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# **BENGAL STEEL INDUSTRIES LIMITED**

## **BOARD OF DIRECTORS**

V. N. AGARWAL  
PRAKASH AGARWAL  
G. K. AGARWAL  
K. K. GANERIWALA

## **COMPANY SECRETARY**

RANU DEY

## **AUDITORS**

J. N. BANERJEE & CO.  
Chartered Accountants  
KOLKATA - 700 001

## **BANKERS**

UCO INDIA  
UNITED BANK OF INDIA

## **REGISTERED OFFICE**

TRINITY PLAZA, 3rd FLOOR  
84/1A, TOPSIA ROAD (SOUTH)  
KOLKATA – 700 046

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# BENGAL STEEL INDUSTRIES LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 65th Annual Report together with the Audited Accounts of the company for the financial year ended 31st March, 2012.

	2011 - 2012 (₹)	2010 - 2011 (₹)
<b>FINANCIAL RESULTS</b>		
Profit before Interest & Depreciation	8,500,853	2,523,979
Less: Interest	—	(2,138)
Depreciation	(249,633)	(304,315)
<b>Net Profit before Tax</b>	<b>8,251,220</b>	<b>2,217,526</b>
Less: Provision for Taxation	(840,000)	(405,000)
Tax for earlier year	(1,670)	9,356
<b>Net Profit after Tax</b>	<b>7,409,550</b>	<b>1,821,882</b>
Add: Balance Brought forward	28,241,530	26,419,648
<b>Balance carried forward to Balance Sheet</b>	<b>35,651,080</b>	<b>28,241,530</b>

## COMPANY PERFORMANCE:

In the light of challenging business conditions, the working results of your Company during financial year ended on 31st March, 2012 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 year under review.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated in clause 49 of the Listing Agreements 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 have started showing signs of improvement. Steps are in hand to achieve further 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) Reduction in the industrial growth rate.
- ii) Uncertain Government policy in use.

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## **BENGAL STEEL INDUSTRIES LIMITED**

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### **D. INTERNAL CONTROL SYSTEM**

The Company has Internal control procedures commensurate with the nature of its business and size of its operations. The objectives of these procedures are to ensure efficient use and protection of Company's resources, accuracy in financial reports 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 and it has complied with all the applicable provisions of Corporate Governance as per clause 49 of the Listing Agreements with the Stock Exchanges.

A separate Report on Corporate Governance as prescribed by the Listing Agreement forms part of the Annual Report 2011-12 along with the Auditor's Certificate on its compliance in Annexure "A".

### **DIRECTORS:**

Mr. G. K. Agarwal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **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, 2012, 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 31st March, 2012 on a "going concern" basis.

### **AUDITORS:**

M/s 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 M/s 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.

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## **BENGAL STEEL INDUSTRIES LIMITED**

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### **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 no 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 DEPOSIT:**

The provisions of Section 58A of the Companies Act, 1956 and the rules framed there under 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 2011-12 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.

### **ACKNOWLEDGEMENT:**

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

Place: Kolkata  
Date: 26th May, 2012

V. N. AGARWAL  
K. K. GANERIWALA  
DIRECTORS

# BENGAL STEEL INDUSTRIES LIMITED

## ANNEXURE “A”

### 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 comprises of Non-Executive and Independent Directors. As on 31st March 2012, 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. Mr. K. K. Ganeriwala is the Independent Director of the Company.

The Composition of the Board and the category of Directors as on 31.03.2012 are as follows:-

SI. No.	Category	No. of Directors	% of Total
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>

## BENGAL STEEL INDUSTRIES LIMITED

The further details relating to the Composition of the Board as on 31.03.2012 are as follows :

Sl. No.	Name of the Board Members	Category	No. of other Directorships including all Indian and Foreign Companies	No. of other Board Committee(s) of which he is a Member	No. of other Board Committees of which he is a Chairperson
1.	Mr. V. N. Agarwal	Non - Executive Director & Promoter	12	6	2
2.	Mr. Prakash Agarwal	Non - Executive Director & Promoter	15	7	—
3.	Mr. K.K. Ganeriwala	Non - Executive Independent Director	14	9	4
4.	Mr. G.K. Agarwal	Non - Executive Director	6	—	—

### 3) DETAILS OF BOARD MEETINGS AND ANNUAL GENERAL MEETING HELD AND ATTENDED BY THE DIRECTORS DURING THE FINANCIAL YEAR 2011-2012

(i) During the Financial Year 2011-12 Six Board Meetings were held on:-

28th April, 2011, 30th May, 2011, 24th June, 2011, 28th July, 2011, 5th November, 2011 and 3rd February, 2012.

