

# BENGAL STEEL INDUSTRIES LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 64<sup>th</sup> Annual Report together with the Audited Accounts of the company for the Financial year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS**

	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Profit before Interest & Depreciation	2,523,979	4,786,099
Less: Interest	2,138	8,581
Depreciation	304,315	374,338
<b>Net Profit before Tax</b>	<b>2,217,526</b>	<b>4,403,180</b>
Less: Provision for Taxation	405,000	800,000
Short Provision of Tax for earlier year	(9,356)	308,698
<b>Net Profit after Tax</b>	<b>1,821,882</b>	<b>3,294,482</b>
Add: Balance Brought forward	26,419,652	23,125,170
<b>Balance carried forward to Balance Sheet</b>	<b>28,241,534</b>	<b>26,419,652</b>

### **COMPANY PERFORMANCE:**

In the light of challenging business conditions, the working results of your Company during Financial year ended on 31<sup>st</sup> March, 2011 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 the business of 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 2010-11 along with the Auditor's Certificate on its Compliance in Annexure "A".

#### **DIRECTORS:**

Shri K. K. Ganeriwala, 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 31<sup>st</sup> March, 2011, 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;
- iv) That the Directors had prepared the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2011 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.

#### **PUBLIC DEPOSITS:**

The provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder in respect of acceptance of deposits are not applicable to your Company.

#### **PARTICULARS OF EMPLOYEES:**

Disclosures in terms of sub-section (2A) of section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to your Company.

#### **INFORMATION AS TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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 in respect of Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo are not applicable during the year under review.

**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 2010-11 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:**

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**



**DIRECTORS**

**PLACE: Kolkata**

**DATE: 30<sup>th</sup> May, 2011**

## **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 31<sup>st</sup> March 2011, 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 31.03.2011 are as follows:-

Sf. 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
	<b>TOTAL</b>	<b>4</b>	<b>100.00</b>

The further details relating to Composition of the Board as on 31.03.2011 are as follows:-

Sf. 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 31<sup>st</sup> MARCH 2011**

- (i) During the Financial Year 2010-11 Five Board Meetings were held on:-  
3<sup>rd</sup> May, 2010, 31<sup>st</sup> May, 2010, 11<sup>th</sup> August, 2010, 30<sup>th</sup> October, 2010, 19<sup>th</sup> January, 2011.
- (ii) Details of Attendance record of the Directors at the Board Meetings and the last Annual General Meeting are as follows:-

<b>Name of Board Members</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at the last AGM held on 30<sup>th</sup> July, 2010</b>
Shri V. N. Agarwal	5	Yes
Shri Prakash Agarwal	5	Yes
Shri K. K. Ganeriwala	5	Yes
Shri G. K. Agarwal	5	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 31<sup>st</sup> March, 2011 are furnished below:-

Name of the Director	No. of meetings attended	Chairman/ Member	Category
Shri. V. N. Agarwal	4	Member	Non Executive & Promoter
Shri. K. K. Ganeriwala	4	Chairman	Non Executive & Independent
Shri. G. K. Agarwal	4	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, Company Secretary acts as the Compliance Officer of the Company.

During the year ended 31<sup>st</sup> March 2011, no complaints/queries were received and accordingly no reply was pending as on 31<sup>st</sup> March, 2011. There were no transfer of shares pending for registration as on 31<sup>st</sup> March 2011 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 31<sup>st</sup> March 2011 were as follows:-

Name of the Director	Sitting Fees paid
Shri V. N. Agarwal	Rs. 2,500/-
Shri Prakash Agarwal	Rs. 2,500/-
Shri K. K. Ganeriwala	Rs. 2,500/-
Shri G. K. Agarwal	Rs. 2,500/-

## 11) GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2009-2010	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016	30 <sup>th</sup> July, 2010	10.00 a.m.
2008-2009	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016	29 <sup>th</sup> July, 2009	4.00 p.m.
2007-2008	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016	29 <sup>th</sup> August, 2008	11.00 a.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 31.03.2011 are given herein under:

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
<b>I. Board of Directors</b>	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
<b>II. Audit Committee</b>	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	
<b>III. Subsidiary Companies</b>	Clause 49 (III)	N.A.	The Company does not have any Subsidiary Company.
<b>IV. Disclosures</b>	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	
<b>V. CEO/ CFO Certification</b>	Clause 49 (V)	Yes	The Certificate as required has been provided to the Board for the year ended 31 <sup>st</sup> March, 2011.
<b>VI. Report on Corporate Governance</b>	Clause 49 (VI)	Yes	Report on Corporate Governance forms part of the Annual Report.
<b>VII. Compliance</b>	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 forty five days from the end of the relevant Quarter (except the last quarter) and are published in The Financial Express (English) and the Dalnik Statesmen (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, interalia 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	16 <sup>th</sup> September, 2011
C.	Time	11.00 a.m.
D.	Venue	Registered Office at: "Trinity Plaza", 3 <sup>rd</sup> Floor, 84/1A, Topsia Road (South), Kolkata-700046.

##### (iii) **Calendar for Financial Results for the Financial Year 2011-2012:**

Sl. No.	Particulars	Remarks
A.	1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June, 2011	Before 14 <sup>th</sup> August, 2011
B.	2 <sup>nd</sup> Quarter and Half-year ending 30 <sup>th</sup> September, 2011	Before 14 <sup>th</sup> November, 2011
C.	3 <sup>rd</sup> Quarter ending 31 <sup>st</sup> December, 2011	Before 14 <sup>th</sup> February, 2012
D.	4 <sup>th</sup> Quarter and Annual Results for the year ending 31 <sup>st</sup> March, 2012	Before 30 <sup>th</sup> May, 2012

- (iv) **Dates of Book Closure:** 9<sup>th</sup> September, 2011 to 16<sup>th</sup> September, 2011  
(Both days inclusive for the purpose of AGM)
- (v) **Dividend payment date:** Not applicable since no dividend has been recommended for the year ended 31<sup>st</sup> March, 2011.

(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: 012156
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 2011-2012 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 31<sup>st</sup> March, 2011.

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

M/s Link Intime India Private Limited is the Registrar and Share Transfer Agents (RTA) of the Company with effect from 1<sup>st</sup> November, 2010.

Shareholders may address all their correspondences/queries relating to Dematerialization of Shares, transfer/transmission of physical securities, change of address, or any other query relating to the Shares of the Company to them at the below mentioned Address:-

**LINK INTIME INDIA PVT. LTD.**  
59C, Chowringhee Road, 3<sup>rd</sup> Floor,  
Kolkata - 700 020.  
Tel : (033) 22890540  
Fax No: (033) 22890539  
E-mail ID : kalyan.chakrabarty@linkintime.co.in  
Contact Person: Mr. Kalyan Chakrabarty

(ix) **Share Transfer System:**

All work relating to transfer of Physical Shares are processed by the Company's RTA at their above mentioned Address.

The same 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 31<sup>st</sup> March, 2011 is given below:

Sl. No.	No. of Equity Shares held	No. of Holders	% of total holders	No. of Shares	% of total Shareholding
1.	1 - 500	634	88.18	87,337	1.78
2.	501 - 1000	14	1.95	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	0.28	15,400	0.32
8.	10001 - above	60	8.34	47,65,893	97.26
	<b>Total</b>	<b>719</b>	<b>100.00</b>	<b>49,00,000</b>	<b>100.00</b>

(xi) **Shareholding Pattern as on 31<sup>st</sup> March, 2011:**

Sl. No.	Category	No. of Equity Shares held	% of Shareholding
<b>A.</b>	<b>Promoters' holding :</b>		
	<b>1. Promoters</b>		
	-- Indian Promoters	30,83,998	62.94
	-- Foreign Promoters	----	----
	<b>2. Persons acting in concert</b>	----	----
	<b>Sub-Total</b>	<b>30,83,998</b>	<b>62.94</b>
<b>B.</b>	<b>Non-Promoters' holding :</b>		
	<b>3. Institutional Investors</b>	----	----
	<b>4. Others :</b>		
	-- Private Corporate Bodies	500	0.01
	-- Indian Public	18,15,502	37.05
	-- Any others	----	----
	<b>Sub-Total</b>	<b>18,16,002</b>	<b>37.06</b>
	<b>GRAND TOTAL</b>	<b>49,00,000</b>	<b>100.00</b>

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

As on 31<sup>st</sup> March, 2011, 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 Company' RTA at their above mentioned Address or to the Secretarial Department of the Company at the following address: -

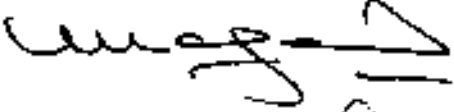

**BENGAL STEEL INDUSTRIES LIMITED**

"Trinity Plaza", 3<sup>rd</sup> Floor,  
84/1A, Topsia Road (South),  
Kolkata-700046  
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 30th May, 2011 and the same was approved.

