269,46
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS					
	14				

For Bengal Steel Industries Limited

Ramesh Chandra
Company Secretary

Kolkata-700 001

Dated: 31st 3 2010

This is the Balance Sheet referred to in our report of even date For J.N.Banerjee & Co. Chartered Accountants

G. Bandyopadhyay

(G. Bandyopadhyay, F.C.A.)
Partner
Membership No. 250270

Umapati
Agarwal

Bengal Steel Industries Limited

Profit & Loss Account for the year ending 31st March, 2010

	Schedule	Current Year Rs.	Previous Year Rs.
INCOME :			
Sales		1,161,959	-
Other Income	11	7,186,456	4,502,81
		8,348,416	4,602,81
EXPENDITURE :			
Purchases		909,363	-
Operating Expenses	12	2,652,933	2,023,71
Interest	13	8,681	14,86
Depreciation		374,338	648,91
		3,945,236	2,667,35
Profit before Appropriation		4,403,180	1,816,41
Provision for Taxation		800,000	538,01
Short(Excess) Provision for Earlier Years		308,698	305,61
Provision for Fringe Benefit Tax		-	44,01
		3,294,482	927,73
Profit brought Forward		23,125,170	22,197,41
Profit Carried Over to Balance Sheet		28,415,662	23,125,17
Earnings Per Share		0.87	0.1
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	14		

For Bengal Steel Industries Limited

Ranvir Datta
Company Secretary

Kolkata-700 001

Dated: 31 MAY 2010

This is the Profit & Loss Account referred
to in our report of even date
For J.N.Banerjee & Co.
Chartered Accountants

G. Bandyopadhyay

(G. Bandyopadhyay, F.C.A.)
Partner
Membership No. 060270

[Signature]

Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2010

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE : 1 : SHARE CAPITAL		
Authorized :		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000	60,000,000
Issues, Subscribed & Paid-up :		
49,00,000 Equity Shares of Rs. 10/- each (Including 46,510 Equity Shares issued and allotted to Resident Shareholders and Creditors of Orissa Alloy & Steel Casting Co.Ltd. pursuant to the Scheme of Amalgamation of the said Company sanctioned by the Hon'ble High Court at Calcutta by order dated 11th. April, 1978)	49,000,000	49,000,000
	<u>49,000,000</u>	<u>49,000,000</u>
SCHEDULE : 2 : RESERVE & SURPLUS		
Profit & Loss Account	26,419,852	23,125,100
	<u>26,419,852</u>	<u>23,125,100</u>
SCHEDULE : 3 : SECURED LOANS		
From Bank (Secured on hypothecation of Motor Car)	64,291	144,200
	<u>64,291</u>	<u>144,200</u>

Bengal Steel Industries Limited

Schedule Annexed to and forming part of the Balance Sheet as at 31st March, 2010

DEPRECIATION OF ASSETS	Gross Block				Depreciation				Net Block	
	As at 01.04.2008 (Rs.)	Addition (Rs.)	Deduction (Rs.)	As at 31.03.2010 (Rs.)	Upto 31.03.2009 (Rs.)	For the Year (Rs.)	Deduction (Rs.)	Upto 31.03.2010 (Rs.)	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Land	648,582	-	-	549,592	-	-	-	-	549,592	549,592
Land & Building	339,000	-	-	339,000	270,125	3,444	-	273,569	65,431	68,875
Factory Shed	9,562,353	-	-	9,562,353	8,276,811	128,574	-	8,405,385	1,157,168	1,285,742
Plant & Machinery	13,150,980	-	-	13,150,980	12,811,537	47,218	-	12,858,755	292,227	339,443
Computer	133,600	-	133,600	-	133,115	154	133,269	-	-	366
Vehicles	1,153,958	-	-	1,153,958	410,903	192,378	-	603,281	550,677	743,055
Furniture & Fixture	246,623	-	-	246,623	232,406	2,572	-	234,978	11,645	14,217
Total	26,138,008	-	133,600	26,032,608	22,134,697	374,338	133,269	22,376,768	2,638,740	3,001,309
Previous Year	27,738,592	652,206	3,255,092	25,138,006	22,751,288	848,960	1,295,649	22,134,897	3,001,309	