(ii) Details of Attendance record of the Directors at the Board Meetings and the last Annual General Meeting are as follows:

Name of the Board Members	No. of Board Meetings Attended	Attendance at the last AGM held on 16th September, 2011
Mr. V.N. Agarwal	6	Yes
Mr. Prakash Agarwal	4	Yes
Mr. K.K. Ganeriwala	6	Yes
Mr. 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.

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## **BENGAL STEEL INDUSTRIES LIMITED**

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### **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 management
- v) Write offs/disposals
- vi) Significant Court judgment 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 from time to time have intimated to the Company their Memberships/Chairmanships in various Committees in other Companies.

### **8) POST MEETING FOLLOW UP 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 alias 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 Statutory Auditors, fixation of their Audit Fees and approving payments made for any other services rendered by them.
- (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 performance of the Statutory Auditors and 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.

## BENGAL STEEL INDUSTRIES LIMITED

- (j) Compliance with all relevant statutes.
- (k) Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (l) Reviewing of the Statement of Related Party transactions as submitted by the Management.

The Composition of the Audit Committee and the Attendance of the Members at the Audit Committee Meetings during the Financial year 2011- 2012 are furnished below:-

Name of the Director	No. of meetings attended	Chairman/ Member	Category
Mr. K. K. Ganeriwala	5	Chairman	Non Executive & Independent
Mr. V. N. Agarwal	5	Member	Non Executive & Promoter
Mr. 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 Mr. K. K. Ganeriwala and Mr. Prakash Agarwal of which Mr. K. K. Ganeriwala is the Chairman.

Ms. Ranu Dey, Company Secretary acts as the Compliance Officer of the Company.

During the year ended 31st March 2012, no complaints/queries were received and accordingly no reply was pending as on 31st March, 2012. There were no transfer of shares pending for registration as on 31st March 2012 and all transfers had been effected within a period of 30 days from the date of lodgement.

### iii) 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 2012 were as follows:-

Name of Director	Sitting Fees paid
Mr. V. N. Agarwal	Rs. 3,000/-
Mr. Prakash Agarwal	Rs. 2,000/-
Mr. K. K. Ganeriwala	Rs. 3,000/-
Mr. G. K. Agarwal	Rs. 3,000/-



## BENGAL STEEL INDUSTRIES LIMITED

### 10) GENERAL MEETINGS

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

Financial Year	Location	Date	Time
2010 - 2011	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.	16th September, 2011	11 a.m.
2009 - 2010	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016.	30th July, 2010	10 a.m.
2008 - 2009	Registered Office at : 41, Mirza Ghalib Street, Kolkata-700016.	29th July, 2010	4.00 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 : In accordance with the provisions (if applicable) 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.

### 11) 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.
- 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 Board Members and the Senior Management Personnel of the Company adhere to this principle and compliance with the same is affirmed by each of them annually.
- 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 31.03.2012 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	

## BENGAL STEEL INDUSTRIES LIMITED

(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 Standards
(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 issue 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 31st March, 2012.
<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 with the conditions of Corporate Governance forms part of the Annual Report

## BENGAL STEEL INDUSTRIES LIMITED

### 12) MEANS OF COMMUNICATIONS

- (i) **Quarterly Results** : Quarterly Results were announced within a period of 45 days from the end of the relevant Quarter (except for the last quarter) and were published in The Financial Express (English) and the Dainik Statesmen or Ek Din (Bengali) Newspapers. In place of the results for the last quarter, the Company opted 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 Quarterly Results are not displayed on the Website of the Company.

### 13) 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	31st August, 2012
C.	Time	11.00 a.m.
D.	Venue	Registered Office at : Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046.

#### (iii) Financial Calendar for the Year 2012-2013:

Sl.	Particulars	Remarks
A.	1st Quarter ending 30th June, 2012	Before 14th August, 2012
B.	2nd Quarter and Half-year ending 30th September, 2012	Before 14th November, 2012
C.	3rd Quarter ending 31st December, 2012	Before 14th February, 2013
D.	4th Quarter and Annual Results for the year ending 31st March, 2013	Before 30th May, 2013

- (iv) **Dates of Book Closure** : 27th August, 2012 to 31st August, 2012 (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, 2012.
- (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 on the following Stock Exchanges :

1. The Calcutta Stock Exchange Limited (CSE)  
7, Lyons Range, Kolkata – 700001  
Scrip Code: 012156

## **BENGAL STEEL INDUSTRIES LIMITED**

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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 2012-2013 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, 2012.

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

M/s Link Intime India Private Limited are the Registrar and Share Transfer Agents (RTA) of the Company.