**PLACE: Kolkata**

**DATE: 30<sup>th</sup> May, 2011**

  
  
**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 2010-2011.

**PLACE: Kolkata**

**DATE: 30<sup>th</sup> May, 2011**

**FOR BENGAL STEEL INDUSTRIES LIMITED**

  
**(K. K. GANERIWALA)**  
**DIRECTOR**

**CEO/CFQ CERTIFICATION**

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

- a) I have reviewed the Financial Statements and Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March, 2011 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 31<sup>st</sup> March, 2011 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: 30<sup>th</sup> May, 2011**

  
**(K. K. GANERIWALA)**  
**DIRECTOR**

# **J. N. BANERJEE & Co.**

**CHARTERED ACCOUNTANTS**

**G. BANDYOPADHYAY, F.C.A.  
U.B. GHOSE, F.C.A.**

PHONES | OFF 2248 1114/15  
| OFF 2282 1915  
| RES 2290 4678  
| 2483 7890

E-mail : jnb\_co@rediffmail.com  
5 & 6, PANNALAL 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 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

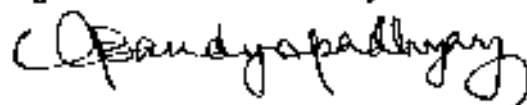
The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to the procedures and the implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression 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 31<sup>st</sup> March, 2011 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. Bannerjee & Co.  
Chartered Accountants  
(Registration No. 302063E)**



**(G. BANDYOPADHYAY, F.C.A.)  
Partner  
Membership No. 050270**

**Place: Kolkata**

**Date: 30<sup>th</sup> May, 2011**

# 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 7890

E-mail : jnb\_co@rediffmail.com  
5 & B, 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, 2011, 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 statement 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 2011.
  - 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.

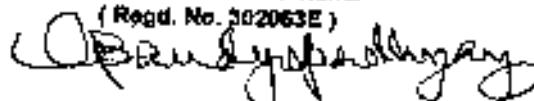
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6. On the basis of written representations received from Directors, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) 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 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 not 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 thereon, 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), (xvi), (xviii), (xix), (xx) of paragraph 4 of the order are not applicable to the Company for this year.

For J.N. BANERJEE & CO.  
Chartered Accountants  
( Regd. No. 302063E )



G. BANDYOPADHYAY, F.C.A.  
Partner  
Membership No. 060270

Kolkata - 700 001

Dated - 30 MAY 2011

# Bengal Steel Industries Limited

Balance Sheet as at 31st March, 2011

	Schedule	As at		As at	
		31st March, 2011		31st March, 2010	
		Rs	Rs	Rs	Rs.
<b>I. SOURCES OF FUND :</b>					
<b>SHAREHOLDER'S FUND</b>					
SHARE CAPITAL	1	49,000,000		49,000,000	
RESERVE & SURPLUS	2	28,241,534	77,241,534	26,419,652	75,419,652
SECURED LOAN	3				64,291
			<b>77,241,534</b>		<b>75,483,943</b>
<b>II. APPLICATION OF FUND :</b>					
<b>FIXED ASSETS :</b>					
Gross Block	4	25,002,506		25,002,506	
Less: Depreciation		22,680,081	2,322,425	22,375,766	2,626,740
INVESTMENTS :	5		46,247,751		66,860,228
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	6	5,461,885		5,461,885	
Cash & Bank Balances	7	20,335,166		430,505	
Loans & Advances	8	59,114,625		47,000,096	
		84,911,675		52,892,485	
<b>Less: CURRENT LIABILITIES AND PROVISIONS :</b>					
Current Liabilities	9	54,835,317		45,895,510	
Provisions	10	405,000		800,000	
		55,240,317		46,695,510	
<b>Net Current Assets</b>			29,671,356		8,196,975
			<b>77,241,534</b>		<b>75,483,943</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>					
	14				

