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CORPORATE INFORMATION

MENTOR	Mr. Basheshar Lal Bansal
BOARD OF DIRECTORS	Mr. Suresh Chand Bansal Chairman & Mg. Director Mr. Mukesh Chand Bansal Joint Mg. Director Mr. Vikas Bansal Executive Director Mr. Gautam Bansal Whole time Director Mr. Manav Bansal Non-Executive Director Mr. Vijay Bansal Non-Executive Director Mr. Bhal Chand Khaitan Independent Director Mr. Aditya Kumar Sikdar Independent Director Mr. Brijesh Kumar Dalmia Independent Director Mr. Ravishankar Sridharan Independent Director Mr. Krishna Chandra Raut Independent Director Mr. Srikumar Banerjee Independent Director
COMPANY SECRETARY & CFO	Mr. Lalit Chand Sharma
BANKERS	Allahabad Bank State Bank of India Punjab National Bank Bank of Baroda
AUDITORS	M/s. Rustagi & Associates Chartered Accountants 59, Bentick Street, Kolkata-700 069
REGISTERED OFFICE	"Lansdowne Tower" 4th Floor, 2/1A, Sarat Bose Road, Kolkata-700020. Tel: 033 30514444 Fax: 033-2283 3322 E-mail: contact@beekaysteel.com Website: www.beekaysteel.com
WORKS	<ul style="list-style-type: none">• Jamshedpur (Jharkhand)• Chennai (Tamilnadu),• Visakhapatnam (Andhra Pradesh) – (a. Autonagar b. Bheemlipatnam c. Vellanki)• Howrah (West Bengal)
REGISTRARS & SHARE TRANSFER AGENTS	M/s. Maheshwari Datamatics Pvt Ltd 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 Ph: 033-2248 2248, 2243 5809, 2243 5029 Fax: 033-2248 4787 Email: mdpl@cal.vsnl.net.in



Financial Trends in last 5 Years

Highlights 2011-12

Gross Turnover

Up by 31% to Rs.600.03 crores

EBIDTA

Up by 9% to Rs.54.38 crores

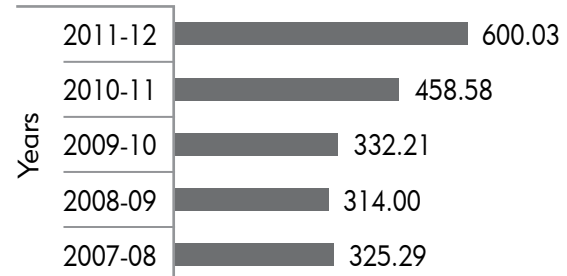
Net worth

Up by 42% to Rs.129.74 crores

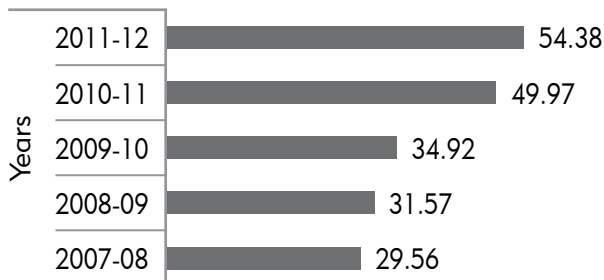
Total Production

Up by 37% to 3,91,053 MT

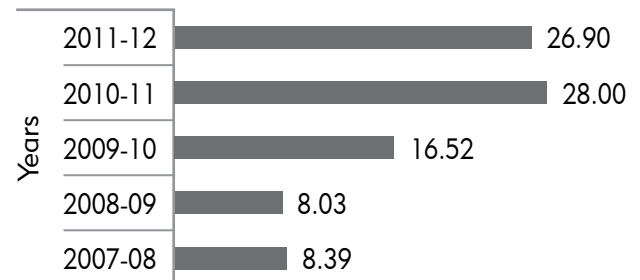
Gross Turnover (Rs. in crores) 5 Years CAGR 12.66%



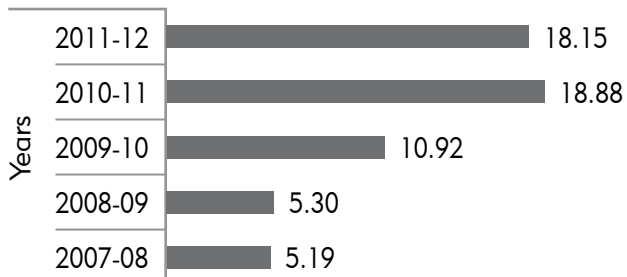
EBIDTA (Rs. in crores) 5 Years CAGR 21.33%



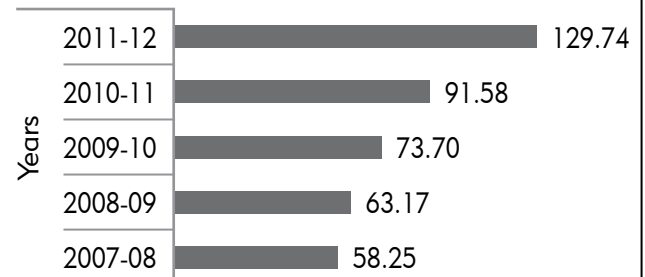
PBT (Rs. in crores) 5 Years CAGR 16.90%



PAT (Rs. in crores) 5 Years CAGR 16.94%



Net Worth (Rs. in crores) 5 Years CAGR 19.40%





NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of M/s. BEEKAY STEEL INDUSTRIES LIMITED will be held at the Registered Office of the Company at 'Lansdowne Towers', 4th Floor, 2/1A, Sarat Bose Road, Kolkata - 700 020 on Saturday, 29th Day of September, 2012 at 11.30 A. M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ravishankar Sridharan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Vijay Bansal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Brijesh Kumar Dalmia, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT subject to the provisions of Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any amendment thereto for the time being in force), Clause 49 of the Listing Agreement with the Stock Exchanges, pursuant to the provisions of the Articles of Association of the Company and subject to such other approvals & permissions as may be required, the consent and approval of the Company be and is hereby accorded for payment of Commission not exceeding 1% (one per cent) per annum of the net profits of the Company calculated in accordance with the provisions of the Act, to Mr. Vijay Bansal, Non-Executive Director of the Company in such manner as may be decided by the Board of Directors of the Company for a period of five years commencing from the financial year 2012-13.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

Registered Office:

"Lansdowne Towers", 4th Floor,
2/1A, Sarat Bose Road,
Kolkata- 700 020.

Place: Kolkata

Dated : 21st August, 2012.

By Order of the Board
For Beekay Steel Industries Limited

S/d-
Lalit Chand Sharma
Company Secretary & C.F.O.



NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND & VOTE INSTEAD OF HIMSELF & A PROXY NEED NOT BE A MEMBER**
- b. Proxies in order to be effective must be received by the Company not less than forty eight hours before the meeting.
- c. Register of Members and Share Transfer Register shall remain closed from **25th September, 2012 to 29th September, 2012** (both days inclusive).
- d. Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address and bank particulars, to the Company at its Registered Office or to its Registrars & Share Transfer Agent, at the following address quoting their folio numbers :-

M/S. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata – 700 001. Phone Nos. 91-33-2243-5029 / 5809, 2248-2248 Fax No. 91-33-2248-4787, E-Mail – mdpl@cal.vsnl.net.in.
- e. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting.
- f. The Ministry of Corporate Affairs (“Ministry”) has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances through electronic mode and has issued Circular No.17/2011 dtd. 21-04-2011 stating that service of documents by a company to its Members can be made through electronic mode. In order to support this Green Initiative, the Members are requested to provide their email ID to the Company’s Share Transfer Agent: M/S. Maheshwari Datamatics Pvt. (E-Mail – mdpl@cal.vsnl.net.in.) or to the Company (E-Mail- contact@beekaysteel.com or rksahoo@beekaygroup.co.in)

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956:-

The Company has been benefiting from the administration and liasioning services of Mr. Vijay Bansal, non-executive director for its Jamshedpur Unit at Jharkhand, In appreciation of the same, the Board at its meeting held on 21st August, 2012 has recommended the payment of commission to him, not exceeding 1% p.a. of the net profit of the Company (computed in the manner laid down by Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956) for a period of five years from the financial year 2012-13 provided that the aggregate of such commission payable to him, would not exceed the limit as prescribed by the provisions of the Companies Act, 1956. The said approval, if approved, will be valid up to financial year 2016-17.

Your approval is accordingly sought for the payment of commission to Mr. Vijay Bansal.

No Director except Mr. Vijay Bansal is in any way concerned or interested in the aforesaid Resolution.



DIRECTORS' REPORT TO THE SHAREHOLDERS

To,
The Members of
Beekay Steel Industries Ltd.

Your Directors take pleasure in presenting the Thirty First Annual Report on the business and operations of the Company together with the audited Financial Accounts for the year ended March 31, 2012.

(Rs. in crores)

FINANCIAL RESULTS	As on 31-03-2012	As on 31-03-2011
Sales/Income from Operations	600.03	458.58
Profit before interest, depreciation and tax	54.38	49.97
Interest	18.23	14.46
Depreciation	9.25	7.51
Profit before taxation	26.90	28.00
Provision for tax-Current tax	8.18	6.04
Provision for tax- Deferred tax	0.58	3.08
Profit for the year	18.14	18.88
Add/(Less): Adjustments	0.02	0.01
Balance of profit for previous year	34.25	20.55
Balance available for appropriation	52.41	39.44
APPROPRIATIONS:		
Dividend-Equity Shares	-	0.85
Dividend Tax	-	0.14
Transfer to General Reserve	5.00	3.00
Transfer to Capital Redemption Reserve	-	1.20
Balance of Profit carried over	47.41	34.25

RESULTS OF OPERATIONS

The Company has achieved significantly high turnover of Rs. 600.03 crores during the year under review, which is 31% higher than Rs.458.58 crores in the preceding financial year 2010-11. The production of own finished steel for the year stood at 3,91,053 MT (including conversion of 2,92,816 MT) against 2,86,180 MT (including conversion of 1,85,969 MT) in the previous year. The overall production increase along with focus on exports has provided impetus to the operational growth of the Company and the Profit before Interest, Depreciation and Taxes grew by 9% and reached Rs.54.38 crores as compared to Rs.49.97 crores during the previous year. The enhanced working capital requirements of the Company were met by availing external borrowings pending the delayed sanction and disbursement of regular working capital limits. With the infusion of additional funds of Rs.20.00 crores by way of preferential allotment



of Equity Shares to promoters and strategic investors, the Company has been able to prudently improve its debt gearing. This will also ease the liquidity pressure which has surfaced due to investments in the ongoing projects at Visakhapatnam.

During the year 2011-12, the Wholesale Price Index remained very high at an average of 9%, escalating the prices of essential goods which compelled the RBI to tighten the monetary policy by increasing interest rate 13 times between March,11 and October,12. As a result, the borrowing became expensive and reduced bank funds were available to infrastructure sector including steel industry. Your Company's annual borrowing cost also increased by 26% YOY to Rs.18.23 crores in 2011-12. On one hand the cost of existing working capital escalated, while on the other, high cost external borrowings had to be arranged to temporarily cushion the late sanction of regular working capital limits. On the backdrop of continued inflation and rising crude oil prices, the cost of Furnace Oil also increased by 31% to the average of Rs. 41,193 per Kltr. against Rs.31,453/- per Kltr. in the previous year, resulting in proportionate increase in production costs.