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

**LINK INTIME INDIA PRIVATE LIMITED**

Fort Burlow  
59C, Chowringhee Road, 3rd Floor  
Room No. 5, Kolkata - 700020.  
Tel : 033 2289 0540  
Fax No: 033 2289 0539  
E-mail ID : kolkata@linkintime.co.in  
Contact Person: Mr. Kalyan S. Chakraborty

**(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 view of the Securities and Exchange Board of India (SEBI) Circular No. CIR/OIAE/2/2011 dated 3rd June, 2011, the Company has obtained a user ID and password for processing the investor complaints in a centralized web based SEBI Complaints Redress System 'SCORES'. This enables the investors' online viewing of the actions taken by the Company on the complaints and its current status by logging on to the SEBI's website i.e. www.sebi.gov.in. The Company affirms that no shareholders' complaints was lying pending as on 31st March, 2012 under SCORES.

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

## BENGAL STEEL INDUSTRIES LIMITED

**(x) Distribution Schedule:**

The Distribution Pattern of the Equity Shares of the Company as on 31st March, 2012 is given below:

Sl. No.	No. of Equity Shares held	No. of Holders	% of total holders	No. of Shares	% of Shareholding
1.	1 – 500	635	89.32	87,347	1.78
2.	501 – 1000	14	1.97	11,362	0.23
3.	1001 – 2000	5	0.70	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	51	7.17	47,65,883	97.26
	<b>Total</b>	<b>711</b>	<b>100.00</b>	<b>49,00,000</b>	<b>100.00</b>

**(xi) Shareholding Pattern as on 31st March, 2012 :**

Sl. No.	Category	No. of Equity Shares held	% of Shareholding
<b>A.</b>	<b>Promoters' holding :</b>		
	<b>1. Promoters</b>		
	— Indian Promoters	33,27,998	67.92
	— Foreign Promoters	—	—
	<b>2. Persons acting in concert</b>	—	—
	<b>Sub - Total</b>	<b>33,27,998</b>	<b>67.92</b>
<b>B.</b>	<b>Non-Promoters' holding :</b>		
	<b>1. Institutional Investors</b>	—	—
	<b>2. Others :</b>		
	— Private Corporate Bodies	2,43,500	4.97
	— Indian Public	13,28,502	27.11
	<b>Sub - Total</b>	<b>15,72,002</b>	<b>32.08</b>
	<b>GRAND TOTAL</b>	<b>49,00,000</b>	<b>100.00</b>

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

As on 31st March, 2012, 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/ADRs/Warrants or any other Convertible Instruments]

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## **BENGAL STEEL INDUSTRIES LIMITED**

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**(xiv) Plant Locations:**

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

**(xv) Address for correspondence:**

The investors should address their correspondence to the Company's RTA at their above mentioned address or to the Secretarial Department of the Company at the following address:

**BENGAL STEEL INDUSTRIES LIMITED**

"Trinity Plaza", 3rd 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 26th May, 2012 and the same was approved.

Place: Kolkata  
Date: 26th May, 2012

V. N. AGARWAL  
K.K. GANERIWALA  
*Directors*

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### **DECLARATION BY THE DIRECTOR ON THE CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the Board Members 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 2011- 2012.

Place: Kolkata  
Date: 26th May, 2012

For Bengal Steel Industries Limited  
K.K. Ganeriwala  
*Director*

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## **BENGAL STEEL INDUSTRIES LIMITED**

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### **CEO/CFO 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, 2012 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, 2012 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: 26th May, 2012

K.K. GANERIWALA  
*Director*

# **BENGAL STEEL INDUSTRIES LIMITED**

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## **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, 2012, 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, 2012 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. Banerjee & Co.  
Chartered Accountants  
(Registration No. 302063E)

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

Membership No. 050270

Place: Kolkata  
Date: 26.05.2012



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# **BENGAL STEEL INDUSTRIES LIMITED**

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## **AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of **BENGAL STEEL INDUSTRIES LIMITED** for the year ended 31st March, 2012. 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 26th May, 2012 to the members of the Company.

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

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

Place: Kolkata  
Date: 26.05.2012

# BENGAL STEEL INDUSTRIES LIMITED

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## AUDITORS' REPORT

### TO THE MEMBERS OF BENGAL STEEL INDUSTRIES LIMITED

We have audited the Balance Sheet of Bengal Steel Industries Limited as at 31st March, 2012 and the Statement Profit & Loss and the Cash Flow statement for the year ending on that date, together with Statement of Notes 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 the 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 purposes 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, the Statement of Profit & loss and the Cash Flow Statement dealt with by 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 27 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, 2012.
  - (b) in the case of the Profit and Loss Account, of the profit 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 Statement of Profit & Loss, the Balance Sheet and the Cash Flow Statement 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.
  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, 2012 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