Bengal Steel Industries Limited  
*Ramesh Chandra*  
 Company Secretary

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.050270

*Uganda*  
*Uganda*

Kolkata-700 001

Dated **30 MAY 2011**

# Bengal Steel Industries Limited

Profit & Loss Account for the year ending 31st March, 2011

	Schedule	Current Year Rs.	Previous Year Rs.
<b>INCOME :</b>			
Sales		-	1,161,956
Other Income	11	6,524,783	7,186,456
		<b>6,524,783</b>	<b>8,348,415</b>
<b>EXPENDITURE :</b>			
Purchases		-	909,383
Operating Expenses	12	3,000,805	2,652,933
Interest	13	2,138	8,581
Depreciation		304,315	374,338
		<b>3,307,258</b>	<b>3,945,236</b>
<b>Profit before Appropriation</b>		<b>2,217,526</b>	<b>4,403,180</b>
Provision for Taxation		405,000	800,000
Short/(Excess) Provision for Earlier Years		(9,356)	308,608
Profit brought Forward		1,821,882	3,294,482
		26,419,652	29,125,170
<b>Profit Carried Over to Balance Sheet</b>		<b>28,241,634</b>	<b>28,419,652</b>
Earnings Per Share		0.37	0.87

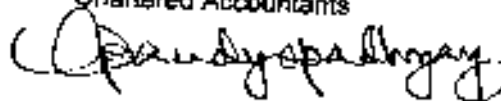
SIGNIFICANT ACCOUNTING POLICIES  
& NOTES ON ACCOUNTS

14

For Bengal Steel Industries Limited

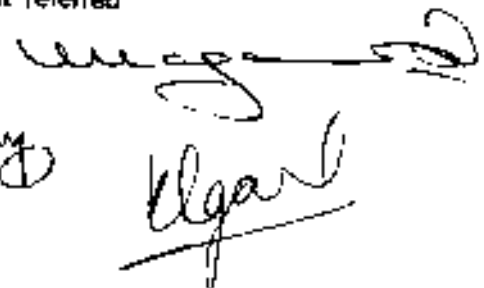
  
Company Secretary

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



(G.Bandyopadhyay, F.C.A.)  
Partner

Membership No.050270



Kolkata-700 001

Dated : 0 MAY 2011

# Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2011

	As at 31st March, 11 Rs	As at 31st March, 10 Rs.
<b>SCHEDULE : 1 : SHARE CAPITAL</b>		
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 alloted 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>
<b>SCHEDULE : 2 : RESERVE &amp; SURPLUS</b>		
Profit & Loss Account	28,241,534	26,419,652
	<u>28,241,534</u>	<u>26,419,652</u>
<b>SCHEDULE : 3 : SECURED LOANS</b>		
From Bank (Secured on hypothecation of Motor Car)	-	64,291
	<u>-</u>	<u>64,291</u>





## Bengal Steel Industries Limited

Schedule Annexed to and forming part of the Balance Sheet as at 31st March, 2011

DEPRECIATION OF ASSETS	Gross Block			Depreciation			Net Block			
	As at 01.04.2010 (Rs.)	Addition (Rs.)	Deduction (Rs.)	As at 31.03.2011 (Rs.)	Upto 31.03.2010 (Rs.)	For the Year (Rs.)	Deduction (Rs.)	Upto 31.03.2011 (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
Land	549,592	-	-	549,592	-	-	-	-	549,592	549,592
Land & Building	339,000	-	-	339,000	273,569	3,272	-	276,841	62,159	85,431
Factory Shed	9,562,353	-	-	9,562,353	8,405,185	115,717	-	8,520,902	1,041,451	1,157,168
Plant & Machinery	13,150,980	-	-	13,150,980	12,858,753	40,849	-	12,899,402	251,578	292,227
Vehicles	1,153,958	-	-	1,153,958	603,261	142,570	-	745,831	408,107	550,677
Furniture & Fixture	246,623	-	-	246,623	234,978	2,108	-	237,086	9,537	11,645
<b>Total</b>	<b>25,002,506</b>	-	-	<b>25,002,506</b>	<b>22,375,788</b>	<b>304,315</b>	-	<b>22,680,081</b>	<b>2,322,426</b>	<b>2,626,740</b>
Previous Year	25,136,006	-	133,500	25,002,506	22,134,697	374,338	133,269	22,375,766	3,626,740	



# Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE : 6 : INVESTMENT	Face Value	As at		As at	
		31st March, 2011	31st March, 2010	31st March, 2011	31st March, 2010
Non-Trade Long Term		Nos.	Value(Rs.)	Nos.	Value(Rs.)
Quoted (at Cost)					
In Fully Paid Equity Shares					
Via Media India Ltd.	10	50	500	50	500
Kabini Papers Ltd	10	500	500	500	600
Jyoti Ltd.	10	10,000	805,128	10,100	1,012,700
United Credit Ltd.	10	2,311	8,250	2,311	8,250
Gran Heal Pharma Ltd.	10	1,900	19,000	1,900	19,000
Norham Project Ltd.	10	181,900	391,617	181,900	391,617
Asulosh Enterprises Ltd	10	158,000	412,244	158,000	412,244
Neptune Exports Ltd.	10	230,000	472,757	230,000	472,757
Tea Time Ltd.	10	221,000	513,690	221,000	513,690
Orient International Ltd.	10	213,000	652,599	213,000	652,599
Hindusthan Udyog Ltd	10	599,600	2,563,782	599,600	2,563,782
Kirloskar Brothers Ltd.	2	3,147	213,139	4,198	284,165
Lumax Industries Ltd.	10	30,260	4,534,093	49,831	11,274,137
KSB Pumps Ltd.	10	180	63,141	6,180	2,271,321
Indian Hotels Ltd.	10	51,417	1,890,846	51,417	1,890,846
TRF Ltd	10	12,037	7,812,994	9,700	6,896,417
DLF Ltd.	2	-	-	4,000	1,176,628
Larsen & Toubro Ltd.	2	500	713,308	5,500	8,307,389
Bharti Airtel Ltd.	5	-	-	10,000	2,935,865
ICN Exchange Ltd.	10	50,319	8,138,816	2,884	371,268
Titagarh Wagons Ltd.	10	-	-	20,000	8,081,839
Elecon Engineering Ltd.	2	97,818	7,630,403	30,000	2,304,655
Graphite India Ltd.	2	25,000	2,016,842	25,000	2,016,842
Steel Authority of India Ltd.	10	-	-	16,000	3,516,192
Simplex Infrastructures Ltd.	2	-	-	6,891	2,990,947
Reliance Industries Ltd.	10	-	-	1,000	971,002
Kirloskar Brothers Investment Ltd.	10	209	71,046	-	-
		(A)	<u>38,924,594</u>	(A)	<u>60,337,170</u>
In Debentures :					
Via Media India Ltd.	10	175	7,000	175	7,000
Unquoted (at Cost)					
In Fully Paid Equity Shares :					
Macneill Electricals Ltd	100	9	900	9	900
Bengal Coal Co.Ltd.	10	180	33,482	180	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
Revax 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	811,000
Hurwood Hindusthan (P) Ltd.	10	2000	20,000	2000	20,000
Spaans 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>6,323,057</u>
		(A + B)	<u>45,247,751</u>	(A + B)	<u>66,660,227</u>

(Market Value of Quoted Investments Rs.5,33,54,847/-  
Previous Year Rs.7,45,16,321/-)

# Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2011

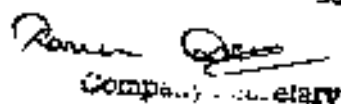
	As at 31st March, 11 Rs.	As at 31st March, 10 Rs.
<b>SCHEDULE : 6 : INVENTORIES</b>		
(At lower of cost or net realisable value and as certified)		
Raw Materials at Cost	788,821	788,821
Stores & Spares Parts at Cost	2,161,950	2,161,950
Tools & Implements	2,511,114	2,511,114
	<u>5,461,885</u>	<u>5,461,885</u>
<b>SCHEDULE : 7 : CASH &amp; BANK BALANCE</b>		
Cash Balance on Hand	279,950	55,411
Bank Balance in Scheduled Banks :		
In Current Accounts	20,052,218	372,084
In Deposit Accounts	3,000	3,000
	<u>20,335,168</u>	<u>430,505</u>
<b>SCHEDULE : 8 : LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received		
Sundry Advances	37,210,663	36,761,774
Other Receivable	11,848,828	169,454
Deposit	1,393,477	1,279,786
Advance Income Tax	8,661,658	8,789,081
	<u>59,114,626</u>	<u>47,000,095</u>
<b>SCHEDULE : 9 : CURRENT LIABILITIES</b>		
Sundry Advances	50,708,565	41,930,423
Other Liabilities	4,075,656	3,913,991
Land Suspense	51,096	51,096
	<u>54,835,317</u>	<u>45,895,510</u>
<b>SCHEDULE : 10 : PROVISIONS</b>		
For Taxation	405,000	800,000
	<u>405,000</u>	<u>800,000</u>