PREFERENTIAL ISSUE OF SHARES

For the purpose of meeting the working capital requirements and part finance the ongoing projects, the Company has raised funds of Rs.20.00 crores by way of Preferential Issue of 20,00,000 Equity Shares of Rs.10/- each at a premium of Rs.90/- per share u/s 81(1A) of the Companies Act, 1956 as per Chapter VII of the SEBI (ICDR) Regulations, 2009. Out of this, amount of Rs. 13.00 crores has been utilized by the Company for the purpose of funding its Working Capital requirements. The said shares have been listed with both Calcutta & U.P Stock Exchanges and the corporate action with both NSDL & CDSL has been completed. Trading permission for the new shares has also been granted by both the stock exchanges.

DIVIDEND

The shareholders of the Company have been adequately rewarded by the Company during last 5 successive years by way of dividend and also by way of bonus issue (in the ratio of 5:1) in the year 2010-11. This has considerably increased the Capital base of the Company besides improving the bearing of net-worth to total outside liabilities and strengthening the stake of the shareholders in the Company. In view of sizeable amounts of internal accruals being deployed for the TMT manufacturing project (Rs.22.61 crores) at Parwarda (Andhra Pradesh) and Transmission Line Tower (TLT) Manufacturing project (Rs.16.07 crores) at Pydibhimawaram, (Andhra Pradesh), your directors do not envisage any dividend payment for the financial year ended on 31st March, 2012.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Vijay Bansal, Mr. Brijesh Kumar Dalmia and Mr. Ravishankar Sridharan retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors of the Company, M/s. Rustagi & Associates., shall hold the office up to the conclusion of the ensuing Annual General Meeting of the company and being eligible offer themselves for reappointment. Pursuant to the provisions of Section 224(1B) of the Companies Act, 1956, the auditors have furnished certificate of their eligibility for the re-appointment.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of annual accounts for the period ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements 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 the year under review.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Final accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement, the Company ensured that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company's share are listed are complied with. A separate report on Corporate Governance and the Auditor's Certificate on its compliance together with a certificate from Mr. S. K. Tibrewalla, Practising Company Secretary regarding compliance of requisite conditions of Corporate Governance, certification by CEO & CFO, Declaration by CEO & CFO for Compliance with the Code of Conduct of the Company as per Clause 49(I)(D)(ii) of Listing Agreement and the Management Discussion & Analysis Report are given as Annexures hereto and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

Since the Company has no employee having drawn remuneration as stipulated in Section 217 (2A) of the Companies Act, 1956 or in the rules made pursuant to the same during the Financial Year under review, the relevant particulars of the employees as per the said provisions are not required to be given.

COST AUDITORS

During the year the Board appointed M/s. Musib & Co. as Cost Accountants to conduct the cost audit of the Company. The Company filed application with the Central Government for the Financial Year 2011-12 for the said appointment and the approval of the Central Government is awaited.

PARTICULARS REGARDING ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The main source of Furnace Oil as source of heating is crude oil, which is costly due to the Country's dependence on imports of the same. In order to reduce the cost of energy, in recent times the rolling mills have been focusing on enhanced usage of Coal Gassifier in place of Furnace Oil. The Coal Gassifier consumes coal and is thus both effective and economical substitute for Furnace Oil in providing the requisite heat to the Re-heating Furnace.

After successful installation and running of Coal Gassifier at Jamshedpur Unit since 2009-10, your Company is planning to use Coal Gassifier at other units also as a substitute of Furnace Oil.



The particulars relating to energy, technology and Foreign Exchange earnings/ outgo pursuant to 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, are annexed hereto and form part of this Report.

APPRECIATION

Your Directors genuinely recognize and appreciate the co-operation and support received from the Governments, Statutory Authorities and Banks and shareholders. They wish to place on record their appreciation for the dedication and sincerity with which all the employees of the Company have extended their services. The Directors also extend their gratitude for the continued confidence and faith shown by the customers in the Company's integrity, high standards of operations and products.

Registered Office:

'Lansdowne Towers', 4th Floor,
2/1A, Sarat Bose Road,
Kolkata - 700 020

Place: Kolkata

Dated: 21st August, 2012

For On Behalf of the Board of Directors

S/d-

Suresh Chand Bansal
Chairman & Mg. Director

S/d-

Mukesh Chand Bansal
Jt. Mg. Director



ANNEXURE TO THE DIRECTORS' REPORT

Form for disclosure of particulars with respect to Conservation of energy:

		Current Year 31-03-2012	Previous Year 31-03-2011
A. Power & Fuel Consumption			
1. Electricity			
(a) Purchased	Kwh	3,13,99,044	2,20,49,799
Total Amounts	Rs.	15,34,02,720	10,63,09,141
Rate/ Unit	Rs.	4.89	4.82
(b) Own Generation			
(i) Through Diesel Generation units		Nil	Nil
Units per litre of Diesel Oil		Nil	Nil
(ii) Through steam Turbine / Generator		Nil	Nil
2. Furnace Oil			
Quantity	Kltrs.	12,223	9,348
Total Amount	Rs.	50,34,87,541	29,40,14,490
Average Rate per K.Ltr.	Rs.	41,193	31,453
3. Coal for Coal Gassifier at Jamshedpur Unit			
Quantity	M.T.	15,394	15,764
Total Amount	Rs.	9,43,19,950	4,97,44,276
Average Rate per M.T.	Rs.	6,127	3,156
B. Consumption per Unit of Production			
Productions: Iron & Steel Material			
Steel Bars & Rods	MT	3,91,053	286,180
Unit- per M.T.			
Electricity	Kwh	80.29	78.04
Furnace Oil	Kltrs.	0.03	0.03
Coal (Jamshedpur Unit)	M.T.	0.05	0.09
C. Foreign Exchange			
Earnings	Rs.	Nil	Nil
Outgo (for Import of Machineries and Components)	Rs.	2,03,31,649	Nil



ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company is based on the foundation of equity, fairness, transparency, spirit of law and honest communication. Sound Corporate Governance principles are being pursued by the Company to protect the interests of its stakeholders. The Board is properly structured and functions as Trustee of its Shareholders, while duly acknowledging its responsibilities towards them for creation and safeguarding their wealth.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Company is presenting the report on the areas pertaining to the said clause along with the regular practices being followed the Company in complying with them.

BOARD OF DIRECTORS

The Company's Board has optimum combination of Executive and Non-Executive Directors. The Board presently has 12 Directors out of which 6 are Independent Directors.

a) Composition and category of Directors as on 31st March, 2012 are as follows:

Category	Name of Directors
Promoters - Executive Directors	Mr. Suresh Chand Bansal
	Mr. Mukesh Chand Bansal
	Mr. Vikas Bansal
	Mr. Gautam Bansal
Promoters - Non Executive Directors	Mr. Manav Bansal
Non - Promoter - Non Executive Director	Mr. Vijay Bansal
Non-Executive - Independent Directors	Mr. Brijesh Kumar Dalmia
	Mr. Bhal Chand Khaitan
	Mr. Aditya Kumar Sikdar
	Mr. Ravishankar Sridharan
	Mr. Subir Kumar Bhattacharyya *
	Mr. Krishna Chandra Raut #
	Mr. Srikumar Banerjee #

* Resigned w.e.f.16th June, 2011 # Appointed w.e.f. 16th August, 2011.



b) The Directors' attendance at the Board meetings, Annual General Meeting and Number of other Directorship and Chairmanship/ Membership of Committee held by them are given hereunder:

Name of the Director	Attendance Particulars for the year ended 31st March, 2012		No. of other directorships and committee memberships/ chairmanships as on 31st March, 2012		
	Board Meetings	Last AGM held on 24th September, 2011	Other Directorships**	Committee Memberships	Committee Chairmanships
Mr. Suresh Chand Bansal	11	No	2	3	1
Mr. Mukesh Chand Bansal	9	Yes	3	3	2
Mr. Vikas Bansal	12	Yes	2	1	–
Mr. Gautam Bansal	9	No	–	2	–
Mr. Ravishankar Sridharan	7	Yes	–	1	–
Mr. Manav Bansal	9	Yes	3	3	–
Mr. Aditya Kumar Sikdar	0	No	–	–	–
Mr. Bhal Chand Khaitan	10	No	3	6	4
Mr. Vijay Bansal	3	No	–	–	–
Mr. Brijesh Kumar Dalmia	9	Yes	1	5	1
Mr. Subir Kumar Bhattacharyya*	0	No	–	–	–
Mr. Krishna Chandra Raut #	3	Yes	1	–	–
Mr. Srikumar Banerjee #	0	No	–	–	–

* Resigned w.e.f. 16.6.11 # Appointed w.e.f. 16.8.11

(**) Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

14 (Fourteen) Board Meetings were held during the year as against the minimum requirement of four Board meetings. The Company has duly held at least one Board meeting in each quarter. The dates of Board meetings and the strength are as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1	22-04-2011	11	4
2	26-04-2011	11	5
3	14-05-2011	11	7
4	16-06-2011	10	5
5	30-07-2011	10	6
6	16-08-2011	12	9
7	24-09-2011	12	7
8	14-11-2011	12	8



Sl. No.	Date	Board Strength	No. of Directors Present
9	22-11-2011	12	5
10	18-01-2012	12	5
11	07-02-2012	12	8
12	10-02-2012	12	6
13	06-03-2012	12	4
14	22-03-2012	12	8

CODE OF CONDUCT:

The Board of Directors of the Company has framed a code for all Board members and senior management of the Company. The Directors and senior management personnel of the Company have affirmed compliance of the said Code of Conduct as on 31st March, 2012. The Code of Conduct is displayed under the head 'Investors' on the Website of the Company:- www.beekaysteel.com.

BOARD COMMITTEES:

Audit Committee:

Audit Committee of the Board comprises three Directors out of which two are Independent & Non-Executive Directors.

The composition of the Audit Committee and attendance of its meetings are given below:

Constitution	No. of Meetings	
	Held	Attended
Mr. Bhal Chand Khaitan - Non- Executive –Independent Director - Chairman	5	5
Mr. Suresh Chand Bansal- Chairman & Mg. Director	5	5
Mr. Brijesh Kumar Dalmia- Non- Executive –Independent Director	5	5

All the members of the Committee are financially literate. The constitution of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the stock exchanges. Mr. Lalit Chand Sharma, Company Secretary & C.F.O. is acting as Secretary of the Committee.

The Committee supervises appointments, accounting and audit of financial statements, performance of auditors, internal controls and areas of weakness. It also obtains the requisite outside legal/professional advices and investigates the activities within its reference.

Five meetings of the Audit Committee were held during the year 2011-12 on 14-05-2011, 30-07-2011, 16-08-2011, 14-11-2011 and 10-02-2012.

REMUNERATION COMMITTEE:

The Remuneration Committee's responsibilities include framing of specific remuneration package of Executive Directors and approval of remuneration to the managerial personnel as per the Company's policy on the same.

The Committee has three Independent Non-Executive Directors- Mr. Bhal Chand Khaitan, as the Chairman and Mr. Brijesh Kumar Dalmia and Mr. Ravishankar Sridharan as other members.