## BENGAL STEEL INDUSTRIES LIMITED

could not be determined. During the year a part of fixed assets have been disposed off but that 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Record) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of cost records with a view to determine: whether they are accurate or complete.
- 7) 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.
- 8) The Company does not have any accumulated loss or Cash loss in the current or immediately proceeding financial year.
- 9) 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.
- 10) 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.
- 11) We have not noticed nor have been reported any fraud on or by the Company during the year under audit.
- 12) Clauses (iii), (vi), (xi), (xii), (xiii), (xv), (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  
(Registration No. 302063E)

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

Membership No. 050270

Place : Kolkata  
Date : 26th May, 2012

# BENGAL STEEL INDUSTRIES LIMITED

## Balance Sheet as at 31st March, 2012

I. EQUITY AND LIABILITIES	Notes	As at 31st March 2012 ₹	As at 31st March 2011 ₹
<b>Shareholder's Funds</b>			
Share Capital	2	49,000,000	49,000,000
Reserves and Surplus	3	35,651,079	28,241,530
		<b>84,651,079</b>	<b>77,241,530</b>
<b>Current Liabilities</b>			
Other Current Liabilities	4	55,593,226	54,835,317
Short-term Provisions	5	1,245,000	405,000
		<b>56,838,226</b>	<b>55,240,317</b>
<b>Total</b>		<b>141,489,306</b>	<b>132,481,847</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	6	2,065,792	2,322,424
Non-Current Investments	7	48,884,929	45,247,752
Long term Loans and Advances	8	1,321,734	1,544,769
		<b>52,272,455</b>	<b>49,114,945</b>
<b>Current Assets</b>			
Inventories	9	5,461,885	5,461,885
Cash and Bank Balances	10	37,357,980	20,335,162
Short-term Loans and Advances	11	46,373,012	57,551,693
Other Current Assets	12	23,975	18,162
		<b>89,216,852</b>	<b>83,366,902</b>
<b>Total</b>		<b>141,489,306</b>	<b>132,481,847</b>

Notes forming integral part of Financial Statements 1 to 29

For J N BANERJEE & CO.  
Chartered Accountants  
ICAI REG. No.: 302063E

G BANDYOPADHYAY, F.C.A.  
PARTNER  
Membership No.: 050270  
Place : Kolkata  
Date : 26th May, 2012

RANUDEY  
Company Secretary

For and on behalf of the Board  
V. N. AGARWAL  
K. K. GANERIWALA  
Directors

## BENGAL STEEL INDUSTRIES LIMITED

### Statement of Profit & Loss for the year ended 31st March, 2012

Particulars	Notes	For the year ended 31st March 2012 ₹	For the year ended 31st March 2011 ₹
I. Revenue from Operations	13	4,803,600	4,803,600
II. Other Income	14	23,839	19,024
<b>Total</b>		<b>4,827,439</b>	<b>4,822,624</b>
III. Expenses:			
Employee Benefit Expenses	15	371,461	351,002
Finance Costs	16	—	2,138
Depreciation and Amortisation Expenses	17	249,633	304,315
Other Expenses	18	4,322,740	2,510,558
<b>Total</b>		<b>4,943,834</b>	<b>3,168,013</b>
IV. Profit/(Loss) Before Exceptional items and Tax		(116,395)	1,654,611
V. Exceptional Items	19	8,367,615	562,915
VI. Profit/(Loss) before tax		8,251,220	2,217,526
VII. Tax Expense:			
(1) Current Tax		840,000	405,000
(2) Tax for Earlier Year		1,670	(9,356)
IX. Profit/(Loss) after Tax		7,409,550	1,821,882
X. Earning per Equity share - Basic and Diluted	24	1.51	0.37

**Notes forming integral part of Financial Statements 1 to 27**

For J N BANERJEE & CO.  
Chartered Accountants  
ICAI REG. No.: 302063E

G BANDYOPADHYAY, F.C.A.  
PARTNER  
Membership No. : 050270  
Place : Kolkata  
Date : 26th May, 2012