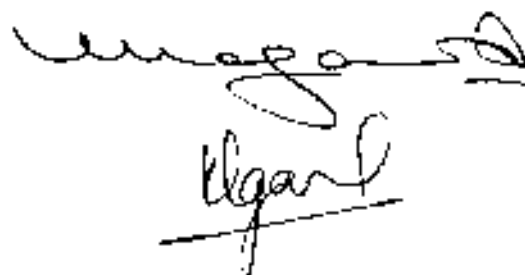
# Bengal Steel Industries Limited

Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2011

	As at 31st March, 11 Rs.	As at 31st March, 10 Rs.
<b>SCHEDULE : 11 : OTHER INCOME</b>		
House Rent	3,600	3,600
Factory Rent	4,800,000	4,200,000
Dividend	702,160	328,020
Interest (TDS Rs. 1902/- Previous Year Rs. 1805/-)	19,024	18,049
Profit on Investment (Net)	-	2,589,115
Miscellaneous Receipt	-	47,673
	<u>5,524,783</u>	<u>7,186,458</u>
<b>SCHEDULE : 12 : OPERATING EXPENSES</b>		
Payment to and Provision for Employees	196,404	14,437
Tee & Tiffin Expenses	154,598	87,181
Handling, Supervision & Other Charges	462,581	566,992
Travelling & Conveyance	878,636	761,610
Vehicle Running Expenses	620,967	434,064
Electric Charges	19,823	17,525
Rent	30,000	30,000
Telephone Charges	36,159	36,283
Insurance	17,075	19,918
Legal Expenses	11,700	245,220
Sales Tax	-	22,784
Rates & Taxes	134,268	134,539
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	10,500	9,500
Directors Fees	10,000	34,500
Miscellaneous Expenses	253,850	12,000
Loss on Sale of Investments (Net)	139,245	235,658
	<u>3,000,805</u>	<u>2,662,933</u>
<b>SCHEDULE : 13 : INTEREST</b>		
To Bank	2,138	8,581
	<u>2,138</u>	<u>8,581</u>

13d  
  
 Company Secretary





**BENGAL STEEL INDUSTRIES LIMITED**

**Schedule 14 Significant Accounting Policies & Notes on Accounts for the Year ended 31st March, 2011**

**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 occupiers 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. Sales Iron & Steel Products	-	-	29,770	1,161,958
2. Purchases Iron & Steel Products	-	-	29,770	808,923

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 31.03.2011 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 perpetuum 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 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.

**7. Related Party Disclosure .**  
Associate Company: WPIL Ltd  
Key Managerial Personnel  
(Directors & their relatives)

V. N. Agarwal	Director
Prakash Agarwal	Director
G. K. Agarwal	Director
K. K. Ganeriwala	Director

**BENGAL STEEL INDUSTRIES LIMITED**

Schedule 14. Significant Accounting Policies & Notes on Accounts for the Year ended 31st March, 2011

Transaction	Associate Company		Key Managerial Personnel	
	2010-2011	2009-2010	2010-2011	2009-2010
	Rs	Rs.	Rs	Rs
i Sales of Goods	-	1,161,959	-	-
ii Purchase of Goods	-	78,745	-	-
iii Rent Receipts	4,800,000	4,200,000	-	-
iv Meeting Attendance Fees	-	-	10,000	12,000
<b>8 Earning Per Share</b>				
Profit after Taxation	Rs	1,821,882	Rs	3,284,482
Weighted average number of equity Share outstanding		4,800,000		4,900,000
Basic & Diluted earnings per share (Face Value Rs 10/-)	Rs	0.37	Rs	0.67

**9 Deferred Tax Accounting**

Deferred Tax asset arising from unpaid expenditure incurred during the year but has not been accounted for as in absence of virtual certainty of earning profit in future.