The Board decided and fixes the powers and roles of the Committee from time to time. Mr. Lalit Chand Sharma, Company Secretary & C.F.O. is acting as Secretary of the Committee.

During the year under review one meeting of the Remuneration Committee was held on 16.08.2011.

Remuneration to Directors:

The details of remuneration paid /payable to the Managing Directors & Wholetime Directors and Sitting Fees paid/ payable to Non-Executive Directors are given hereunder:-

Name of Directors	Remuneration Paid/Payable for the year ended 31st March, 2012				Service Terms		
	Salary & Bonus (Rs.)	Bonus	Benefits (Rs.)	Sitting Fees (Rs.)	Pay Scale per Month (Rs.)	Period	Effective From
Mr. Suresh Chand Bansal	12,96,000	10,37,000	3,60,000	–	1,08,000	5 Years	01-10-2008
Mr. Mukesh Chand Bansal	10,36,000	8,21,000	3,60,000	–	86,400	5 years	01-01-2012
Mr. Vikas Bansal	9,50,400	6,91,000	3,60,000	–	79,200	5 Years	01-10-2008
Mr. Gautam Bansal	7,48,800	2,81,000	–	–	62,400	5 Years	01-06-2010
Mr. Manav Bansal	–	–	–	18,000	–	–	–
Mr. Aditya Kumar Sikdar	–	–	–	–	–	–	–
Mr. Bhal Chand Khaitan	–	–	–	32,000	–	–	–
Mr. Vijay Bansal	–	–	–	6,000	–	–	–
Mr. Brijesh Kumar Dalmia	–	–	–	38,000	–	–	–
Mr. Ravishankar Sridharan	–	–	–	16,000	–	–	–
Mr. Subir Kumar Bhattacharyya*	–	–	–	–	–	–	–
Mr. Krishna Chandra Raut #	–	–	–	10,000	–	–	–
Mr. Srikumar Banerjee #	–	–	–	6,000	–	–	–

* Resigned w.e.f. 16.6.11

Appointed w.e.f. 16.8.11

SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of the following Directors:

- Mr. Suresh Chand Bansal - Chairman
- Mr. Vikas Bansal - Member
- Mr. Gautam Bansal - Member

The meetings of the Committee are held whenever necessary for transfer / transmission of shares, issue of duplicate share certificates, change of name/status, transposition of names, sub-division/ consolidation of share certificates, de-materialisation / re-materialisation of shares, etc. Mr. Lalit Chand Sharma, Company Secretary & C.F.O. is acting as Secretary of the Committee.

As at 31st March, 2012, over 81.34% (previous year – 74.49%) of the Company's equity shares are held in dematerialized form.



SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The main tasks of Shareholders'/ Investors' Grievance Committee is to look into redressing of shareholders' and investors grievances like transfer / transmission of Shares, non- receipt of Dividend, Balance Sheet, etc.

The Committee comprises of the following members:

Mr. Brijesh Kumar Dalmia - Chairman

Mr. Suresh Chand Bansal - Member

Mr. Gautam Bansal - Member

During the period under review four Shareholders' Grievances Committee meetings were held on 14-05-2011, 30-07-2011, 14-11-2011 and 10-02-2012.

Mr. Lalit Chand Sharma, Company Secretary & C.F.O. is acting as Secretary of the Committee.

Number of complaints from members received and resolved during the period under review and pending as on 31-03-2012 are as follows:

No of complaints received – Nil, No. of complaints resolved – Nil and No. of complaints pending at the end of the year – Nil. No request for transfer was pending for more than 30 days as on 31-03-2012.

SHARES HELD BY NON-EXECUTIVE DIRECTORS

The shareholdings of Non-Executive Directors are given hereunder:-

Name of Directors	No. of Shares held as on 31-03-2012
Mr. Manav Bansal	12,58,196
Mr. Aditya Kumar Sikdar	Nil
Mr. Bhal Chand Khaitan	Nil
Mr. Vijay Kumar Bansal	Nil
Mr. Brijesh Kumar Dalmia	Nil
Mr. Ravishankar Sridharan	Nil
Mr. Krishna Chandra Raut	Nil
Mr. Srikumar Banerjee	Nil

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

- Mr. Ravishankar Sridharan is B.E (Metallurgy) and is professional engineer with over 30 years of extensive experience and excellence in the areas of Project Marketing, Metallurgy Operations, Quality Assurance and Team Management. He has successfully formulated and implemented tactical initiatives and plans to achieve corporate strategic goals in the organizations like Tata Iron & Steel Company Ltd. and Vizag Steel Plant. He has vast experience in leading product design and development and ensuring compliance with stipulated quality standards. He possesses high degrees of attributes, credibility & personal integrity and has been an example of peerless success in strategic corporate decision making, problem solving and analytical planning. He does not hold any share of the Company.
- Mr. Vijay Bansal is a Commerce Graduate having more than 40 years of experience in Administration and Project Works. He does not hold directorship in any other company and he does not hold any share of the Company.



c. Mr. Brijesh Kr. Dalmia is a qualified and well experienced Certified Financial Planner and 40 years of age. He is a Fellow Member of Life Underwriting Training Council, LUTCE(IN). He possesses qualifications of AMFI Certified for Mutual Fund and IRDA for Life and General Insurance. He is actively Member of the Product Advisory Committee of ICICI Prudential Life Insurance Co. Ltd. He is one of the very first CFP^{CM} from Eastern India and now is part of the strong 70000 CFP^{CM} spread through out the world having flair for ethical practices.

He is one of the Directors in Genuine Bima Pvt. Ltd., Dalmia Advisory Services Pvt. Ltd, Eternity Nirmaan (P) Ltd. and AKC Steel Industries Ltd. He does not hold any share of the Company.

GENERAL BODY MEETINGS

Location and time of Annual General Meeting held in last three years :

Year and Time	Type of Meeting	Date of Meeting	Venue
2010-11 at 10.30 A.M	30th A.G.M.	24-09-2011	Lansdowne Towers", 4th Floor, 2/1A, Sarat Bose Road, Kolkata – 700 020.
2009-10 at 10.30 A.M	29th A.G.M.	30-09-2010	Lansdowne Towers", 4th Floor, 2/1A, Sarat Bose Road, Kolkata – 700 020.
2008-09 at 10.30 A.M	28th A.G.M.	29-09-2009	Lansdowne Towers", 4th Floor, 2/1A, Sarat Bose Road, Kolkata – 700 020.

All resolutions which were moved at the last Annual General Meeting were passed by show of hands unanimously by all the members present at the meeting.

Business transacted at the last year was not required to be passed by postal Ballot in terms of Company's (Passing of the resolution by Postal Ballot) Rules, 2011.

No business proposed to be transacted at the ensuing Annual General Meeting was required to be passed by postal Ballot in terms of Company's (Passing of the resolution by Postal Ballot) Rules, 2011.

DISCLOSURES

- No transactions of materially significant nature were entered into by the Company with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority related to the capital markets during last three years. No penalty or strictures have been imposed by them on the Company.
- The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.
- The CEO / CFO certification as required under Clause 49 is annexed hereto which forms part of this report.
- The Management Discussion and Analysis Report as required under Clause 49 is annexed hereto which forms part of this report.

MEANS OF COMMUNICATION

Quarterly Results: The unaudited quarterly financial results together with limited review by the auditors are put on record by the Board of Director at its meeting within the prescribed time-frame of the close of every quarter and the same are furnished to all the stock Exchange where the Company's shares are listed.



The results are also published within 48 hours of the Board's meeting in the Newspapers.

Website: The Company's web site is www.beekaysteel.com where the quarterly / annual results and other statutory & non-statutory information are displayed.

GENERAL INFORMATION FOR MEMBERS:

a. Annual General Meeting:

(Date, Time & Venue)

Date : 29-09-2012

Time : 11.30 A. M.,

Venue : 'Lansdowne Towers', 4th Floor, 2/1A, Sarat Bose Road, Kolkata: 700 020

b. Dividend payment

The Board has not recommended any dividend for the Financial Year ended on 31-03-2012.

c. Date of Book Closure

25.09.2012 to 29.09.2012 (Both days inclusive) - For AGM

d. Financial year & Calendar:

Financial Year

- April-March

Unaudited Results for the quarter ending 30th June, 2012

- By middle of August, 2012

Unaudited Results for the quarter ending 30th Sept., 2012

- By middle of November, 2012

Unaudited Results for the quarter ending 31st Dec., 2012

- By middle of January, 2013

Audited Annual Accounts for 2012-13

- By middle of August, 2013

Annual General Meeting for the year Ending 31st March, 2013 - Middle of Sept, 2013

e. Listing:

Shares of your Company are listed on stock exchanges at Kolkata and Kanpur. The names and addresses of the Stock Exchanges and the Company's Stock Code are given below.

-- The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata-700 001.(Stock Code 10012082).

-- The Uttar Pradesh Stock Exchange Association Ltd., Padam Towers, 14/113, Civil Lines, Kanpur: 208 001. (Stock Code B00020).

f. Market price Data:

Monthly High/ Low price during the last Financial Year at the Calcutta Stock Exchange Ltd. depicting liquidity of the Equity Shares is given hereunder:

Month	Share Price		Month	Share Price	
	High	Low		High	Low
April,2011	No Trading		October, 2011	No Trading	
May,2011	-----do-----		November, 2011	-----do-----	
June,2011	-----do-----		December, 2011	-----do-----	
July,2011	-----do-----		January, 2012	-----do-----	
August,2011	-----do-----		February,2012	-----do-----	
September,2011	-----do-----		March,2012	-----do-----	



g. Performance in comparison:

No comparison to broad based indices such as BSE Sensex etc. could be drawn since there is no frequent trading during the financial year.

h. Registrar and Transfer Agent:

M/S. Maheshwari Datamatics Pvt. Ltd.,
6, Mangoe Lane, Kolkata – 700 001.

Phone Nos. 91-33-2243-5029 / 5809, 2248-2248 Fax No. 91-33-2248-4787,

E-Mail – mdpl@cal.vsnl.net.in.

i. Shares Transfer System:

Share Transfer assignment has been given to the Registrars and Share Transfer Agents. The Shares Transfer Committee is empowered to approve the Share transfers. Transfer Committee Meeting is held as and when required.

The Share Transfers, issue of duplicate certificate etc. are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrars within 30 days.

j. Distribution of Share as on 31st March, 2012.