RANUDEY  
Company Secretary

For and on behalf of the Board  
V. N. AGARWAL  
K. K. GANERIWALA  
Directors

## BENGAL STEEL INDUSTRIES LIMITED

<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>	<b>For the year ended 31st March 2012 ₹</b>	<b>For the year ended 31st March 2011 ₹</b>
Net Profit/(Loss) before tax	(116,395)	1,654,611
Adjustment for:		
Exceptional Items	8,367,615	562,915
Depreciation	249,633	304,315
Interest Received	(23,839)	(19,024)
Interest Paid	—	—
(Profit)/Loss on Sale of Investments	—	—
(Profit)/Loss on Sale of Fixed Asset	—	—
Provision for fall in Value of Current Investment	—	—
Dividend Received	—	—
<b>Operating Profit before Working Capital Changes</b>	<b>8,477,014</b>	<b>2,502,817</b>
<b>Movements In Working Capital :</b>		
Increase/(Decrease) in Trade Payables	—	—
Increase/(Decrease) in Other Current Liabilities	757,909	8,939,807
Decrease/(Increase) in Trade Receivables	—	—
Decrease/(Increase) in Inventories	—	—
Decrease/(Increase) in Long- Term Loans and Advances	223,035	—
Decrease/(Increase) in Short - Term Loans and Advances	11,178,681	(12,241,952)
Decrease/(Increase) in Other Current Assets	(5,813)	—
<b>Cash generated from operations/(used in) Operations</b>	<b>20,630,826</b>	<b>(799,328)</b>
Direct Taxes Paid (Net)	(1,670)	(663,221)
<b>Net Cash from Operating Activities</b>	<b>20,629,156</b>	<b>(1,462,549)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets (Including Capital work in Progress)	—	—
Sale of Fixed Assets (Including advance taken for Sale - Net)	7,000	—
Loan Given(-)/Refund received(+)	—	—
Effect of Exchange rate change on Consolidation	—	—
Purchase of Investments (Including Share Application Money)	(6,724,717)	(15,009,873)
Sale of Investments	3,087,540	36,422,346
Interest Received	23,839	19,024
Dividend Received	—	—
<b>Net Cash from Investing Activities</b>	<b>(3,606,338)</b>	<b>21,431,497</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) from Long term Borrowings	—	(64,291)
Proceeds/(Repayment) from Short term Borrowings	—	—
Interest paid	—	—
Dividend Paid	—	—
<b>Net Cash from Financing Activities</b>	<b>—</b>	<b>(64,291)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>17,022,818</b>	<b>19,904,657</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>20,335,162</b>	<b>430,505</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>37,357,980</b>	<b>20,335,162</b>

## BENGAL STEEL INDUSTRIES LIMITED

Components of Cash & Cash Equivalents	For the year ended 31st March 2012 ₹	For the year ended 31st March 2011 ₹
Balances With Banks		
– In Current Account	37,230,669	20,052,216
– In Foreign Currency Account	—	—
– In Fixed Deposit Account	3,000	3,000
– In Margin Deposit Account	—	—
– In Unpaid Dividend Account	—	—
Cash in hand	124,311	279,946
	<b>37,357,980</b>	<b>20,335,162</b>

**Notes:**

- a) Previous year's figures have been regrouped/recasted wherever necessary.
- b) The above cash flow has been prepared under "Indirect Method" as prescribed under Accounting Standard 3 notified in Companies (Accounting Standards) Rules, 2006.

For J N BANERJEE & CO.  
Chartered Accountants  
ICAI REG. No.: 302063E

G BANDYOPADHYAY, F.C.A.  
PARTNER  
Membership No. : 050270  
Place : Kolkata  
Date : 26th May, 2012

RANUDEY  
Company Secretary

For and on behalf of the Board  
V. N. AGARWAL  
K. K. GANERIWALA  
Directors

## BENGAL STEEL INDUSTRIES LIMITED

### NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1. 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.
- 1.2. INVESTMENTS : Investments are stated at cost.
- 1.3. INVENTORIES : Raw materials, Stores & Spare Parts, Tools & Implements are valued at lower of cost or net realisable value.
- 1.4. 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.
- 1.5. 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.
- 1.6. BASIS OF ACCOUNTING : The accounts are prepared on historical cost convention and on generally accepted accounting practices.

Note : 2 SHARE CAPITAL	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>Authorised Shares</b>		
60,00,000 Equity Shares of Rs 10/- each	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>
<b>Issued, Subscribed &amp; Fully Paid-Up</b>		
49,00,000 Equity Shares of Rs. 10/- each	49,000,000	49,000,000
<b>Total</b>	<b>49,000,000</b>	<b>49,000,000</b>

### 2a. Reconciliation of shares outstanding at the beginning & at the end of the reporting period

Equity Shares	Nos.	As at 31st March, 2012 ₹	Nos	As at 31st March, 2011 ₹
At the beginning of the period	4,900,000	49,000,000	4,900,000	49,000,000
Issued during the period	NIL	NIL	NIL	NIL
Outstanding at the end of the period	4,900,000	49,000,000	4,900,000	49,000,000