San

Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE : & INVESTMENT	Face Value	As at 31st March, 2010		As at 31st March, 2009	
		Nos.	Value(Rs.)	Nos.	Value(Rs.)
Non-Trade Long Term :					
Quoted (at Cost)					
In Fully Paid Equity Shares :					
Via Media India Ltd.	10	50	500	50	500
Katani Papers Ltd.	10	500	500	500	500
Jyoti Ltd.	10	10100	1,012,700	10100	1,012,700
United Credit Ltd.	10	2311	8,250	2311	8,250
Gran Heal Pharma Ltd.	10	1900	19,000	1900	19,000
Northern Project Ltd.	10	161900	391,617	161900	391,617
Auslosh Enterprises Ltd.	10	160000	412,244	160000	412,244
Neptune Exports Ltd.	10	230000	472,757	230000	472,757
Tap Time Ltd.	10	221000	513,690	221000	513,690
Orient International Ltd.	10	213000	652,699	213000	652,699
Hindusthan Udyog Ltd.	10	999800	2,563,782	999800	2,563,782
Kirkulak Brothers Ltd.	2	4166	264,185	57872	13,608,238
Lumax Industries Ltd.	10	49831	11,274,137	41754	10,544,042
KSEB Pumps Ltd.	10	6180	2,271,321	9499	3,683,089
Indian Hotels Ltd.	10	51417	1,890,848	71417	3,295,158
Nagarjuna Construction Ltd.	2	-	-	30000	1,284,169
TRF Ltd.	10	9,700	5,896,417	-	-
DLF Ltd.	2	4,000	1,176,628	-	-
Larsen & Toubro Ltd.	2	5,500	8,307,389	-	-
Bharat Airtel Ltd.	5	10,000	2,935,885	-	-
ION Exchange Ltd.	10	2,884	371,288	-	-
Titagarh Wagons Ltd.	10	20,000	8,081,538	-	-
Elecon Engineering Ltd.	2	30,000	2,304,655	-	-
Graphite India Ltd.	2	25,000	2,018,842	-	-
Steel Authority of India Ltd.	10	15,000	3,518,192	-	-
Simplex Infrastructures Ltd.	2	6,831	2,990,947	-	-
Reliance Industries Ltd.	10	1,000	971,002	-	-
		(A)	<u>60,337,171</u>	(A)	<u>38,443,216</u>
In Debentures :					
Via Media India Ltd.	10	175	7,000	175	7,000
Unquoted (at Cost)					
In Fully Paid Equity Shares :					
Macnoll Electricals Ltd.	100	9	900	10009	11,000,900
Bengal Coal Co. Ltd.	10	160	33,482	160	33,482
HSM International Private Ltd.	10	2500	25,000	2500	25,000
Neptune Impex Pvt.Ltd.	100	100	10,000	100	10,000
HSM Investments Ltd.	10	2270000	4,540,000	2270000	4,540,000
AKA Washeries India (P) Ltd.	10	2000	20,000	2000	20,000
Revex Enterprises Pvt.Ltd.	10	50000	502,375	50000	502,375
Sagarpriya Distributors Pvt.Ltd.	10	20000	201,000	20000	201,000
Hindusthan Parsons Ltd.	10	400000	811,000	400000	611,000
Huswood Hindusthan (P) Ltd.	10	2000	20,000	2000	20,000
Spains Babcock India Ltd.	10	4930	49,300	4930	49,300
Bengal Central Building Society Ltd.	10	10000	100,000	10000	100,000
In Fully Paid Preference Shares :					
India Financial Journal Pvt. Ltd.	100	30	3,000	30	3,000
		(B)	<u>6,323,057</u>	(B)	<u>17,323,057</u>
		(A + B)	<u>66,660,228</u>	(A + B)	<u>55,766,273</u>

(Market Value of Quoted Investments Rs.7,45,16,321/-
Previous Year Rs.2,93,88,824/-)

Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2010

	As at 31st March, 2010 Rs.	As at 31st March, 09 Rs.
SCHEDULE : 6 : INVENTORIES		
<i>(At lower of cost or net realisable value and as certified)</i>		
Raw Materials at Cost	788,821	788,82
Stores & Spares Parts at Cost	2,161,950	2,161,95
Tools & Implements	2,511,114	2,511,11
	<u>5,461,885</u>	<u>6,461,88</u>
SCHEDULE : 7 : CASH & BANK BALANCE		
Cash Balance on Hand	55,418	415,12
Bank Balance in Scheduled Banks :		
In Current Accounts	372,086	2,027,74
In Deposit Accounts	3,000	3,00
	<u>430,504</u>	<u>2,446,86</u>
SCHEDULE : 8 : LOANS & ADVANCES		
<i>(Unsecured considered good)</i>		
Advances recoverable in cash or in kind or for value to be received		
Sundry Advances	38,761,774	41,097,96
Other Receivables	168,454	410,37
Deposit	1,279,788	659,95
Advance Income Tax	8,789,081	9,888,65
	<u>47,000,096</u>	<u>62,067,05</u>
SCHEDULE : 9 : CURRENT LIABILITIES		
Sundry Advances	41,930,423	40,933,97
Other Liabilities	3,913,991	4,036,87
Land Suspense	51,096	51,06
	<u>45,895,510</u>	<u>45,021,91</u>
SCHEDULE : 10 : PROVISIONS		
For Taxation	800,000	1,411,17
For Fringe Benefit tax	-	40,81
	<u>800,000</u>	<u>1,452,01</u>

Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2010

	As at 31st March, 10 Rs.	As at 31st March, 09 Rs.
SCHEDULE : 11 : OTHER INCOME		
House Rent	3,600	3,600
Factory Rent	4,200,000	2,400,000
Dividend	328,020	393,100
Interest (TDS Rs. 1805/- Previous Year Rs.81,296/-)	18,049	518,791
Profit on Investment (Net)	2,589,115	380,370
Miscellaneous Receipt	47,673	635,230
Profit on Sale of Assets	-	290,750
	<u>7,186,456</u>	<u>4,802,871</u>
SCHEDULE : 12 : OPERATING EXPENSES		
Payment to and Provision for Employees	14,437	
Tea & Tiffin Expenses	87,181	
Handling, Supervision & Other Charges	586,992	208,110
Repairs & Maintenance for others	87,686	1,980
Travelling & Conveyance	751,510	537,960
Vehicle Running Expenses	434,054	211,360
Electric Charges	17,525	26,640
Rent	30,000	30,000
Telephone Charges	36,283	25,300
Insurance	19,918	6,490
Legal Expenses	245,220	662,560
Sales Tax	22,784	
Rates & Taxes	134,539	6,100
Discarded Assets Written Off	231	-
Payment to Auditors :		
For Audit Fees	21,000	21,000
For Tax Audit Fees	4,000	4,000
In Other Capacity	9,500	22,600
Directors Fees	12,000	18,000
Miscellaneous Expenses	167,972	240,860
	<u>2,652,833</u>	<u>2,023,710</u>
SCHEDULE : 13 : INTEREST		
To Bank	8,581	148
	<u>8,581</u>	<u>148</u>

BENGAL STEEL INDUSTRIES LIMITED

Schedule 14: Significant Accounting Policies & Notes on Accounts for the Year ended 31st March, 2010

A. SIGNIFICANT ACCOUNTING POLICIES

1. **FIXED ASSETS** Fixed Assets are stated at cost of acquisition including related expenses of transportation or installation and interest on loans utilised for acquisition of assets till such assets are used for production but excluding credit available for excise duty paid on such acquisition.
2. **INVESTMENTS** Investments are stated at cost.
3. **INVENTORIES** Raw materials, Stores & Spare Parts, Tools & Implements are valued at lower of cost or net realisable value.
4. **REVENUE RECOGNITION** Rent receivable from occupants against whom ejection suits are pending in court has not been accounted for.
All other revenues are recognised on accrual basis.
5. **DEPRECIATION** Depreciation on all items of depreciable assets has been charged on diminishing balance method at rates as prescribed in Schedule XIV to the Companies Act, 1956. Land & Building include value of Land on which depreciation has been charged and the value of such land could not be segregated.
6. **BASIS OF ACCOUNTING** The accounts are prepared on historical cost convention and on generally accepted accounting practices.