Share Limit		No of Live Accounts	Percentage	Total No. of Shares	Percentage of Total Shares
From	To				
1	5000	162	22.88	50448	0.26
5001	10000	175	24.72	119358	0.63
10001	20000	245	34.60	309996	1.63
20001	30000	17	2.40	44400	0.23
30001	40000	4	0.56	13398	0.07
40001	50000	13	1.84	57246	0.30
50001	100000	15	2.12	105660	0.55
100001	Above	77	10.88	18371546	96.33
Grand Total		708	100.0000	19072052	100.0000

k. Share Holding Pattern as on 31st March, 2012:

Category	No. of Shares	Percentage of Holding
Promoters & Associates	13249350	69.47
Mutual Funds & UTI	–	–
Banks, Financial Institutions, Insurance	–	–
Companies (Central/ State Govt, Institutions, Govt. Institutions)	–	–
FII's	–	–
Private Corporate Bodies	4726676	24.78
Indian Public	1096026	5.75
NRIs / OCBs	–	–
Total	19072052	100.000



l. **Dematerialisation of Shares:** 81.34 % (previous year – 74.49 %) of the total equity share capital are held in dematerialized form with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. as on 31-03-2012. The Company's ISIN No. is INE213D01015.

m. **Outstanding Instruments:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.

n. **Plant Locations:**

Locations	Name & Address of the Manufacturing Units
Jamshedpur (Jharkhand)	Beekay Steel Industries Ltd. Large Scale Sector, Adityapur Industrial Area, Gamharia, Seraikela-Kharsawan, Jharkhand – 832 108
Chengalpet (Tamilnadu)	Beekay Steel Industries Ltd. 10, Kumarawadi Village, Madhuranthagam Taluk, Kancheepuram, Chengalpet: 603 107
Visakhapatnam (Andhra Pradesh)	Radice Ispat India, Vizag Plot No.194, Survey No.272, Vellanki Village, Anandapuram Mandal, Bheemlipatnam, Visakhapatnam: 531 163
	Beekay Structural Steels, Plot No. 19-21 & 24-26, Block-E, Autonagar, Visakhapatnam: 530 012
	Venkatesh Steel & Alloys, Plot No.28, Block-E, Autonagar, Visakhapatnam: 5300012.
	Beekay Special Steels Survey No.231/3,4,7, Vellanki Village, Anandapuram Mandal, Visakhapatnam: 531153
Howrah-Workshop Division (West Bengal)	Beekay Steel Industries Ltd. 286, 287, G.T. Road,Salkia, Howrah 711 106

o. **Address for Correspondence:**

Beekay Steel Industries Ltd.,
'Lansdowne Tower',
2/1A, Sarat Bose Road, Kolkata 700 020
Phone Nos. (033) 30514444, Fax No: (033) 2283 3322

p. **Compliance Officer:**

Mr. Lalit Chand Sharma, Company Secretary & CFO,
Beekay Steel Industries Ltd.
'Lansdowne Towers' 4th Floor,
2/1A, Sarat Bose Road, Kolkata: 700 020,
Phone Nos. (033) 3051 4444, Fax No: (033) 2283 3322



ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cautionary Statement

The Management Discussions and Analysis summarise your Company's projections and predictions and are purely forward looking statements within the meaning of prevalent laws and other regulations. The actual results could differ significantly from those expressed or implied. The Important factors that could make a difference to the Company's operations comprise of economic conditions affecting demand and supply and price conditions in domestic and international markets, any changes in Government regulations, tax regimes, other economic developments and relevant incidental factors.

Operations of the Company

Your Company is producing mainly Hot Rolled Steel Sections, Bright Bars and Structurals. The major consumers of the company's products are Automotive Component Manufacturers, Forging Industries, Construction Companies, Machinery Manufacturers, Agricultural Implement Manufacturers and various other Engineering Industries. The Company has achieved the impressive growth in turnover. By enhanced enrichment of the product mix, ongoing innovation and technology up-gradation at Jamshedpur, Visakhapatnam and Chennai units, the Company enjoys enviable position and established market for its rolled products. The long established relationships with existing customers in Automotive Component Sector and addition of new customers is the result of robust experience of the Company's management in steel manufacturing which ensures timely supply of high quality and trusted rolled products, thus enabling the Company to enjoy better competitive prices leading to enhanced sales growth and improved profitability. During the year, the Company has also obtained vendor registrations for supply of Structurals, Rounds and other sections to Ambuja Cement, ACC, NALCO, Hindalco, PGCIL, TATA Steel, HPCL, Simplex and others which will augment the sales volume in the coming years.

The present operational capacity of the Company (5,10,000 MTPA) is being utilized for the manufacturing of Hot Rolled Bars (TMT, Heavy Structurals and other Sections like Rounds, Squares, Flats etc) and Cold Drawn Bright Bars at the multi-locational units, as summarized hereunder:-

Locations	Name of the Manufacturing Units	Products	Installed Capacity (MTPA)
Jamshedpur	Beekay Steel Industries Ltd.	Hot Rolled TMT Bars	3,00,000
Visakhapatnam	Beekay Structural Steels	Hot Rolled Sections	60,000
	Radice Ispat India, Vizag	Hot Rolled Sections	30,000
	Beekay Special Steels	Hot Rolled Sections	30,000
	Venkatesh Steel & Alloys	Cold-Drawn Sections	10,000
Chengalpet (Tamilnadu)	Beekay Steel Industries Ltd.	Hot Rolled & Cold Drawn Sections	80,000
Total			5,10,000

Unlike most of the rolling mills, where single product (like TMT or Angles) is manufactured continuously, your Company is manufacturing rolled products like rounds, squares, flats, hexagonals and special profiles of various sizes, shapes and



dimensions at Visakhapatnam and Chennai Units. At Jamshedpur unit TMT is the single product being manufactured on behalf of TATA Steel. This process of manufacturing multi-sections results in frequent change of Rolls in the mills as per the production requirements and has inherent limitation of relatively lower capacity utilization. Further, due to power-crisis in Andhra Pradesh and Tamilnadu leading to imposition of Power-holidays for manufacturing sector, the operational days of the units are largely affected throughout the year.

The Jamshedpur unit, catering to Conversion contract from TATA Steel Ltd. for TMT manufacturing, produced 2,86,352 MT of TMT, registering a healthy growth of 58% over 1,81,149 MT manufactured in 2010-11. Despite the overall steel market remaining subdued and relatively lower demand from auto-ancillaries, the manufacturing units at Visakhapatnam and Chengalpet (Tamilnadu) Unit have been maintaining the production level of the year 2010-11. In the year 2012-13 also, the existing production level is expected to be maintained.

Ongoing Projects

a. TMT Rolling Mill Project at Parwada (Andhra Pradesh)

The existing TMT manufacturing facility of the Company at Jamshedpur is dedicated to conversion on behalf of TATA Steel. The promoters of the Company, with a view to further expand the rolling operations, are setting up a new TMT Rolling Mill with installed capacity of 2,00,000 MTPA at Parwada in Andhra Pradesh. This will enable the Company to enlarge the product range by including own produced TMT in the product basket for better margins. The proposed project is dedicated to manufacturing TMT Bars from the Billets. The raw material (Billets) will be procured from its RINL, Visakhapatnam and other suppliers.

The total cost of the project, envisaged at Rs. 56.30 crores excluding margin money for working capital, is being funded by composition of Debt (Term Loan of Rs.34.00 crores, already sanctioned from Punjab National Bank) and Promoters Contribution (Internal accruals Rs.22.30 crores).

For this project, the project work was started from April 2010. The constructions of factory sheds and other civil structures like boundary wall, office building, canteen, staff room, security room, stores etc. have already been completed by incurring Rs.22.61 crores till 31-03-2012 and trial run will commence by the end of 3rd quarter of 2011-12. The requisite approvals for power and environmental clearance have already been obtained.

b. TLT (Transmission Line Tower) Manufacturing at Pydibhimawaram, (Andhra Pradesh)

Having covered a successful long journey for production and supply of niche steel sections for Automobile, Heavy Engineering, Railways, Agricultural Implements and Infrastructure sectors, the Company is moving into forward integration by setting up 24,000 MTPA Transmission Line Tower manufacturing unit at Pydibhimawaram in Visakhapatnam. The project is dedicated to manufacturing and supply of Transmission Line Towers (TLT) to Power & Telecom sectors. The raw material feed will be structurals from the Company's existing Structural unit at Autonagar, Visakhapatnam. The total cost of the project is envisaged at Rs.26.00 crores being funded exclusively from the Company's internal accruals. The civil constructions (factory shed and other civil structures including machinery foundations) and machinery installations have been completed by incurring Rs.16.07 crores from internal accruals till 31-03-2012 and the unit is almost ready. The trial production under the proposed project is expected to be commenced from beginning of 3rd Quarter, 2012.

Economy, Steel & Auto Sectors

Having witnessed a positive beginning in 2010-11, the world economic scenario turned adverse in 2011-12 accompanied by turmoil in the euro-zone and rising commodity prices resulting in financial imbalances in the emerging nations.



The euro-zone crisis started impacting the economic performance of its trade-partners as the growth in developing countries like India, Brazil, Russia, South Africa slowed due to domestic policy tightening. However, contrary to the suspicion being raised on the outlook of the U.S. economy, the country delivered a heartening performance with a sharp decline in unemployment and growing retail market. Despite improved performance by the economies of U.S. and Japan, the global economic trade and growth slowed to witness a meagerly growth of 3.90% in 2011 against 5.30% in 2010. The Indian export to euro-zone is around 20% of its total exports which makes the euro-zone even a larger destination than the North America. Nearly 75% of these exports are contributed by the manufacturing sector in India. Therefore, the ongoing economic slow-down in the European countries has an adverse impact on Indian manufacturing sector resulting in higher trade-account deficit. The growing domestic consumption in India is however cushioning such impacts to some extent.

During the year under review, the world crude steel production reached 1527 million tonnes attaining a growth of 6.8% over 2010-11. China continued to remain the largest crude steel producer in the world. In Asia, production of steel was around 988 million tones registering a growth of 7.9 % over last year. India remained fourth largest steel producing country in 2011-12 after China, U.S.A. and Japan, registering production of 74 million tonnes against 71 million tonnes in 2010-11. However, per capita consumption of steel in India at 59 Kgs. is far below the World average of 215 Kgs.

Since a majority part of the Company's deliveries are to Auto-ancillary manufacturers, any changes in the demand for vehicles directly impacts the Company's supply prospects and its turnover. The overall Indian automobile industry grew by 12.12 per cent in 2011-12 by selling 17.3 million units. The cumulative production for April-March 2012 registered a growth of 13.83 per cent over April-March 2011, manufacturing 20,366,432 vehicles during the period. While Passenger vehicle segment grew at 4.66 per cent during April-March 2012, overall commercial vehicle segment registered an expansion of 18.20 per cent year-on-year (y-o-y). The industry exported 2,910,055 units registering a growth of 25.44 per cent in April-March 2012. Automobile exports registered a growth of 17.81 per cent in March 2012 as against March 2011. The major auto players like Mercedes Benz, Tata Motors, Nissan are planning substantial investments to develop the luxury and economy segments of vehicles in India. Industry body SIAM expects overall automobile sales to grow by 10-12 per cent in 2012-13 on the back of supportive Government policies, launch of new models and intensifying enthusiasm for cars among Indian consumers. New launches, strengthening dealership networks, strategic alliances and predicted mergers and acquisitions (M&As) are expected to provide an impetus to the sector in the years to come.

Opportunities & Threats

The Indian Steel Industry is geared for enhanced growth which will enable the nation to become one of the largest Steel consumers. The New Industrial policy has placed thrust on exemption of compulsory licensing for setting up steel manufacturing facilities by private investments. Alongside the modernization and technological up-gradation of existing units, there has been good presence of a large number of new steel units in the last few years. Steel consumption is expected to rise in future due to growing domestic demand, developing rural market and fast urbanisation. The Government is also encouraging the increased consumption of steel which is evident from the allocation of USD 490 Billion in Eleventh Five year Plan (2007-12) for core Infra sector development such as power, road, railways, ports & airports. Further, strong growth of steel usage is expected in the automotive industry and within the infrastructure, oil & gas sectors.