## BENGAL STEEL INDUSTRIES LIMITED

### 2b. Details of Shareholders holding more than 5% Shares in the Company

Particulars	Nos.	As at 31st March, 2012 % Holding in the class	Nos.	As at 31st March, 2011 % Holding in the class
<b>Equity Shares of Rs. 10 Each</b>				
1. V.N.Enterprises Limited	600,935	12.26	356,935	7.28
2. Tea Time Limited	498,250	10.17	498,250	10.17
3. Neptune Exports Limited	495,601	10.11	495,601	10.11
4. Asutosh Enterprises Limited	489,801	10.00	489,801	10.00
5. Orient International Limited	484,050	9.88	484,050	9.88
6. Hindusthan Udyog Limited	345,000	7.04	345,000	7.04

### 2c. Rights Attached to Equity Shares

The company has only one class of shares i.e. Equity Shares having par value of Rs 10/- per share. Each equity shareholder is entitled to one vote per share.

Each Shareholder is eligible to receive dividend, if distributed and in the event of liquidation of the Company, a shareholder is entitled to receive remaining assets of the Company, after distribution of all preferential dues in proportion to the number of equity shares held by the shareholders.

Note : 3 RESERVE & SURPLUS	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>Surplus as per Statement of Profit and Loss</b>		
Opening Balance	28,241,530	26,419,648
Addition during the year	7,409,550	1,821,882
Deduction	—	—
<b>Closing Balance</b>	<b>35,651,079</b>	<b>28,241,530</b>

Note : 4 OTHER CURRENT LIABILITIES	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Sundry Advance	51,703,255	50,708,565
Other Payables	3,889,971	4,126,752
<b>Total</b>	<b>55,593,226</b>	<b>54,835,317</b>

Note : 5 SHORT TERM PROVISIONS	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Provision For Income Tax	1,245,000	405,000
<b>Total</b>	<b>1,245,000</b>	<b>405,000</b>

# BENGAL STEEL INDUSTRIES LIMITED

## Note 6 : FIXED ASSETS

Particulars	COST			ACCUMULATED DEPRECIATION AND AMORTISATION				NET BOOK VALUE		
	01.04.2011	Addition	Deduction	31.03.2012	31.03.2011	Charge the Year	Deduction/ Adjustment	31.03.2012	31.03.2012	31.03.2011
<u>TANGIBLE ASSETS</u>										
LAND	549,592	—	7,000	542,592	—	—	—	—	542,592	549,592
LAND & BUILDING	339,000	—	—	339,000	276,841	3,108	—	279,949	59,051	62,159
FACTORY SHED	9,562,353	—	—	9,562,353	8,520,902	104,145	—	8,625,047	937,306	1,041,451
PLANT & EQUIPMENTS	13,150,980	—	—	13,150,980	12,899,402	34,994	—	12,934,396	216,584	251,578
VEHICLE	1,153,958	—	—	1,153,958	745,851	105,659	—	851,510	302,448	408,107
FURNITURE & FIXTURE	246,623	—	—	246,623	237,086	1,726	—	238,812	7,811	9,537
<b>Total</b>	<b>25,002,506</b>	<b>—</b>	<b>7,000</b>	<b>24,995,506</b>	<b>22,680,082</b>	<b>249,632</b>	<b>—</b>	<b>22,929,714</b>	<b>2,065,792</b>	<b>2,322,424</b>
PREVIOUS YEAR	25,002,506	—	—	25,002,506	22,375,766	304,315	—	22,680,081	2,322,424	

