



BENGAL STEEL INDUSTRIES LTD.

TRINITY PLAZA, 3RD FLOOR,
BATA, TOPSIA ROAD (SOUTH), KOLKATA - 700 046, INDIA
PHONE : (033) 3021 8800 / 2285 1079 & 81
FAX : (033) 3021 8863, E-MAIL : info@bisl.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting (AGM) of the Members of **BENGAL STEEL INDUSTRIES LIMITED** will be held on Thursday, the 29th day of September, 2016 at 11.00 a.m. at the Registered Office of the Company at "Trinity Plaza", 3rd Floor, 84/1A, Topsia Road (South), Kolkata-700046 to transact the following business:-

ORDINARY BUSINESS:-

- I. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Directors' and Auditors' Reports thereon.
- II. To appoint a Director in place of Mr. Prakash Agarwal (DIN 00249468), who retires by rotation at this Meeting and being eligible offers himself for re-appointment.
- III. To re-appoint M/s J. N. Banerjee & Co., Chartered Accountants (FRN 302063E), as the Auditors of the Company, who retire at the conclusion of this Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
DATE: 27.05.2016
CIN: L70109WB1947PLC015087

**BY ORDER OF THE BOARD
FOR BENGAL STEEL INDUSTRIES LTD**


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

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxies in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**

In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules 2014, a person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and Share Transfer Books will remain closed from 26th September, 2016 to 28th September, 2016 (both days Inclusive)
3. The notice of the Meeting will be available at the Company's website: <https://www.bengalsteel.co.in> and the website of the National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>
4. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing Members the facility to exercise their right to vote on all resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by the National Securities Depository Limited (NSDL).
5. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
6. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
7. The remote e-voting period shall commence on September 26, 2016 at 9:00 am and end on September 28, 2016 at 5:00 p.m. During this period the Members of the Company as on the cut-off date of September 22, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
8. The process and manner for remote e-voting are as under:-
 - a) *In case a Member receives an email from NSDL [for members whose email ID are registered with the Company/Depository Participant]*
 1. Open email and open PDF file viz: "remote e-voting.pdf" with your Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 2. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>
 3. Click on Shareholder - Login
 4. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
7. Select "EVEN" of "Name of the company".
8. Now you are ready for remote e-voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scan copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter together with attested specimen signature of duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to guptarinku123@gmail.com with a copy marked to evoting@nsdl.co.in

b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company or requesting physical copy]

1. Initial password is being provided separately:

R-EVEN (REMOTE E-VOTING EVENT NO.)	USER ID	PASSWORD/PIN

2. Please follow all steps from Sl. No. (2) to Sl. No. (12) above, to cast vote.
9. In case of any queries, you may refer FAQs for Members and remote e-voting User Manual for Members available at the Download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
10. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
11. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2016.

12. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Issuer at bengalsteel@bengalsteel.co.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

13. A person, whose name is recorded in the Register of Members as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
14. Ms. Rinku Gupta, Company Secretary in Practice (Membership No. ACS-25068) has been appointed as the Scrutinizer for providing facility to the Members and to scrutinize the voting and remote e-voting process in a fair and transparent manner.
15. The Chairman of Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
16. The Scrutinizer shall after the conclusion of voting at the AGM; will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of conclusion of AGM, a consolidated scrutinizer's report of total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the Company's website and on the website of NSDL immediately after its declaration and shall also be communicated to the Stock Exchanges.

REGISTERED OFFICE:
TRINITY PLAZA, 3RD FLOOR,
84/1A, TOPSIA ROAD (SOUTH),
KOLKATA-700046
DATE: 27.05.2016
CIN: L70109WB1947PLC015087

BY ORDER OF THE BOARD
FOR BENGAL STEEL INDUSTRIES LTD


(K. K. GANERIWALA)
DIRECTOR

BENGAL STEEL INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

14
15

50
51

To the Members'

BENGAL STEEL INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

The Directors of the Company have pleasure in presenting their Annual Report together with the Audited Accounts for the Financial year ended 31st March, 2016.