With the improvement in the economic recessions in the west, the potential for growing demand of steel is expected to be higher. Indian Steel producers are looking for overseas acquisitions in steel as well as raw material. Although India



continues to scale the position of enviable exporter of steel, China is becoming the net exporter of steel, suppressing the stronger prospects of Indian exports and posing the threat of strong competition and undercutting in prices. The margins of steel manufacturers are also under pressure due to fluctuations in demand and substitutes like Aluminum replacing Steel in Railways and in Auto Industry.

Your Company tries to balance these risks by ensuring optimum productivity, product enrichment and effective cost controls measures to maintain the consistency in growth. However, the cost of Furnace Oil (which is a major consumable for Furnace Heating) has gone up drastically by 31% over the previous year level and this along with increasing Power tariff continues to adversely affect the margins. The recession in the Auto sector is likely to affect the operational performance of the Company in coming years as substantial part of the Company's deliveries are to the Auto-ancillary manufacturers. The Company's wide range of well-trusted, quality and specialized products consisting of Hot-rolled steel sections and Bright bars are supplied both domestically as well as globally. However, with the good demand coming in for steel from Construction industry, and Aluminum smelters from middle-east, South American and African Countries, the Company has also ventured into direct exports of its products from the first quarter of 2012-13. The presence of sea-ports at Visakhapatnam and Chennai with good infrastructure facilitates immense scope of direct exports to the continents of Africa and North America. However, due to most of the Company's units being situated in the southern states of Andhra Pradesh and Tamilnadu, the domestic deliveries to western and northern parts of the country are costly. Further, the Company is making multi-profile Sections and Bars which also entails the necessity of keeping huge inventory for meeting the demands from different industrial segments. The dependence on RINL for availability of Raw Material (Billet) for Visakhapatnam units is being gradually reduced by sourcing the Raw Material from other private players from Andhra Pradesh and Orissa.

Segment-wise Or Product-wise Performance

Your Company is manufacturing HR sections (rounds, squares, flats, hexagons and special profiles) of different sizes and shapes with different compositions and is also doing conversion jobs. The combined production of rolled sections and bright bars during the year under review has stood at 3,91,053 MT (including conversion of 2,92,816 MT) as compared to 2,86,180 MT (Conversion accounting for 1,85,969 MT out of this) in 2010-11.

Outlook

Indian steel industry plays a significant role in the country's economic growth. The major contribution directs the attention that steel is having a stronghold in the traditional sectors, such as infrastructure & constructions, automobile, transportation, industrial applications etc. The country has acquired a central position on the global steel map with its giant steel mills, acquisition of global scale capacities by players, continuous modernization & up gradation of old plants, improving energy efficiency, and backward integration into global raw material sources. Global steel giants from across the world have shown interest in the industry due to its phenomenal performance. Indian crude steel production is expected to grow at a CAGR of around 10% during 2010-2013. Moreover, the government's proactive incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile, and power will drive the steel industry in future. Besides, steel consumption in India is expected to grow significantly in coming years as per capita finished steel consumption is far less than its regional counterparts.

Your Company has been successfully doing conversions for TATA Steel Ltd. at Jamshedpur by optimally utilising the production capacity of the unit. Besides, the stress is being laid on raising existing production levels of the units at



Visakhapatnam and Chengalpet (Tamilnadu). The upcoming TMT expansion and TLT manufacturing divisions at Visakhapatnam (Andhra Pradesh) are going to substantially contribute to the top-line growth and rise in the profit margins of the Company.

Internal Control Systems And Their Adequacy

Internal Control System is integral to the Company's operations at all levels and its corporate governance. The Company has strong document preparation and approval policies with requisite approvals for different operations. The successful roll-out of ERP system at Jamshedpur unit and four units at Visakhapatnam facilitates online and transparent information flow between various operational segments of the units and the management. The robust ERP system also ensures the integrity of accounting system and proper recording of all transactions. The Chengalpet (Tamilnadu) unit of the Company is also going to be covered under ERP in the year 2012-13. The organizational functions and policies are equipped to ensure timely and proper compliance of relevant laws, regulations and statutes. The management has skilled team of finance people, which in co-ordination with the Audit Committee (comprising requisite independent directors), reviews significant audit findings, adequacy of internal controls and adherence to the Accounting Standards. The Company's assets are adequately de-risked against anticipated losses under comprehensive Industrial All Risks Policies.

Financial Performance

During the year under review, your Company has attained a turnover of Rs. 600.03 crores and profit of Rs.26.90 crores before taxation. The higher fuel costs (furnace oil and coal), administrative expenses as well as accelerated borrowing costs have resulted in marginal decline in profits. The Company is confident to maintain the current level of supplies to automobile sector, infrastructure and Railways, thus paving the way for consistency in profitability of the Company.

Human Resource Management & Industrial Relations

The HR policy of the Company is designed to extract the enhanced performance from the employees and reward them on the basis of ongoing assessment by providing deserved promotions and emoluments. The employees are encouraged to unleash their potential and fulfill their aspirations by giving desired performances. While the existing work-force of the Company is enough to manage the existing project execution, the Company is also selectively recruiting technical and other employees to smoothen the future operations. Apart from the industry-coherent pay structure covering medical, transportation and house-rent allowances, the Company has rewarding Education Assistance Policy in place for meeting the education needs of the children of the permanent employees. The employees are covered under right pay-structures and perquisites which are commensurate with their qualification, experience and contribution to the growth of the Company. The relationships at industrial levels during the year under review have been cordial and healthy. The total manpower strength (including contractual) of the Company on 31st March, 2012 was 879.

Corporate Social Responsibility

The Company's social responsibility policy is aimed at serving different social causes with enhanced stress on education, health-care, safety and environment, which are fundamental requirements to attain and lead a quality life.

(a) Education & Health-care

The Company functions on the philosophy that for overall social growth, provision of improved living standards is pre-requisite. With the planned operational growth, your Company is aggressively engaged in ensuring educational development. Education prepares people in applying conscience and helps them in realizing better life-standards.



Recognising its role as a responsible corporate citizen, the Company is making meaningful contribution to the social welfare schemes. Your Company caters to the needs of various educational, medical and other welfare programmes through Directors' Trusteeships in institutions of repute like Kalyan Bharati Trust (The Heritage School & The Heritage Institute of Technology) Kolkata, *Sri Sri Ravi Shankar Vidyamandir Trust (Sri Sri Academy, Kolkata)* and *Maharaj Agrasen Medical Education & Scientific Research Society, Delhi*. Through its Group Trust, the Company is bearing expenses of free beds, medicines and treatments for the underprivileged sections of people in Kolkata. In the year under review, the Company has made contributions to reputed NGOs and social bodies for the following welfare and development missions:-

- a) Development of tribal villages including literacy of 50 villages through Friends of Tribal Society, Kolkata.
- b) Adoption of 5 schools for Mid-day Meal through Akshaya Patra Foundation, Kolkata
- c) Distribution of free food to impoverished tribal people of Patamda, Potka and Ghatshila areas through The Ramkrishna Mission Vivekananda Society, Jamshedpur.
- d) Arrangement of drinking water at Visakhapatnam through Agarwal Maha Sabha.
- e) Sponsoring the Conference on '*Leadership Imperative in Emerging India*' organized in collaboration with Confederation of Indian Industry at Visakhapatnam.
- f) Organising the Steel City Golf Tournament by Beldih Club, (Jamshedpur).

(b) Environment & Safety

All the manufacturing units of the Company are fully compliant with requisite industrial safety regulations to minimize the risks to life, materials and assets during regular course of operations. The emission of permitted levels of effluents is ensured within the applicable statutory pollution control norms. The handling of materials and manpower movement is properly safeguarded against any possible risks of damage. Necessary green belts in and around the operating units are maintained to minimize the impact of even permissible pollution and to keep the working environment healthy. The safety training is imparted to workers to identify the risk areas and they are properly educated and equipped to adhere to the essential safety standards.

As a part of enhanced environment & safety compliance, the Company is targeting to get ISO 14001:2004 (Environment Management System) registration which will certify the controlled pollution emission by the Company's manufacturing units, more efficient material handling and the requisite compliance with pollution control measures. This will also increase the environmental consciousness in employees and the Company's global and domestic recognition. Your Company is also planning to obtain registration of OHSAS: 18001:2007 (*Occupational Health and Safety Management Standards*) for quality management system. This will ensure the Company's commitments like keeping well-trained and enthusiastic workforce and also understanding the impact of statutory and regulatory requirements on the organization and its customers. This will also facilitate improved risk management through clear identification of potential incidents and implementation of controls and measures.



ANNEXURE TO THE DIRECTORS' REPORT

Certification by Chairman & Mg. Director and Chief Financial Officer of the Company

The Board of Directors,

Beekay Steel Industries Ltd.,
'Lansdowne Tower', 2/1A, Sarat Bose Road,
Kolkata 700 020.

Dear Sirs,

In terms of Clause 49 of the Standard Listing Agreement, We, Suresh Chand Bansal, Chairman & Mg. Director - CEO and Lalit Chand Sharma, Company Secretary – CFO, Certify that :

1. We have reviewed financial statements and the cash flow statements for the financial year 2011-12 and to our best of knowledge, belief and information –
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading ;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of knowledge, belief and information, no transaction entered into by the Company during the financial year 2011-12 are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control during the financial year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
5. We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board members and senior management personnel have affirmed compliance of Code of Conduct for the year 2011-12.

Place : Kolkata

Dated : 21st August, 2012

Sd/-

Suresh Chand Bansal
Chairman & Mg. Director

Sd/-

Lalit Chand Sharma
Comp. Secretary & C.F.O.



ANNEXURE TO THE DIRECTORS' REPORT

Declaration for Compliance with the Code of Conduct of the Company as per Clause 49(I)(D)(ii) of Listing Agreement

We, Suresh Chand Bansal, Chairman & Mg. Director - CEO and Lalit Chand Sharma, Company Secretary – CFO of Beekay Steel Industries Limited declare that as of 31st March, 2012 all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

Place : Kolkata

Dated : 21st August, 2012

Sd/-

Suresh Chand Bansal
Chairman & Mg. Director

Sd/-

Lalit Chand Sharma
Comp. Secretary & C.F.O.

ANNEXURE TO THE DIRECTORS' REPORT

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE LISTING AGREEMENT WITH STOCK EXCHANGES

**The Members,
Beekay Steel Industries Ltd.**

I have examined the Compliance of Corporate Governance by M/S. Beekay Steel Industries Limited for the financial year 2011-12, as stipulated in clause 49 of the Listing Agreement entered into by the said Company with Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

Sd/-

(SANTOSH KUMAR TIBREWALLA)

Practising Company Secretary

Membership No. : 3811

Certificate of Practice No. : 3982.

Place : Kolkata

Dated : 21st August, 2012



AUDITORS' REPORT

To,
The Member of **BEEKAY STEEL INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of BEEKAY STEEL INDUSTRIES LIMITED, as at 31st March, 2012, the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) 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 those books;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is 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;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;



- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of Cash Flows for the year ended on that date.