## BENGAL STEEL INDUSTRIES LIMITED

### NOTE - 7 : NON CURRENT INVESTMENTS

#### LONG TERM FULLY - PAID UP NON TRADE INVESTMENTS : (At cost)

Particulars	Face	As at 31.03.2012		As at 31.03.2011	
	Value ₹	No. of Shares/Units	Value ₹	No. of Shares/Units	Value ₹
<b>I) Investment in Fully Paid up Equity Instruments</b>					
<b>A) Quoted</b>					
Via Media India Ltd.	10	50	500	50	500
Kabini Papers Limited	10	500	500	500	500
Jyoti Ltd.	10	10,000	805,128	10,000	805,128
United Credit Ltd.	10	2,311	8,250	2,311	8,250
Gran Heal Pharmacy Ltd.	10	1,900	19,000	1,900	19,000
Northern Projects Ltd.	10	161,900	391,617	161,900	391,617
Asutosh Enterprises Ltd.	10	168,000	412,244	168,000	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
Lumax Industries Ltd.	10	19,285	2,363,484	30,260	4,534,093
KSB Pumps Ltd.	10	360	63,141	180	63,141
Indian Hotel Ltd.	10	51,417	1,890,846	51,417	1,890,846
TRF Ltd.	10	12,037	7,812,994	12,037	7,812,994
Larsen & Toubro Ltd.	2	500	713,308	500	713,308
ION Exchange Ltd.	10	80,319	12,626,767	50,319	8,138,816
Elcon Engineering Ltd.	2	127,820	9,668,177	97,818	7,630,403
Graphite India Ltd.	2	25,000	2,016,842	25,000	2,016,842
Kirloskar Brothers Investment Ltd.	10	209	70,629	209	71,046
<b>TOTAL (A)</b>			<b>43,066,255</b>		<b>38,924,695</b>
<b>B) Unquoted</b>					
Macneill Electricals Ltd.	100	9	900	9	900
Bengal Coal Co. Ltd.	10	160	33,482	160	33,482
HSM International Pvt. Ltd.	10	2,500	25,000	2,500	25,000
Neptune Impex Pvt. Ltd.	100	100	10,000	100	10,000
HSM Investments Ltd.	10	2,270,000	4,540,000	2,270,000	4,540,000
AKA Washeries India Pvt. Ltd.	10	2,000	20,000	2,000	20,000
Revox Enterprises Pvt. Ltd.	10	—	—	50,000	502,375
Sagarpriya Distributors Pvt. Ltd.	10	—	—	20,000	201,000
Hindusthan Parsons Ltd.	10	400,000	811,000	400,000	811,000
Huwood hindusthan Pvt. Ltd.	10	2,000	20,000	2,000	20,000
Spaans Babcock India Ltd.	10	4,930	49,300	4,930	49,300
Bengal Central Building Society Ltd.	10	10,000	100,000	10,000	100,000
Tamilnadu Alkaline Batteries Ltd.	10	198,000	198,992	—	—
<b>TOTAL (B)</b>			<b>5,808,674</b>		<b>6,313,057</b>
<b>II) Investment in Fully Paid up Preference Shares</b>					
India Financial Journal Pvt. Ltd.	100	30	3,000	30	3,000
<b>TOTAL (C)</b>			<b>3,000</b>		<b>3,000</b>
<b>III) Investment in Debentures</b>					
Via Media Ltd.	10	175	7,000	175	7,000
<b>TOTAL (D)</b>			<b>7,000</b>		<b>7,000</b>
<b>Total (A+B+ C+D)</b>			<b>48,884,929</b>		<b>45,247,752</b>

## BENGAL STEEL INDUSTRIES LIMITED

	As at 31.03.2012		As at 31.03.2011	
	Cost	Market Value	Cost	Market Value
Aggregate value of Quoted Investments	43,066,255	48,379,498	38,924,695	53,354,847

<b>Note : 8 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>	<b>As at 31st March, 2012 ₹</b>	<b>As at 31st March, 2011 ₹</b>
Advances recoverable in Cash or in kind	151,293	151,293
Security Deposits	1,170,441	1,393,476
<b>Total</b>	<b>1,321,734</b>	<b>1,544,769</b>

<b>Note : 9 INVENTORIES VALUED AT LOWER OF COST OR NET REALISABLE VALUE</b>	<b>As at 31st March, 2012 ₹</b>	<b>As at 31st March, 2011 ₹</b>
Raw Material	5,461,885	5,461,885
<b>Total</b>	<b>5,461,885</b>	<b>5,461,885</b>

<b>Note : 10 CASH &amp; CASH EQUIVALENTS</b>	<b>As at 31st March, 2012 ₹</b>	<b>As at 31st March, 2011 ₹</b>
Balance at Bank in Current Accounts	37,230,669	20,052,216
Balance at Bank in Deposit Account	3,000	3,000
Cash in Hand	124,311	279,946
<b>Total</b>	<b>37,357,980</b>	<b>20,335,162</b>

<b>Note : 11 SHORT TERM LOANS &amp; ADVANCES (Unsecured, Considered Good)</b>	<b>As at 31st March, 2012 ₹</b>	<b>As at 31st March, 2011 ₹</b>
Advances recoverable in Cash or in kind or for value to be received	37,221,970	48,886,036
Advance Income Tax and Other Taxes	9,144,042	8,661,658
Advances to Staff	7,000	4,000
<b>Total</b>	<b>46,373,012</b>	<b>57,551,693</b>

<b>Note : 12 OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>	<b>As at 31st March, 2012 ₹</b>	<b>As at 31st March, 2011 ₹</b>
Other Receivables	23,975	18,162
<b>Total</b>	<b>23,975</b>	<b>18,162</b>

## BENGAL STEEL INDUSTRIES LIMITED

Note : 13 REVENUE FROM OPERATIONS	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Sale of Products	—	—
Other Operating Income	4,803,600	4,803,600
<b>Total</b>	<b>4,803,600</b>	<b>4,803,600</b>