COMPANY PERFORMANCE

	<u>2015 - 2016</u>	<u>2014 - 2015</u>
<u>FINANCIAL RESULTS</u>	Rs.	Rs.
Total Revenue	3,206,692	20,076,639
Profit before Depreciation	1,014,034	11,674,689
Less: Depreciation	116,560	137,536
Net Profit before Tax	897,474	11,537,153
Less: Provision for Taxation	671,000	2,150,000
Net Profit after Tax	226,474	9,387,153
Add : Opening Balance in Profit & Loss Account	48,712,626	39,325,473
Closing Balance	48,939,100	48,712,626

In the light of challenging business conditions, the working results of your Company during Financial year ended on 31st March, 2016 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

As required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the year under review 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 will start 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 business. However, the main causes of concern of your company in the years to come are i) Reduction in the industrial growth rate, ii) Uncertain Government policy in use.

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.

DIRECTORS

Mr. Prakash Agarwal, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. His Brief Resume is attached to the Notice of the ensuing Annual General Meeting.

NUMBER OF BOARD MEETINGS HELD

During the Financial year 2015-16, Five (5) Board Meetings were held on 29th May, 2015, 7th August, 2015, 14th September, 2015, 5th November, 2015 and 5th February, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013 your Board of Directors confirms that:-

- (a) in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 the Company at the end of the financial year and of the profit or loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts of the Company have been prepared on a "going concern" basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of the Listing Regulations, the Board has evaluated the effectiveness of its functioning and that of the Committees and of Individual Directors by seeking inputs on various aspects of Board/Committee Governance and considered and discussed in details the inputs received from the Directors.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. K. K. Ganeriwala who serves as the Chairman of the Committee and Mr. V. N. Agarwal and Mr. G. K. Agarwal as the other members. All the recommendations made by the Audit Committee during the financial year under review were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. V. N. Agarwal who serves as the Chairman of the Committee and Mr. K. K. Ganeriwala and Mr. G. K. Agarwal as the other members. All the recommendations made by this Committee during the financial year under review were accepted by the Board.

INDEPENDENT DIRECTORS DECLARATION

The Independent Directors meet the criteria of being independent as prescribed in The Companies Act, 2013 and an Independency Certificate from them have been obtained.

AUDITORS

M/s. J. N. Banerjee & Co., Chartered Accountants, have been appointed as the Statutory Auditors of the Company to hold office till the conclusion of this AGM. They have expressed their willingness to continue as such and are eligible for re-appointment.

COMMENTS ON AUDITORS OBSERVATIONS

As regards the observations made by the Statutory Auditor's in their Report your Directors are of the opinion that:

- 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.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013, the extract of Annual Return in Form MGT-9 pursuant to Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed herewith as **Annexure A**, as part of this Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules thereunder, the Board of Directors of the Company has appointed CS Rinku Gupta, Practicing Company Secretary to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended 31.03.2016 is annexed herewith as **Annexure B**, as part of this Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company with its Related Parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with Related Parties are disclosed in the Notes to the Financial Statements.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures in terms of Section 197(12) of the Companies Act, 2013 and the rules made thereunder, are not applicable to the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the company.

ACKNOWLEDGEMENTS

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

PLACE: KOLKATA

DATE: 27.05.2016

FOR AND ON BEHALF OF THE BOARD



DIRECTORS

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
For the financial year ended on 31st March, 2016
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L70109WB1947PLC015087
2.	Registration Date	12.03.1947
3.	Name of the Company	BENGAL STEEL INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	INDIAN COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	TRINITY PLAZA, 3 RD FLOOR, 84/1A, TOPSIA ROAD (SOUTH), KOLKATA-700046 TEL: 033-30216800 FAX: 033-30216863 E-MAIL: bengalsteel@bengalsteel.co.in
6.	Whether listed company Yes/No	YES (LISTED IN BSE AND CSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD. FORT BURLOW, 59C, CHOWRINGHEE ROAD, 3 RD FLOOR, ROOM NO.5, KOLKATA-700020 TEL: 033-22890540 FAX: 033-22890539 E-MAIL: kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Investment, Finance, Steel Fabrication & Allied Services		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
Not Applicable					