B. Notes on Accounts

- | | Current Year | | Previous Year | |
|---|--------------|-------------|---------------|-------------|
| | Qty (MT) | Value (Rs.) | Qty (MT) | Value (Rs.) |
| 1 Break up of Sales
Iron & Steel Products | 29,770 | 1,161,959 | - | - |
| 2 Break up of Purchase
Iron & Steel Products | 29,770 | 909,923 | - | - |
- 3 Liability for payment of gratuity is not required to be made since the provisions of Payment of Gratuity Act does not apply to this Company.
 - 4 Apart from Liabilities for Expenses, there are no other Creditors of the Company as on 31.03.2010 and there are no dues to any small scale industrial undertaking or unit under Micro, Small and Medium Enterprises Development Act as on that date.
 - 5 Land, Factory Shed, Machineries and all Fixed Assets situated in Behala Factory remain comprehensively charged in pari-passu with West Bengal Industrial Development Corpn. Ltd. and West Bengal Financial Corpn. with second charge in favour of United Bank of India.
 - 6 **Segment Reporting :**

The operating activities of the company during the year comprised of trading activities and earning of rent, interest, dividend and all transactions were within India. These activities are carried on by the same organisational structure and entire activities are located in India.

BENGAL STEEL INDUSTRIES LIMITED

Schedule 14: Significant Accounting Policies & Notes on Accounts for the Year ended 31st March, 2010

7 Related Party Disclosure :

Associate Company : WPII Ltd.

Key Managerial Personnel

(Directors & their relatives)

V. N. Agarwal Director

Prakash Agarwal Director

G. K. Agarwal Director

K. K. Ganeriwala Director

Transactions with Associate Company & Key managerial Personnel :

Transaction	Associate Company		Key Managerial Personnel	
	2009-2010	2008-2009	2009-2010	2008-2009
	Rs.	Rs.	Rs.	Rs.
i Sales of Assets	-	2,371,512	-	-
ii Rent Receipts	4,200,000	2,400,000	-	-
iii Sale of Goods	1,161,959	-	-	-
iv Purchase of Goods	75,745	-	-	-
v Meeting Attendance Fees	-	-	12,000	18,000
8 Earning Per Share :		<u>Current yr.</u>		<u>Previous yr.</u>
Profit after Taxation	: Rs	3,264,482	: Rs	9,27,732
Weighted average number of equity Share outstanding	:	4,900,000	:	4,900,000
Basic & Diluted earnings per share (Face Value Rs.10/-)	: Rs	0.67	: Rs	0.19

9 Deferred Tax Liability :

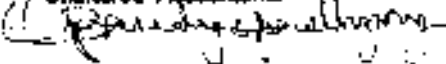
There are no material amounts of revenue or expenditure for which tax effect of the current year is reversible in future years. Consequently, accounting for deferred tax asset or liability is not applicable.

10 Previous year's figures have been regrouped / recast, wherever necessary.

Dated : 31st March 2010
Kolkata - 700 001.

Signature to Schedules 1 to 14
For J. N. Banerjee & Co.

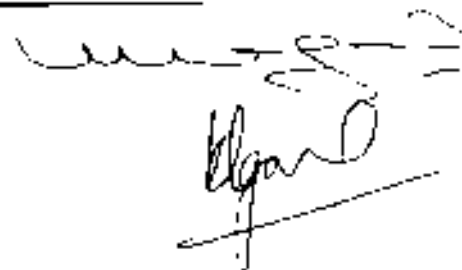
Chartered Accountants



G. BANDYOPADHYAY, F. C. A.

Partner

Membership No.850270



For Bengal Steel Industries Limited


Company Secretary

BENGAL STEEL INDUSTRIES LIMITED

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I. Registration Details

Registration No. : 16087 State Code : 21
Balance Sheet Date : 31.03.2010

II. Capital Raised during the year (Amount in Rs. '000)

Public Issue : NIL Right Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III. Position of Mobilisation and Distribution of Funds (Amount in Rs. '000)