Note : 14 OTHER INCOME	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Interest Received on Deposits	23,839	19,024
<b>Total</b>	<b>23,839</b>	<b>19,024</b>

Note : 15 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Salary, Wages, Bonus & Allowances	220,780	196,404
Staff Welfare Expenses	150,681	154,598
<b>Total</b>	<b>371,461</b>	<b>351,002</b>

Note : 16 FINANCE COST	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Finance Charges on Finance leases	—	2,138
<b>Total</b>	<b>—</b>	<b>2,138</b>

Note : 17 DEPRECIATION & AMORTISATION EXPENSES	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Depreciation ( Refer to Note No. 6 For details)	249,633	304,315
<b>Total</b>	<b>249,633</b>	<b>304,315</b>

## BENGAL STEEL INDUSTRIES LIMITED

<b>Note : 18 OTHER EXPENSES</b>	<b>For the year ended 31st March, 2012 ₹</b>	<b>For the year ended 31st March, 2011 ₹</b>
Directors Meeting Fees	11,000	10,000
Service Charges	262,610	462,581
Legal Charges	—	11,700
Electric Charges	9,200	19,823
Rent	3,000	30,000
Rates & Taxes	2,649,447	134,268
Bank Charges	22,851	31,986
Travelling Expenses	295,137	799,543
Conveyance Charges	574,295	700,060
Other Repairs	15,302	700
Postage, Telegram & Telephone	34,901	36,159
Printing & Stationery Items	7,512	5,906
Insurance Charges	6,149	17,075
Payment to Auditors		
– As Auditors	21,000	21,000
– Tax Audit Fees	4,000	4,000
– For Other Services	7,361	10,500
Listing Fees	25,500	20,500
Subscription & Donation	94,875	40,962
Advertisement	118,206	29,879
Miscellaneous Expense	160,394	123,917
<b>Total</b>	<b>4,322,740</b>	<b>2,510,558</b>

<b>Note : 19 EXCEPTIONAL ITEMS</b>	<b>For the year ended 31st March, 2012 ₹</b>	<b>For the year ended 31st March, 2011 ₹</b>
Profit/(Loss) on Sale of Investments	2,606,763	(139,245)
Profit on Sale of Land	4,993,000	—
Dividend Received	767,852	702,160
<b>Total</b>	<b>8,367,615</b>	<b>562,915</b>

### NOTES TO ACCOUNTS

**20** 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.

**21** Land, Factory Shed, Machineries and all Fixed Assets situated in Behala Factory remain comprehensively charged in parripassu with West Bengal Industrial Development Corpn. Ltd. and West Bengal Financial Corpn. With second charge in favour of United Bank of India

**22** 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.

## BENGAL STEEL INDUSTRIES LIMITED

**23 Related Party Disclosure :**

- a) Associated Company :  
WPI Limited
- b) Key Management Personnel :  
(Directors & their Relatives)

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

Transactions with Associate Company & Key Managerial Personnel :

Transaction	Associated Company		Key Management Personnel	
	2011-2012	2010-2011	2011-2012	2010-2011
	₹	₹	₹	₹
Rent Receipts (WPI Ltd)	4,800,000	4,800,000	—	—
Meeting Attendance Fees (Directors)	—	—	11,000	10,000
<b>24 Earning Per Share</b>	<u>Current Year</u>		<u>Previous Year</u>	
Profit After Taxation	7,409,550		1,821,882	
Weighted average no. of equity share outstanding	4,900,000		4,900,000	
Earning Per Share - Basic and Diluted	1.51		0.37	

**25 Deferred Tax Accounting :**

Tax liability arising under Minimum Alternate Tax (MAT) method gives rise to Deferred Tax Asset of about 8.40 Lacs but in view of concept of prudence and in absence of virtual certainty of earning profit, Deferred Tax Asset has not been recognised.

**26** The Company has no amounts due to suppliers under the Micro, Small & Medium Enterprises as defined under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2012. Hence no additional disclosure have been made. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information.

**27** The Financial Statements for the year ended March 31, 2011 had been prepared as the then Schedule VI to The Companies Act, 1956. Consequent to the notification of the Revised Schedule VI under The Companies Act, 1956, the Financial Statements for the year ended March 31, 2012 has been prepared as per the Revised Schedule VI. Accordingly, the previous years figures have also been reclassified to conform to this years classification.

For J N BANERJEE & CO.  
Chartered Accountants  
ICAI REG. No.: 302063E

G BANDYOPADHYAY, F.C.A.  
PARTNER  
Membership No. : 050270  
Place : Kolkata  
Date : 26th May, 2012

RANUDEY  
Company Secretary

For and on behalf of the Board  
V. N. AGARWAL  
K. K. GANERIWALA  
Directors