g) FII's and QFI	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	0	278500	278500	5.68	0	278500	278500	5.68	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	133507	133507	2.72	0	133507	133507	2.72	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	915995	915995	18.69	0	915995	915995	18.69	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	1328002	1328002	27.10	0	1328002	1328002	27.10	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	1328002	1328002	27.10	0	1328002	1328002	27.10	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	4900000	4900000	100.00	0	4900000	4900000	100.00	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	V. N. Enterprises Ltd.	844935	17.24	0	844935	17.24	0	0
2	Tea Time Ltd.	498250	10.17	0	498250	10.17	0	0
3	Neptune Exports Ltd.	495601	10.11	0	495601	10.11	0	0
4	Asutosh Enterprises Ltd.	489801	10.00	0	489801	10.00	0	0
5	Orient International Ltd.	484050	9.88	0	484050	9.88	0	0
6	Hindusthan Udyog Ltd.	345000	7.04	0	345000	7.04	0	0
7	Macneill Electricals Ltd.	114250	2.33	0	114250	2.33	0	0
8	Revox Enterprises Pvt. Ltd.	100000	2.04	0	100000	2.04	0	0
9	HSM International Pvt. Ltd.	94751	1.93	0	94751	1.93	0	0
10	HSM Investments Ltd.	50010	1.02	0	50010	1.02	0	0
11	Northern Projects Ltd.	40000	0.82	0	40000	0.82	0	0
12	V. N. Agarwal	15250	0.31	0	15250	0.31	0	0
13	Premjata Agarwal	100	0.00	0	100	0.00	0	0
	Total	3571998	72.90	0	3571998	72.90	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in the Promoters Shareholding during the year ended 31st March, 2016.

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders Name, Date & Reason of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Accurate Agency Pvt. Ltd.	243000	4.96	0	0
2	Puran Mal Kabra	80000	1.63	0	0
3	Prahlad Rai Kabra	70000	1.43	0	0
4	Sudha Verma	60000	1.22	0	0
5	Sumitra Nangalia	53000	1.08	0	0
6	Shiv Kumar Kayal	50000	1.02	0	0
7	Surendra Bhandari	40495	0.83	0	0
8	Sunanda Rungta	35000	0.71	0	0
9	Avon Corporate Solution Pvt. Ltd.	35000	0.71	0	0
10	Madhulata Surolia	35000	0.71	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V. N. Agarwal	15250	0.31	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs.)**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
5	Others, please specify	--	--
	Total (A)	--	--

B. Remuneration to other directors:				(Rs.)	
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. K.K. Ganeriwala	Mr. G.K. Agarwal		
	Fee for attending board/committee meetings	4,000	5,000		9,000
	Commission	--			--
	Others (specify)	--			--
	Total (1)	4,000	5,000		9,000
2	Other Non-Executive Directors	Mr. V.N. Agarwal	Mr. P. Agarwal	Mrs. Ritu Agarwal	
	Fee for attending board/committee meetings	5,000	3,000	5,000	13,000
	Commission	--			--
	Others (specify)	--			--
	Total (2)	5,000	3,000	5,000	13,000
	Total=(1+2)				22,000

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:					(Rs.)
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
5	Others, please specify	--	--	--	--
	Total	--	--	--	--

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

PLACE: KOLKATA
DATE: 27.05.2016

FOR AND ON BEHALF OF THE BOARD

DIRECTORS



Form MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

TO
THE MEMBERS OF BENGAL STEEL INDUSTRIES LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by BENGAL STEEL INDUSTRIES LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Bengal Steel Industries Limited ("Company") for the financial year ended on 31st March, 2016, according to the applicable provisions of:-
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1956 and the Regulations and Bye-laws framed thereunder (Not applicable to the Company during audit period);
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder (Not applicable to the Company during audit period);
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during audit period);



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during audit period);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during audit period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during audit period);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
- (vi) The Management has identified and confirmed that there are no such other laws that are specifically applicable to the Company with respect to the sector in which it is operating.

2. We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges which were applicable upto 30.11.2015 and thereafter SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 from 01.12.2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

3. We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board that took place during the year under review were carried out in compliance with the provisions of the Act;



- (b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting;
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. We further report that there are adequate systems and processes in the Company with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

PLACE: KOLKATA
DATE: 27.05.2016

FOR RINKU GUPTA & ASSOCIATES
COMPANY SECRETARIES
Rinku Gupta
RINKU GUPTA
Company Secretary in Practice
P. No. 9248
RINKU GUPTA
COMPANY SECRETARY IN PRACTISE
ACS - 25068, CP NO. 9248



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 2416 5916
| 2463 7690.

E-mail jnb_co@rediffmail.com
5 & 6, PANNALAL BANERJEE LANE
(FORMERLY FANCY LANE)
KOLKATA - 700001

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BENGAL STEEL INDUSTRIES LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BENGAL STEEL INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

1. Charge of depreciation on the composite cost of Land & Building, the value of which are not segregated;
2. Non-recognition of impairment loss, if any, on discontinuation of operation and disposal of fixed assets of Ingot plant.
3. Non-Provision in diminution in value of investments, the amount of which could not be ascertained with reasonable accuracy.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-A.