Total Liabilities	:	75,484	Total Assets	75,484
Sources of Funds :-			Application of Funds :-	
Paid-up Capital	:	49,000	Net Fixed Assets	2,627
Reserve and Surplus	:	26,420	Investments	66,680
Secured Loans	:	64	Net Current Assets	6,197
Unsecured Loans	:	NIL	Misc. Expenditure	: NIL
			Accumulated Loss	: NIL

IV. Performance of the Company (Amount in Rs. '000)

Turnover : 8,348
(Including Other Income)
Total Expenditure : 3,945
Profit / (Loss) before Tax : 4,403
Profit / (Loss) after Tax : 3,294
Earning per Share in Rs. : 0.67
Dividend Rate : NIL

V. Generic names of three principal products / services of Company (As per Monetary terms)

Item Code No. (ITC Code)	Product Description
7326	Iron & Steel Products

For Bengal Steel Industries Limited


Company Secretary



**Bengal Steel Industries Limited.
CASH FLOW STATEMENT**

	(Rs. In Lacs)	
	Current Year 2009-2010	Previous Year 2008-2009
A. CASH FLOW FROM OPERATING ACTIVITIES :-		
Net Profit before Tax & Extraordinary items	44.03	18.15
Adjustments for :-		
1. Depreciation	3.74	5.48
2. Investment Profits	(25.89)	(3.60)
3. Interest & Dividends etc.	(3.46)	(9.13)
4. Profit(Loss) of Sale of Assets	-	(2.91)
5. Tax Payments	(6.51)	(6.44)
6. Prior Period Adjustments	-	-
Operating Profit(Loss) before Working Capital changes	11.91	2.56
Adjustments for :-		
1. Trade and Other Receivables	39.57	117.42
2. Inventories	-	-
3. Trade Payables	8.74	6.55
Net Cash Generated from Operations (A)	60.22	125.53
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Sale of Fixed Assets	-	22.80
Purchase of Fixed Assets	-	(6.52)
Disposal of Investments	309.93	100.35
Purchase of Investments	(392.98)	(238.21)
Investment Profits	-	-
Dividend & Interest (Net)	3.48	9.13
Profit(Loss) on Sale of Assets	-	-
Net Cash flow from Investing Activities (B)	(79.58)	(110.45)
C. CASH FLOW FROM FINANCING ACTIVITIES :-		
Proceeds from Long Term Borrowings :-		
Secured Loan	(0.80)	(0.74)
Unsecured Loan	-	-
Net Cash flow from Financing Activities (C)	(0.80)	(0.74)
Net Increase in Cash and Cash equivalents (A+B+C)	(20.17)	14.34
Cash and Cash equivalents as at 01.04.2009	24.47	10.13
Cash and Cash equivalents as at 01.04.2010	4.30	24.47

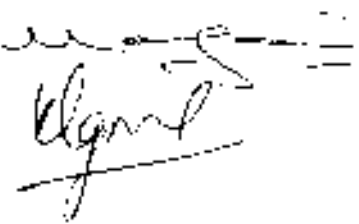
For Bengal Steel Industries Limited


Company Secretary

Kolkata - 700 001
Dated :

As per our report of even date
For J. N. Banerjee & Co.
Chartered Accountants


(G. Bandyopadhyay, F.C.A)
Partner
Membership No. 650270



J. N. BANERJEE & Co.

CHARTERED ACCOUNTANTS

G. BANDYOPADHYAY, F.C.A.
U. B. GHOSK, F.C.A.

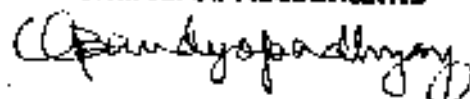
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5 & 8, PANNALAL BANERJEE LANE
(FORMERLY FANCY LANE)
KOLKATA 700 001

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of **BENGAL STEEL INDUSTRIES LIMITED** for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 31st May, 2010 to the members of the Company.

For J. N. Bannerjee & Co.
Chartered Accountants



(G. BANDYOPADHYAY, F.C.A.)

Partner

Membership No. 050270

Place: Kolkata

Date: 31st May, 2010