For RUSTAGI & ASSOCIATES

Firm Regd. No.314194E

Chartered Accountants

S/d-

(S.K. RUSTAGI)

Partner

Mem.No.51860

59, Bentinck Street, Kolkata - 700 069.

Dated: 21st day of August, 2012



ANNEXURE TO THE AUDIT REPORT

With reference to the Annexure referred to in Paragraph 3 of the report of the Auditors to the Members of **BEEKAY STEEL INDUSTRIES LIMITED** for the year ended 31st March, 2012 on the basis of the records produced to us for verification / perusal such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, We state that:

- i) (a) The Company has maintained proper records showing full particulars, including, quantitative details and situation of Fixed Assets.
 - (b) As explained to us, considering the nature of the Fixed Assets, the same have been physically verified by the management at reasonable intervals during the year as per the verification schedule adopted by the company whereby all the assets are verified, in a phased manner. According to the information's and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not material and the same have been properly dealt in the books of accounts.
 - (c) Fixed Assets disposed off during the year were not significant and would neither have an impact on the operation of the Company nor affect its going concern.
- ii) (a) As explained to us, the inventories of finished goods and raw materials were physically verified during the year by the Management. The Company has a programme of verification of stocks having regards to the nature and location of stocks, the frequency of verification is reasonable.
 - (b) In our opinion and according to the records produced and explanations given to us, the procedures of physical verification of inventory followed by management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us the company has maintained proper records of inventory. In our opinion and according to the information and explanations given to us, the maintenance of records for inventory is adequate according to the size of Company and nature of business and discrepancies noticed on physical verification of inventories to above as compared to book records have been properly dealt with in the books of account.
- iii) a) According to the information and explanations given to us, the Company has granted an Unsecured Loan to a Company which are covered by Section 301 of the Companies Act, 1956. The terms and condition of such loan are prima facie not prejudicial to the interest of the Company. The Maximum amount involved during the year was Rs. 2,745 lacs.
 - b) According to the information and explanations given to us, the Company has taken unsecured loan from directors during the year and the year end balance is Rs. 139.00 lacs inclusive of accrued interest which falls under the category of the Companies, Firms or other parties which are covered by Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory including components, equipment, other assets and for the sale of goods. In our opinion there is no major weaknesses in internal control.
- v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and according to the information and explanations given to us:



- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under said Section have been so entered.
- (b) where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any public, deposits during the year within the meaning of Section 58A / 58AA or other relevant provisions of Companies Act, 1956 and The Companies (Acceptance of Deposit) Rules, 1975.
- vii) In the basis of the internal audit reports broadly reviewed by us, we are of the opinion that the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- viii) As informed to us, the company has made and maintained cost records as prescribed by the central government under section 209(1)(a) of the Act. We have not made a detailed examination of such records. However we have broadly reviewed the records maintained and are of the opinion, that prima facie the prescribed accounts and records have been maintained.
- ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax Investor Education and Protection Fund, Employee State Insurance and Other materials statutory dues applicable to it which have remained outstanding as at 31st March, 2012 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the details of Statutory dues of Sales tax, Excise Duty & Service Tax which have not deposited on account of dispute are given below :

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount Involved (₹)
Sales Tax	2002-2003	Deputy Comm., Hyderabad	434,537
-- Do --	2003-2004	Deputy Comm., Hyderabad	238,451
-- Do --	2004-2005	Deputy Comm., Hyderabad	49,781
Sales Tax	2007-2008	Appellate Deputy Comm (CT)	1,387,213
Sales Tax	2008- 2009	Add. Comm., Commercial Taxes	111,678
Sales Tax	2006-2007	Add. Comm., Commercial Taxes	312,722
Excise Duty	1998-1999	Hon'ble High Court, Kolkata	831,204
-- Do --	2001-2002	Jt. Comm. Of Central Excise, Jamshedpur	1,544,046
-- Do --	2002-2003		276,757
-- Do --	1994-1995	Comm., Central Excise (Appeal)	94,185
-- Do --	2004-2006	Comm., Central Excise, Custom & Service Tax (Appeal)	40,971
-- Do --	2005-2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.	658,522
-- Do --	2005-2006	Comm., Central Excise (Appeal), Vishakapatnam	754,908
-- Do --	2010-2011	Comm., Central Excise (Appeal), Vishakapatnam	314,980
-- Do --	2005-2007	Comm., Central Excise (Appeal), Vishakapatnam	2,709,792
-- Do --	2004-2008	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.	1,347,377
-- Do --	2005-2008	Customs, Excise & Service Tax Appellate Tribunal, Kolkata.	3,150,000



- x) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of Security by way of pledge shares, debentures and other securities.
- xi) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year and in the financial year immediately preceding financial year.
- xii) According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institution, banks and the company has not issued any debentures.
- xiii) The Company is not a Chitfund/Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order 2004 are not applicable to the Company.
- xiv) In our opinion and according to information and explanation given to us, the Company has not made any investments in any shares & security or in any mutual fund during the year. The investments made by Company are held in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by any others from a bank or financial institution.
- xvi) In our opinion and according to the information explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us, the Company has not used any short term funds to pay-off long term investment and vice-versa.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or Companies covered under section 301 of Companies Act, 1956 at a price which is prejudicial to the interest of the Company.
- xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report.
- xx) During the period covered our Audit Report the Company has not raised any money by way of a Public Issue. However 20,00,000 Equity Shares of the Company having face value of `10/- has been issued during the year.
- xxi) According to the information and explanations given to us, no material frauds on the Company has been noticed or reported during the course of our Audit.

For RUSTAGI & ASSOCIATES

Firm Regd. No.314194E

Chartered Accountants

S/d-

(S.K. RUSTAGI)

Partner

Mem.No.51860

59, Bentinck Street, Kolkata - 700 069.

Dated: 21st day of August, 2012



Balance Sheet as at 31st March, 2012

	Notes	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Fund			
(a) Share Capital	2	190,909,270	170,909,270
(b) Reserve & Surplus	3	1,106,535,899	744,875,434
		1,297,445,169	915,784,704
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	421,698,561	421,631,839
(b) Deferred Tax Liability (net)	5	150,954,910	145,181,375
(c) Other Long Term Liabilities	6	212,797,281	184,214,600
(d) Long Term Provisions	7	216,585,211	133,736,713
		1,002,035,963	884,764,527
(3) Current Liabilities			
(a) Short Term Borrowings	8	950,406,039	890,162,465
(b) Trade Payables	9	707,561,785	680,742,053
(c) Other Current Liabilities	10	212,249,882	135,840,025
(d) Short Term Provisions	11	57,421,924	57,098,386
		1,927,639,630	1,763,842,929
		4,227,120,762	3,564,392,160
II. ASSETS			
(4) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12		
Gross Block		1,722,279,369	1,624,683,000
Less: Depreciation		626,495,044	535,622,728
Net Block		1,095,784,325	1,089,060,272
(ii) Capital Work-In-Progress	12	379,591,476	80,934,427
		1,475,375,801	1,169,994,699
(b) Non-Current Investments	13	2,322,040	6,622,040
(c) Long Term Loans and Advances	14	305,160,485	240,463,093
(d) Other Non-Current Assets	15	131,610	2,077,516
		1,782,989,936	1,419,157,348
(5) Current Assets			
(a) Inventories	16	1,019,376,831	886,370,871
(b) Trade Receivables	17	740,687,332	858,569,470
(c) Cash and Bank Balances	18	41,513,018	39,320,282
(d) Short Term Loans and Advances	19	642,553,645	360,974,189
		2,444,130,826	2,145,234,812
		4,227,120,762	3,564,392,160
Significant Accounting Policies & Notes on Financial Statements	1 to 36		

In terms of our report of even date annexed

For RUSTAGI & ASSOCIATES

Firm Regd. No.314194E

Chartered Accountants

S/d-

(S.K. RUSTAGI)

Partner

Place: Kolkata

Dated: 21st day of August, 2012

On behalf of the Board

S/d-

Suresh Chand Bansal - Chairman & Managing Director

Mukesh Chand Bansal - Jt. Managing Director

Lalit Chand Sharma - Comp. Secretary & CFO



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

	Notes	Year Ended 31.03.2012 Amount (₹)	Year Ended 31.03.2011 Amount (₹)
I. INCOME			
(a) Revenue from Operations	20	6,000,312,103	4,585,798,533
Less: Excise Duty		432,867,642	234,294,565
		5,567,444,461	4,351,503,968
(b) Other Income	21	16,367,459	22,925,295
		5,583,811,920	4,374,429,263
II. EXPENDITURE			
(a) Cost of Materials Consumed	22	3,074,402,587	2,771,086,568
(b) Purchases of Stock-in-Trade	23	706,753,730	418,788,575
(c) Changes in Inventories of Finished Goods, Work-In-Process and Stock-in-Trade	24	(62,536,480)	(206,170,903)
(d) Employee Benefits Expense	25	61,987,326	45,926,496
(e) Finance Costs	26	182,298,772	144,581,094
(f) Depreciation	27	92,526,325	75,113,482
(g) Other Expenses	28	1,259,353,539	845,219,618
		5,314,785,799	4,094,544,930
III. PROFIT BEFORE TAX		269,026,121	279,884,333
IV. Tax Expenses			
(a) Current Taxation		81,750,000	60,411,246
(b) Deferred Taxation		5,773,534	30,789,783
V. PROFIT AFTER TAX		181,502,587	188,683,304
Add/(Less): Tax for earlier Years		203,959	63,310
VI. PROFIT FOR THE YEAR		181,706,546	188,746,614
Less : Proposed Dividend			
- For Equity Shareholders		-	8,536,026
- Tax on Proposed Dividend		-	1,417,727
VII. PROFIT AVAILABLE AFTER APPROPRIATION		181,706,546	178,792,861
(a) Transferred to General Reserve		50,000,000	30,000,000
(b) Transferred to Capital Redemption Reserve		-	12,000,000
		131,706,546	136,792,861
Add: Balance brought forward from last year		342,357,630	205,564,769
VIII. BALANCE CARRIED OVER TO BALANCE SHEET		474,064,176	342,357,630
IX. EARNING PER SHARE (BASIC / DILUTED)		10	11
Significant Accounting Policies & Notes on Financial Statements	1 to 36		

In terms of our report of even date annexed

For RUSTAGI & ASSOCIATES

Firm Regd. No.314194E

Chartered Accountants

S/d-

(S.K. RUSTAGI)

Partner

Place: Kolkata

Dated: 21st day of August, 2012

On behalf of the Board

S/d-

Suresh Chand Bansal - Chairman & Managing Director

Mukesh Chand Bansal - Jt. Managing Director

Lalit Chand Sharma - Comp.Secretary & CFO



Notes on Financial Statements for the year ended 31st March, 2012

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION:

The Financial Statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards (AS) as notified under Companies (Accounting Standard) Rules, 2006.

During the year, Revised Schedule - VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

2. REVENUE RECOGNITION:

All incomes and expenditures having a material bearing on the financial statements are recognised on accrual and prudent basis.

3. PURCHASES:

Purchases are shown net of Cenvat Credit on Purchases of Materials, Stores and other inputs.

4. SALES:

a) Sales are recognised net of returns and trade discount on despatch of goods to customers and are reflected in the accounts of gross realisable value i.e. inclusive of Excise Duty but exclusive of VAT.

b) Materials returned / rejected are recorded in the year of return / rejection.