14

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required the Companies (Auditor Report) Order, 2016 ("the order") issued by the Central Government in term of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.

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


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

Date: 
Place: Kolkata-1.

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 2416 5916
| 2463 7690

E-mail: jnb_co@rediffmail.com
5 & 6, PANNALAL BANERJEE LANE
(FORMERLY FANCY LANE)
KOLKATA - 700001

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BENGAL STEEL INDUSTRIES LTD.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bengal Steel Industries Ltd. ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


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

Date:
Place: Kolkata-1.

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 2416 5916
2463 7690

E-mail jnb_co@rediffmail.com
5-8 B. PANNALAL BANERJEE LANE
(FORMERLY FANCY LANE)
KOLKATA - 700001

ANNEXURE -B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date)

As required by Companies (Auditors' Report) Order, 2016 issued by the Central Govt. of India under section Section 143(11) of the Companies Act, 2013, 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. The title deeds of immovable properties are not available for verification.*

2) The company does not have any inventory.

3) The company does not have any loans, investment, guarantees or security as mentioned under section 185 or 186 of the Companies Act, 2013.

4) 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, Service Tax or Cess. There were no amount which were required to be transferred to the investor education and protection Fund with relevant provisions of Companies Act, 2013 and rule made thereunder.

5) We have not noticed nor have been reported any fraud on or by the Company during the year under audit.

6) The company has not paid any managerial remuneration, except sitting fees of Directors; which is as per requisite approvals/statute.

7) Transactions with related parties are in compliance with section 177 or 188 of Companies Act, 2013, as applicable and the details have been disclosed in Note 20 of Financial Statements as required by the applicable accounting standards.

8) The company has not entered into any non-cash transaction with Directors or persons connected with him.

9) Clauses (iii), (v), (vi), (viii), (ix), (xii), (xiv), (xvi) of paragraph 3 and paragraph 4 of the order are not applicable to the Company for this year.

For J.N. BANERJEE & CO.
Chartered Accountants
(Firm's Registration No. 302063E)

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

Partner

Membership No. 050270

Kolkata - 700 001

Date:

BENGAL STEEL INDUSTRIES LIMITED

Balance Sheet as at 31st March 2016

I. EQUITY AND LIABILITIES	Notes	As at March 2016	31st March 2015
Shareholder's Funds			
Share Capital	2	49,000,000	49,000,000
Reserves and Surplus	3	48,919,100	48,712,627
		97,919,100	97,712,627
Current Liabilities			
Other current liabilities	4	5,489,319	4,579,720
Short-term provisions	5	4,683,000	4,012,000
		10,172,319	8,591,720
Total		108,112,020	106,304,347
II. ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	6	1,191,930	1,508,450
Non-current investments	7	8,194,067	43,857,926
Long term loans and advances	8	255,540	920,918
		10,541,537	46,287,334
Current Assets			
Cash and Cash Equivalents	9	401,712	9,068,460
Short-term Loans and Advances	10	91,563,060	50,061,162
Other Current Assets	11	5,605,615	887,383
		97,570,387	60,017,013
Total		108,112,020	106,304,347

Significant Accounting policies
Notes on Financial Statements

1
2 to 24

As per our Report of even date:
For: J N BANERJEE & CO.
Chartered Accountants
REG. No. - 302063E

G BANDYOPADHYAY, F.C.A.
PARTNER
Membership No.: 050270
Place : Kolkata
Date : 31/03/2016

For and on behalf of the Board



DIRECTORS

BENGAL STEEL INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Notes	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Revenue from Operations	12	4,800,000	10,320,000
II. Other Income	13	(1,593,308)	9,756,639
Total		3,206,692	20,076,639
III. Expenses:			
Employer Benefit Expenses	14	1,118,414	503,517
Scrap consumed			5,461,885
Depreciation and Amortisation Expenses	15	116,560	137,536
Other Expenses	16	1,074,744	2,438,548
Total		2,309,218	8,539,486
IV. Profit Before Exceptional Items and Tax		897,474	11,537,153
V. Profit before tax		897,474	11,537,153
VI. Tax Expense:			
(1) Current Tax		671,000	2,150,000
VII. Profit after Tax		226,474	9,387,153
VIII. Earning per Equity share - Basic and Diluted	21	0.05	1.92

Significant Accounting policies
Notes on Financial Statements

1
2 to 24

As per our Report of even date.