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

Dated **30 MAY 2011**  
Kolkata - 700 001

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

*G. Bandyopadhyay*  
G. BANDYOPADHYAY, F. C. A.  
Partner  
Membership No. 060270

*Uganda*  
*Uganda*

For Bengal Steel Industries Limited  
*Romen Das*  
Secretary

**BENGAL STEEL INDUSTRIES LIMITED**  
 INFORMATION PERTAINING TO PART B OF SECTION 11 OF THE COMPANIES ACT 1956  
BALANCE SHEET, ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details			
Registration No	15087	State Code	. 21
Balance Sheet Date	31.03.2011		
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	77,241	Total Assets	77,241
Sources of Funds :-		Application of Funds :-	
Paid-up Capital	49,000	Net Fixed Assets	2,322
Reserve and Surplus	: 28,241	Investments	45,248
Secured Loans		- Net Current Assets	29,671
Unsecured Loans	NIL	Misc. Expenditure	: NIL
		Accumulated Loss	: NIL
IV Performance of the Company (Amount in Rs. '000)			
Turnover (Including Other Income)	6,525		
Total Expenditure	: 3,307		
Profit / (Loss) before Tax	: 2,218		
Profit / (Loss) after Tax	1,822		
Earning per Share in Rs	0.37		
Dividend Rate	NIL		

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

Item Code No (ITC Code)	Product Description
722410	Iron & Alloy Steel Ingot
720810.09	Mild Steel Ingot
Not Mentioned	Transportation & Other Services

For Bengal Steel Industries Limited


*Ram Dass*  
 Company Secretary

*M. S. Ghosh*  
*U. Ghosh*

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

	(Rs. In Lacs)	
	Current Year 2010-2011	Previous Year 2009-2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :-</b>		
Net Profit before Tax & Extraordinary items	22.18	44.03
Adjustments for :-		
1. Depreciation	3.04	3.74
2. Investment Profits	1.39	(25.89)
3. Interest & Dividends etc.	(7.21)	(3.48)
4. Profit/(Loss) of Sale of Assets	-	-
5. Tax Payments	(6.83)	(6.51)
6. Prior Period Adjustments	-	-
Operating Profit/(Loss) before Working Capital changes	12.77	11.91
Adjustments for :-		
1. Trade and Other Receivables	(122.42)	38.57
2. Inventories	-	-
3. Trade Payables	89.40	8.74
Net Cash Generated from Operations (A)	(20.25)	60.22
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Disposal of Investments	382.83	309.93
Purchase of Investments	(150.10)	(392.98)
Dividend & Interest (Net)	7.21	3.46
Profit/(Loss) on Sale of Assets	-	-
Net Cash flow from Investing Activities (B)	219.94	(79.59)
<b>G. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
Proceeds from Long Term Borrowings :-		
Secured Loan	(0.64)	(0.80)
Unsecured Loan	-	-
Net Cash flow from Financing Activities (C)	(0.64)	(0.80)
Net Increase in Cash and Cash equivalents (A+B+C)	199.05	(20.17)
Cash and Cash equivalents as at 01.04.2010	4.30	24.47
Cash and Cash equivalents as at 01.04.2011	203.35	4.30



For Bengal Steel Industries Limited

  
Company Secretary

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



(G. Bandyopadhyay, F.C.A)  
Partner  
Membership No.050270

Kolkata - 700 001

Dated

30 MAY 2011



# **J. N. BANERJEE & Co.**

CHARTERED ACCOUNTANTS

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

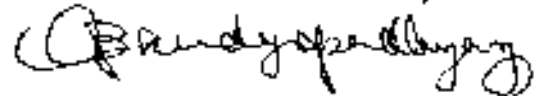
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E-mail : jnb\_00@rediffmail.cc  
5 & 8, PANNALAL BANERJEE LANE  
(FORMERLY FANCY LANE)  
KOLKATA-700 001

## **AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of **BENGAL STEEL INDUSTRIES LIMITED** for the year ended 31<sup>st</sup> March, 2011. 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 30<sup>th</sup> May, 2011 to the members of the Company.

For J. N. Bannerjee & Co.  
Chartered Accountants  
(Registration No. 302063E)



(G. BANDYOPADHYAY, F.C.A.)  
Partner  
Membership No. 050270

Place: Kolkata

Date: 30<sup>th</sup> May, 2011