5. EXCISE DUTY

a) Excise Duty recovered are included in Sale of goods & merchandise.

b) Excise Duty on Closing Stock of finished products lying at factory premises is provided for and also included in the valuation of Inventories.

6. FIXED ASSETS:

Fixed Assets are stated at cost less accumulated depreciation, and impairment, if any, and includes inward freight, taxes and other incidental expenses incurred to bring the assets to their working condition for intended use but exclusive of Cenvat wherever claimed. Under Fixed Assets addition and deletion of Fixed Assets includes internal transfers.

7. DEPRECIATION:

Depreciation is provided at the rate and in the same manner prescribed in Schedule XIV of the Companies Act, 1956.

a) In respect of assets acquired upto 31st March, 1991, on written down value method.



- b) In respect of assets acquired on or after 1st April,1991, on straight line method.
- c) Rolls are fully depreciated on pro-rata basis on time proportion as per rate prescribed in Schedule - XIV of the Companies Act' 1956 to such class of assets.

8. CAPITAL WORK-IN-PROGRESS

Investments made on procurement and fabrication of various Fixed Assets are shown as Capital Work in Progress and are valued at cost. The cost includes all pre-operative expenses relating to construction period for erection of this factory. Cost includes freight, taxes and other incidental expenses but exclusive of "CENVAT" availed. The same will be capitalised and allocated to different class of Fixed Assets on the inception of the commercial production of units / extension of units.

9. INVENTORIES:

- a) Materials and Stores are valued at lower of cost exclusive of excise duty or net realizable value .
- b) Finished Goods and Scraps are valued at lower of Cost of Production or net realizable value after providing for obsolescence and other losses where considered necessary by the management and are inclusive of Excise Duty.
- c) Stores & Spares, loose tools, considered as on item of Current Assets are valued at lower of cost or net realisable value.

10. INVESTMENTS:

Investments made by the Company are of a Long Term nature and hence such Investment are stated at cost or realisable value whichever is lower. The diminution in the value of Investments, are considered when the same is to be of permanent nature.

11. RETIREMENT BENEFITS:

- a) Liability for Gratuity is ascertained by the management on actuarial basis as on the year end and provided in accounts accordingly.
- b) Contribution to provident fund and superannuation fund are accounted for on accrual basis.
- c) Provision for Leave encashment is charged to Profit & Loss Account on the basis of actuarial valuation as on the year end.
- d) Liability for bonus is provided for on accrual basis subject to final payments.

12. PROVISION FOR INCOME TAX:

Income tax provision comprises of current tax and deferred tax. Current tax provision has been determined after considering deductions available under Income-tax Act, 1961. Deferred tax is recognised for all timing differences subject to the consideration of prudence applying the tax rates that have been substantively enacted by the balance sheet date.

13. IMPAIRMENT ASSETS

Impairment is ascertained at each balance sheet date in respect of cash generating units. An impairment loss is recognised wherever the carrying amount of an assets exceeds its recoverable value.



Notes on Financial Statements for the year ended 31st March, 2012

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 2 SHARE CAPITAL		
Authorised Share Capital:		
200,00,000 Equity Shares of ₹ 10/- each	200,000,000	180,000,000
3,00,000 15% Non Convertible Redeemable Preference Shares of ₹ 100/- each	30,000,000	30,000,000
	230,000,000	210,000,000
Issued, Subscribed & Paid up Capital:		
1,90,72,052 (P.Y. 1,70,72,052) Equity Shares of ₹10/- each fully Paid up	190,720,520	170,720,520
Add : Forfeited Shares	188,750	188,750
	190,909,270	170,909,270

2.1 20,00,000 Shares out of the issued, subscribed and paid up share capital were allotted having face value of ₹ 10/- per share with a premium of ₹ 90/- per share.

2.2 142,26,710 Shares out of the issued, subscribed and paid up share capital were allotted as bonus shares in the last years by utilisation of General reserve.

2.3 Shareholders holding more than 5 percent shares in the Company.

----- As per Annexure - I -----

2.4 Terms & Rights attached to Equity Shares

a) The Company has only one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share and in the event of liquidation, the shareholders of Equity shares of the company are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

b) The Company has one class of Preference Share which are non convertible reedemable of ₹ 100/- each. Such Shareholders have right to receive fixed preferential dividend. However no preferential shares is outstanding on the date of Balance Sheet.

2.4 The Reconciliation of the number of shares outstanding is set out below:

Particulars	No of Shares	No of Shares
Balance at beginning of the year	17,072,052	2,845,342
Issued during the year	2,000,000	14,226,710
Balance at end of the year	19,072,052	17,072,052



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

		As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 3	RESERVE & SURPLUS		
	a) Capital Reserve		
	Balance as per last account	441,106	441,106
		441,106	441,106
	b) Share Premium		
	As per last account	148,846,550	148,846,550
	Addition During the year	180,000,000	–
		328,846,550	148,846,550
	c) General Reserve		
	As per last account	183,433,938	153,433,938
	Addition During the year	50,000,000	30,000,000
		233,433,938	183,433,938
	d) Capital Redemption Reserve		
	As per last account	30,000,000	18,000,000
	Addition During the year	–	12,000,000
		30,000,000	30,000,000
	e) Amalgamation Reserve		
	As per last account	12,510,424	12,510,424
	f) Revaluation Reserve		
	As per last account	27,285,786	27,331,866
	Less: Adjusted During the year	46,081	46,080
		27,239,705	27,285,786
	g) Profit & Loss Account		
	As per last account	342,357,630	205,564,769
	Add : Transferred From Profit & Loss A/c.	131,706,546	136,792,861
		474,064,176	342,357,630
	Total (a + b + c + d + e + f + g)	1,106,535,899	744,875,434



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

		As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 4	LONG TERM BORROWINGS		
	1. SECURED		
	TERM LOAN		
	Allahabad Bank	58,339,206	76,339,206
	ICICI Bank	1,015,000	-
	HDFC Bank	1,291,783	450,020
	Tata Capital Ltd.	275,600	752,137
	Axis Bank	-	111,630
	State Bank of India	-	14,207,952
	2. UNSECURED		
	Directors	13,900,000	15,400,000
	Bodies Corporate	274,550,000	255,750,000
	Interest accrued and due on unsecured borrowings	72,326,972	58,620,894
		421,698,561	421,631,839

4.1.A(i) Details of Securities

Term Loan From Allahabad Bank are secured by charge on Exclusive Mortgage of lease hold land at Adityapur, Jamshedpur and fixed assets and Current assets of the Company's unit at Jamshedpur, Jharkhand both Present and Future and Personal guarantee of Directors.

Term Loan From State Bank of India are secured by pari-passu charge on Fixed assets and Current assets of the Company's unit named "Beekay Structural Steels" at Autonagar, Visakhapatnam both Present and Future and Personal guarantee of Directors.

All other loan from various Banks are Car Loan and are secured on Vehicles.

		As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 5	DEFERRED TAX LIABILITY (Net)		
	Deferred Tax Liability	154,004,849	145,181,375
	Less : Deferred Tax Assets	3,049,939	-
		150,954,910	145,181,375

		As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 6	OTHER LONG TERM LIABILITIES		
	Sales Tax Deferral	53,803,481	58,216,800
	Security and Other Deposits	158,993,800	125,997,800
		212,797,281	184,214,600



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 7 LONG TERM PROVISIONS		
Provision for Leave Encashment	1,744,791	1,340,120
Provision for Income Tax	205,077,949	123,327,949
Provision for Fringe Benefit Tax	61,021	1,111,021
Provision for Gratuity	9,701,450	7,957,623
	216,585,211	133,736,713

Note: 8 SHORT TERM BORROWINGS SECURED WORKING CAPITAL & TERM LOAN		
Allahabad Bank	427,866,354	378,459,499
State Bank of India	193,024,032	162,362,934
Bank of Baroda	99,734,610	280,348,028
Punjab National Bank	170,388,006	–
Bank of Baroda (IBD)	23,973,061	28,655,750
Term Loan Repayable within one year**	35,419,976	40,336,254
	950,406,039	890,162,465

Details of Securities

Working Capital Loan are secured by 1st hypothecation on entire current assets of the Company including stocks, book debts and other Current Assets of all units both present & future ranking pari-passu basis with working capital lending Banks under consortium and Personal guarantee of some Directors and 2nd Charge on Companies Fixed Assets (movable and immovable).

Term Loan repayable within one year.

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
** State Bank of India	14,207,952	24,695,368
Allahabad Bank	18,000,000	13,500,000
ICICI Bank	705,588	–
HDFC Bank	1,388,269	573,696
Tata Capital Ltd.	1,006,537	1,005,648
Axis Bank	111,630	561,542
	35,419,976	40,336,254



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 9		
TRADE PAYABLES		
- For Goods	475,232,252	483,699,443
- For Capital Goods & Stores	62,410,985	71,304,072
- For Expenses	169,918,548	125,738,538
	707,561,785	680,742,053

Note: 10		
OTHER CURRENT LIABILITIES		
Unpaid Dividend	928,219	637,750
Cheques Overdrawn	4,394,025	892,936
Other Payables*	12,100,191	6,860,165
Creditors for Capital Expenditure	54,050,720	10,038,984
Other Liabilities	5,081,769	6,574,013
Advance from Customer	133,673,600	109,157,763
Provision for Bonus	2,021,358	1,678,414
	212,249,882	135,840,025

* Includes Statutory dues

Note: 11		
SHORT TERM PROVISIONS		
Provision for Excise Duty on Finished Goods	57,421,924	47,144,633
Provision for Dividend Tax	-	1,417,727
Provision for Dividend	-	8,536,026
	57,421,924	57,098,386

Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

NOTE: 12 – FIXED ASSETS

DEPRECIATION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2011	Additions during the Year	Sold/ Discarded or Adjustments	As on 31.03.2012	Upto 01.04.2011	For the Year	Adjust- ment /Sold / Discarded	As on 31.03.2012	As on 31.03.2011	
TANGIBLE ASSETS:										
Land	95,442,967	6,356,196	-	101,799,163	-	-	-	101,799,163	95,442,967	
Leasehold Land	7,337,847	-	-	7,337,847	-	-	-	7,337,847	7,337,847	
Shed & Building	291,543,273	17,318,352	-	308,861,625	58,075,076	9,719,502	(45,865)	241,021,182	233,468,197	
Flats	11,427,777	-	554,330	10,873,447	1,286,685	269,337	126,498	9,443,923	10,141,092	
Leasehold Flats	554,810	-	-	554,810	123,167	-	-	431,643	431,643	
Office Premises	30,651,766	-	149,619	30,502,147	2,060,541	487,536	2,439	27,956,509	28,591,225	
Plant & Machineries	882,531,058	28,208,597	-	910,739,655	237,158,326	39,902,405	(216)	633,678,708	645,372,732	
Electrical Installation	31,455,455	52,362	-	31,507,817	11,726,223	1,494,612	-	18,286,982	19,729,232	
Laboratory Equipments	2,958,207	363,807	-	3,322,014	594,806	150,443	-	2,576,765	2,363,401	
Rolls	209,502,183	36,332,673	-	245,834,856	193,536,777	34,901,623	-	17,396,456	15,965,406	
Furniture & Fixtures	20,340,171	1,275,285	-	21,615,456	9,825,645	1,297,772	-	10,492,039	10,514,526	
Computer	10,560,644	3,343,260	-	13,903,904	7,530,273	1,816,436	-	4,557,195	3,030,370	
Office Equipments	4,337,415	209,261	-	4,546,676	1,690,677	189,983	-	2,666,016	2,646,737	
Air Conditioner & Others	3,972,483	48,500	-	4,020,983	1,400,491	200,138	-	2,420,354	2,571,993	
Motor Vehicles	22,066,946	7,406,879	2,614,856	26,858,969	10,614,042	2,229,469	1,704,085	15,719,543	11,452,904	
Total - Fixed Assets	1,624,683,002	100,915,172	3,318,805	1,722,279,369	535,622,729	92,659,256	1,786,941	1,095,784,325	1,089,060,272	
Capital Work in Progress	80,934,427	300,832,290	2,175,241	379,591,476	-	-	-	379,591,476	-	
Total - Current Year	1,705,617,429	401,747,462	5,494,046	2,101,870,845	535,622,729	92,659,256	1,786,941	1,475,375,801	1,089,060,272	
Fixed Assets	1,287,091,356	340,186,317	2,594,673	1,624,683,000	460,841,872	75,139,187	358,332	1,089,060,272	-	
Capital Work In Progress	131,173,126	50,747,188	100,985,887	80,934,427	-	-	-	80,934,427	-	
Total - Previous Year	1,418,264,482	390,933,505	103,580,560	1,705,617,427	460,841,872	75,139,187	358,332	1,169,994,699	-	