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

G BANDYOPADHYAY, F.C.A.
PARTNER
Membership No.: 050270
Place: Kolkata
Date: _____

For and on behalf of the Board

DIRECTORS

Bengal Steel Industries Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

A. CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31st March 2016	For the year ended 31st March 2015
Net Profit/(Loss) before tax	897,474	11,537,157
Adjustment for:		
Exceptional Items	-	-
Depreciation	116,560	137,536
Interest Received	(38,581)	(1,061,485)
Interest Paid	-	-
(Profit)/Loss On Sale of Investments	2,655,101	(7,546,694)
(Profit)/Loss On Sale Of Fixed Asset	-	-
Provision for fall in Value of Current Investment	-	-
Dividend Received	(1,023,212)	(1,148,460)
Operating Profit before Working Capital Changes	2,607,342	1,918,049
Movements in Working Capital		
Increase/(Decrease) in Trade Payables	-	-
Increase/(Decrease) in Other Current Liabilities	310,199	(27,979,544)
Decrease/(Increase) in Trade Receivables	-	-
Decrease/(Increase) in Inventories	-	5,461,885
Decrease/(Increase) in Long - Term Loans and Advances	(34,722)	(67,666)
Decrease/(Increase) in Short - Term Loans and Advances	(41,501,899)	19,396,851
Decrease/(Increase) in Other Current Assets	(4,718,232)	2,406,298
Cash generated from operations/(used in) Operations	(42,737,312)	1,135,873
Direct Taxes Paid (Net)	-	-
Net Cash from Operating Activities	(42,737,312)	1,135,873
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets (Including Capital work in Progress)	-	-
Sale Of Fixed Assets (Including advance taken for Sale - Net)	-	-
Loan Given (-) / Refund received (+)	-	-
Effect of Exchange rate change on Consolidation	-	-
Purchase of Investments (Including Share Application Money)	-	(20,000,000)
Sale of Investments	33,008,763	25,358,915
Interest Received	38,581	1,061,485
Dividend Received	1,023,212	1,148,460
Net Cash from Investing Activities	34,070,556	7,568,860
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) from Long term Borrowings	-	-
Proceeds/ (Repayment) from Short term Borrowings	-	-
Interest paid	-	-
Dividend Paid	-	-
Net Cash from Financing Activities	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(8,666,756)	8,704,733
Cash and Cash Equivalents At The Beginning Of The Period	9,068,468	363,735
Cash and Cash Equivalents At The End Of The Period	401,712	9,068,468

Components of Cash & Cash Equivalents	For the year ended 31st March 2016	For the year ended 31st March 2015
Balances With Banks:		
- In Current Account	320,075	8,920,107
- In Foreign Currency Account	-	-
- In Fixed Deposit Account	1,000	1,000
- In Margin Deposit Account	-	-
- In Unpaid Dividend Account	-	-
Cash On Hand	78,637	145,361
	401,712	9,068,468

Note:

- a) Previous year's figures have been regrouped / recast, 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.

As per our Report of even date.

For J N BANERJEE & CO.

Chartered Accountants

REG. No. 302063E



G BANDYOPADHYAY, F.C.A.

PARTNER

Membership No. : 050270

Place : Kolkata

Date : 23 MAY 2016

For and on behalf of the Board



DIRECTORS

NOTES 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.

Cs

Note : 2 SHARE CAPITAL		As at 31st March 2016	As at 31st March 2015
Authorised Shares: 60,00,000 Equity Shares of Rs. 10/- each		60,000,000	60,000,000
		60,000,000	60,000,000
Issued, Subscribed & Fully Paid-Up: 49,00,000 Equity Shares of Rs. 10/- each		49,000,000	49,000,000
Total		49,000,000	49,000,000

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

Equity Shares	Nos.	As at 31st March 2016	Nos.	As at 31st March 2015
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

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

Particulars	Nos.	As at 31st March, 2016 % Holding in the class	Nos.	As at 31st March 2015 % Holding in the class
Equity Shares of Rs. 10 Each				
1. V.N. Enterprises Limited	844,935	17.24	844,935	17.24
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. Hindustan Udyog Limited	345,000	7.04	345,000	7.04

2 c. 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.

Ca

Note : 3 RESERVE & SURPLUS		As at 31st March 2016	As at 31st March 2015
Surplus as per Statement of Profit and Loss			
Opening Balance		48,712,627	39,325,474
Addition during the year		226,474	9,387,153
Closing Balance		48,939,100	48,712,627

Note : 4 OTHER CURRENT LIABILITIES		As at 31st March 2016	As at 31st March 2015
Sundry Advance		693,968	694,384
Other Payables		4,795,951	3,885,336
Total		5,489,919	4,579,720

Note : 5 SHORT TERM PROVISIONS		As at 31st March 2016	As at 31st March 2015
Provision for Income Tax		4,683,000	4,012,000
Total		4,683,000	4,012,000

62

BENGAL STEEL INDUSTRIES LIMITED

Note - 6 Fixed Assets:

PARTICULARS	COST			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BOOK VALUE		
	01.04.2015	ADDITION	DEDUCTION	31.03.2016	31.03.2015	CHARGE THE YEAR	DEDUCTION/ ADJUSTMENT	31.03.2016	31.03.2015
TANGIBLE ASSETS									
LAND	542,591	-	-	542,591	-	-	-	542,591	542,591
LAND & BUILDING	339,000	-	-	339,000	268,301	2,469	-	48,230	50,699
FACTORY SHED	9,562,353	-	-	9,562,353	8,875,262	65,474	-	621,817	687,091
PLANT & EQUIPMENTS	13,150,980	-	-	13,150,980	13,019,914	23,796	-	107,670	131,466
VEHICLE (25.89%)	671,939	-	-	671,939	579,180	24,015	-	68,744	92,759
FURNITURE & FIXTURE	246,623	-	-	246,623	242,739	1,006	-	2,878	3,884
Total	26,513,486	-	-	26,513,486	23,004,996	116,560	-	1,391,930	1,508,490
PREVIOUS YEAR	24,513,486	-	-	24,513,486	22,867,460	137,536	-	1,508,490	

106

NOTE - 7 : NON CURRENT INVESTMENTS
LONG TERM FULLY - PAID UP NON TRADE INVESTMENTS : (At cost)

PARTICULARS	FACE VALUE	AS AT 31.03.2016		AS AT 31.03.2015	
		No. of Shares/ Units	Value	No. of Shares/ Units	Value
(i) Investment in Fully Paid up Equity Instruments					
A) Quoted					
Via Media India Ltd.	10	50	500	50	500
Kabru Papers Limited	10	500	500	500	500
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
Aashish Enterprises Ltd.	10	168,000	412,744	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
Hindustan Udyog Ltd.	10	599,600	2,563,783	599,600	2,562,790
RSB Furnas Ltd.	10	360	63,191	360	63,141
TRF Ltd.	10			11,037	7,612,994
Electr Engineering Ltd	2	26,699	1,817,307	127,820	9,668,172
TOTAL A			6,915,388		22,579,252
B) Unquoted					
Macmill Electronics 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 Impek Pvt. Ltd.	100	100	10,000	100	10,000
AKA Washeries India Pvt. Ltd.	10	2,000	20,000	2,000	20,000
Hindustan Parsons Ltd.	10	400,000	811,000	400,000	811,000
Hjwood hindusthan Pvt. Ltd.	10	2,000	20,000	2,000	20,000
Graans 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	198,000	198,992
TOTAL B			1,268,674		1,268,674
(ii) Investment in Fully Paid up Preference Shares					
India Financial Journal Pvt. Ltd.	100	30	3,000	30	3,000
TOTAL C			3,000		3,000
(iii) Investment in Debentures					
Via Media Ltd.	10	175	7,000	175	7,000
TOTAL D			7,000		7,000
(iii) Investments in Mutual Funds:					
Kotak Liquid Fund					20,000,000
TOTAL E					20,000,000
Total (A + B + C + D + E)			8,194,062		43,857,926

	As at 31st March 2016		As at 31st March 2015	
	Cost	Market Value	Cost	Market Value
Aggregate value of Quoted Investments	6,915,388	4,997,531	22,579,252	17,447,201
Aggregate value of Unquoted Investments	1,268,674	-	21,268,674	-

64

	Note 8 : LONG TERM LOANS AND ADVANCES	As at 31st March' 2016	As at 31st March 2015
	Unsecured, Considered Good:		
	Advances recoverable in Cash or in kind	151,293	151,293
	Security Deposits	804,347	769,624
	Total	955,640	920,918

	Note : 9 CASH & CASH EQUIVALENTS	As at 31st March' 2016	As at 31st March 2015
	Balance at Bank in Current Accounts	320,075	8,920,108
	Balance at Bank in Deposit Account	3,000	3,000
	Cash in Hand	78,637	145,363
	Total	401,712	9,068,469

	Note : 10 SHORT TERM LOANS & ADVANCES	As at 31st March' 2016	As at 31st March 2015
	Unsecured, Considered Good:		
	Advances recoverable in Cash or in kind or for value to be received	77,373,275	38,223,275
	Advance Income Tax and Other Taxes	14,176,785	11,837,887
	Advances to Staff	13,000	-
	Total	91,563,060	50,061,162

	Note : 11 OTHER CURRENT ASSETS	As at 31st March' 2016	As at 31st March 2015
	Unsecured, Considered Good:		
	Other Receivables	1,835,454	887,383
	Rent Receivable	3,258,161	-
	Service Tax On rent Receivable	512,000	-
	Total	5,605,615	887,383

60

Note : 12 REVENUE FROM OPERATIONS	For the year ended 31st March 2016	For the year ended 31st March 2015
Sale Of Products		
Sale of Products		5,520,000
Other Operating Income	4,800,000	4,800,000
Total	4,800,000	10,320,000

Note : 13 OTHER INCOME	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Received on Deposits	38,581	75,184
Interest Received on Loan	-	986,301
Income from Mutual Fund	966,332	969,222
Profit / (Loss) on Sale of Investments (Net)	(2,655,101)	7,546,694
Dividend Received	56,980	279,238
Total	(1,593,308)	9,756,639

Note : 14 EMPLOYEE BENEFIT EXPENSES	For the year ended 31st March 2016	For the year ended 31st March 2015
Salary, Wages, Bonus & Allowances	998,429	328,406
Staff Welfare Expenses	139,985	174,911
Total	1,138,414	503,317

Note : 15 DEPRECIATION & AMORTISATION EXPENSES	For the year ended 31st March 2016	For the year ended 31st March 2015
Depreciation [Note No. 6]	116,560	137,536
Total	116,560	137,536

Note : 16 OTHER EXPENSES	For the year ended 31st March 2016	For the year ended 31st March 2015
Directors Meeting Fees	22,000	16,000
Service Charges	518,157	569,702
Electric Charges	8,820	8,260
Rates & Taxes	131,335	302,990
Bank Charges	9,928	16,574
Travelling Expenses	-	366,825
Conveyance Charges	99,090	605,166
Other Repairs	4,410	9,484
Postage, Telegram & Telephone	54,891	42,649
Printing & Stationery Items	13,630	10,519
Service Tax	16,094	24,026
<u>Payment to Auditors</u>		
- As Auditors	35,000	35,000
- For Other Services	10,500	14,500
Listing Fees	25,000	10,500
- filing fees	5,400	192,700
Subscription & Donation	6,983	13,125
Advertisement	14,883	31,010
Miscellaneous Expense	78,063	167,920
Total	1,074,244	2,436,548

Notes to Accounts

17. 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.

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

19. 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.

20. 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
Ritu Agarwal	Director

Transactions with Associate Company & Key Managerial Personnel :

Transaction	Associate Company		Key Managerial Personnel	
	2015-2016	2014-2015	2015-2016	2014-2015
	Rs.	Rs.	Rs.	Rs.
Rent Receipts (WPIL Ltd)	4,800,000	4,800,000	-	-
Meeting Attendance Fees (Directors)	-	-	22,000	16,000

21. Earning Per Share:	Current Year	Previous Year
	Profit After Taxation	226,474
Weighted average no. of equity share outstanding	4,900,000	4,900,000
Earning Per Share - Basic and Diluted	0.05	1.92

22. Deferred Tax Accounting :

Tax liability arising under Minimum Alternate Tax (MAT) method gives rise to Deferred Tax Asset of about Rs.5.85 lacs but in view of concept of prudence and in absence of virtual certainty of earning profit, Deferred Tax Asset has not been recognised.

23. 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 (MSME) as at 31.03.2014. 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 received by the Company.

24. Previous years' figures have been reclassified to conform to this years classification, wherever necessary.

As per our Report of even date.

For J N Banerjee & Co.

Chartered Accountants

REG NO. 302063E

G BANDYOPADHYAY, F.C.A.

PARTNER

Membership No. : 050270

Place : Kolkata

Date :

For and On Behalf of the Board

Directors