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 13 NON - CURRENT INVESTMENTS		
(Long Term Investments Trade)		
In Equity Shares (Quoted)		
800 Equity Shares of ₹ 10/- each fully paid up in Super Forging & Steels Limited (Market Value ₹ 2,040/-)	2,040	2,040
Company under same management :	2,320,000	2,320,000
11,60,000 Equity Shares ₹ 10/- each fully paid up in AKC Steel Industries Ltd (Market Value ₹ 23,20,000/-)		
In Equity Shares (Unquoted)		
Company under same Management		
(P.Y. 1,07,500) Equity Shares of ₹ 10/- each fully paid up in Beekay Steels and Power Ltd.	–	4,300,000
	2,322,040	6,622,040
Note: 14 LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Capital Advances	78,059,717	77,265,217
Security & Other Deposit	39,188,668	42,832,883
Advance Income Tax	187,912,100	120,364,993
	305,160,485	240,463,093
Note: 15 OTHER NON CURRENT ASSETS		
MISCELLANEOUS EXPENDITURES		
(To the extent not Written Off or Adjusted)		
Deferred Revenue	–	2,010,667
Preliminary Expenses	131,610	66,849
	131,610	2,077,516



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	As at 31.03.2012 Amount (₹)	As at 31.03.2011 Amount (₹)
Note: 16 INVENTORIES		
Raw Materials	433,768,316	325,833,840
Raw Materials in Transit	9,917,689	7,716,917
Finished Goods	516,378,788	480,172,722
Scrap and Cuttings	21,470,321	42,284,540
Stores and Spares	20,010,359	17,131,679
Furnace Oil	9,416,377	6,277,038
Coal	8,414,981	6,954,135
	1,019,376,831	886,370,871
Note: 17 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over Six Months	27,095,257	29,557,445
Others	713,592,075	829,012,025
	740,687,332	858,569,470
Note: 18 CASH AND BANK BALANCES		
Cash on Hand	2,721,555	1,265,179
Balances with Banks:		
In Current A/c.	26,811,036	12,439,989
In Fixed Deposit A/c.	11,052,208	24,977,364
In Dividend Accounts	928,219	637,750
	41,513,018	39,320,282
Note: 19 SHORT-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Balance with Central Excise Authorities	117,068,613	92,450,968
Balance with Sales Tax Authorities	91,934,667	68,798,190
Other Advances*	433,550,365	199,725,031
	642,553,645	360,974,189

* Includes Interest Receivable on Fixed Deposits with Banks



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	Year Ended 31.03.2012 Amount (₹)	Year Ended 31.03.2011 Amount (₹)
Note: 20 REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing Sales	4,147,541,531	3,508,699,875
Trading Sales	727,992,468	461,684,565
	4,875,533,999	3,970,384,440
Income from Services		
Conversion Charges	851,213,608	461,291,041
Other Operating Revenues		
Scrap & Coal Fines Sales	273,564,496	154,123,052
	6,000,312,103	4,585,798,533
Note: 21 OTHER INCOME		
Interest	2,963,301	2,646,834
Maintenance & Service Charges	1,800,000	1,800,000
Dividend	580,000	870,000
Rent	838,350	744,000
Sundry Balance W/Back	1,523,786	2,033,830
Miscellaneous Receipt	5,154,863	4,744,796
Profit on Sale of Fixed Assets	1,357,159	10,085,835
Gain on Sale of Investments	2,150,000	–
	16,367,459	22,925,295
Note: 22 COST OF MATERIALS CONSUMED		
Opening Stock	325,833,840	243,046,301
Add : Purchases	3,182,337,063	2,853,874,107
	3,508,170,903	3,096,920,408
Less : Closing Stock	433,768,316	325,833,840
	3,074,402,587	2,771,086,568
Note: 23 PURCHASE OF STOCK-IN-TRADE		
For Resale - Raw Materials & Other Goods	706,753,730	418,788,575
	706,753,730	418,788,575



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	Year Ended 31.03.2012 Amount (₹)	Year Ended 31.03.2011 Amount (₹)
Note: 24		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories (at close)		
Finished Goods	516,358,788	480,152,722
Scrap & Cuttings	21,470,321	42,284,540
	537,829,109	522,437,262
Inventories (at commencement)		
Finished Goods	480,152,722	324,828,966
Scrap & Cuttings	42,284,540	20,698,215
	522,437,262	345,527,181
Less: Provision for Excise Duty	47,144,633	29,260,822
	475,292,629	316,266,359
	(62,536,480)	(206,170,903)
Note: 25		
EMPLOYEE BENEFITS EXPENSE		
Salary and Wages, including Bonus	47,167,326	34,820,282
Contribution to Provident Fund and Other Funds	5,745,259	4,635,734
Workmen and Staff Welfare Expenses	5,423,587	4,202,087
Gratuity	2,701,455	1,361,501
Leave Encashment	949,699	906,892
	61,987,326	45,926,496
Note: 26		
FINANCE COST		
Interest Expenses	177,100,757	136,011,497
Other Borrowing Costs	5,198,015	8,569,597
	182,298,772	144,581,094
Note: 27		
DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	92,526,325	75,113,482



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	Year Ended 31.03.2012 Amount (₹)	Year Ended 31.03.2011 Amount (₹)
Note: 28 OTHER EXPENSES		
Manufacturing Expenses		
Rolling Charges & Raw Material Cutting Charges	138,959,454	92,014,234
Stores & Spares Parts Consumed	85,649,608	75,355,697
Furnace Oil Consumed	503,487,541	292,872,246
Oxygen & Gas Consumed	4,507,951	4,382,016
Coal Consumed	94,319,950	49,744,276
Electricity Charges	153,402,720	106,309,141
PGP Operation Charges	4,763,511	4,915,048
Processing Charges	7,605,035	12,410,574
Commission on Purchase	18,535,925	–
Repair & Maintenance:		
- Plant & Machinery	10,967,016	8,560,887
- Shed & Building	9,544,482	1,000,523
Freight, Carriage and Octroi Charges	49,034,066	59,564,226
Machinery Hire Charges	6,946,067	6,923,844
Excise Duty on Finished Goods	57,421,924	47,144,633
Value Added Tax	8,362,621	–
Testing, Effluent & Inspection Charges	1,542,133	1,597,455
	1,155,050,004	762,794,800
Selling & Distribution Expenses		
Advertisement Expenses	631,049	338,456
Commission On Sales	5,324,935	6,500,104
Sales Promotion Expenses	3,512,466	3,136,089
Freight, Carriage & Octroi Charges	22,536,119	18,802,733
Other Selling & Distribution Expenses	3,182,931	3,105,170
	35,187,500	31,882,552



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

	Year Ended 31.03.2012 Amount (₹)	Year Ended 31.03.2011 Amount (₹)
Establishment Expenses		
Computer Maintenance Expenses	5,664,786	699,340
Donation	1,753,680	898,817
Electricity Expenses	848,579	1,865,776
Insurance Charges	983,919	780,914
Legal and Professional Charges	3,723,378	2,972,407
Payment to/Provisions for Management Personnel	7,942,000	6,798,000
License, Rates and Taxes	3,189,702	3,635,368
Printing & Stationery	1,509,387	1,247,046
Repairs and Maintenance - Others	5,406,622	2,019,221
Rent Charges Paid	1,327,773	1,066,386
Security Service Charges	5,317,654	4,542,435
Miscellaneous Expenses	16,441,121	8,781,546
Telephone and Mobile Expenses	2,440,478	2,401,425
Travelling & Coveyance Expenses	4,437,196	3,489,464
Deferred Expenses Written Off	2,045,906	5,361,139
Bad Debt Written Off	1,604,017	275,892
Vehicle Maintenance	3,814,492	3,166,273
Payment to Auditors:		
- Audit Fees	480,000	400,000
- Taxation Matters	33,600	28,000
- Other Matters	4,800	-
Reimbursement of Expenses	146,945	112,817
	69,116,035	50,542,266
	1,259,353,539	845,219,618



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

Annexure - I

Details of Shareholders holding more than 5% shares in the Company

Sr. No.	Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
		No of Shares	%	No of Shares	%
1.	Suresh Chand Bansal	2,013,854	10.56	1,963,859	11.50
2.	B.L. Bansal	1,516,710	7.95	1,516,710	8.88
3.	Mukesh Chand Bansal	1,193,374	6.26	1,123,374	6.58
4.	Manav Bansal	1,258,196	6.60	1,178,196	6.90
5.	Concast Steels & Alloys Ltd	2,129,754	11.17	2,129,754	12.48
6.	Century Vision Pvt Ltd	1,060,938	5.56	685,938	4.02
7.	Jyotirmoy Trading Pvt Ltd	2,451,078	12.85	2,271,258	13.30

29) Values of Imports calculated on CIF Basis in Respect of:

Particulars	Currency	Period	Amount in Foreign Currency	Amount in Indian Currency
a) Import of Machineries and Components	GBP	Current	219,498	15,867,445
		Previous	24,600	1,756,071
b) Import of Machineries and Components	USD	Current	21,500	959,545
		Previous	NIL	NIL
c) Import of Machineries and Components	EURO	Current	27,000	1,748,588
		Previous	NIL	NIL

30) Expenditure in Foreign Currency

NIL

NIL

31) Value of Raw Materials, Stores & Spare Parts Consumed

	Year ended 31.03.2012		Year ended 31.03.2011	
	Amount (₹)	(%)	Amount (₹)	(%)
(a) Raw Material				
i) Imported	NIL		NIL	
ii) Indigenous	3,074,402,587	100	2,771,086,568	100
(b) Stores & Spare Parts				
Imported	NIL		NIL	
Indigenous	85,649,608	100	75,355,697	100



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

32) Earning per Share (EPS)

	Year ended 31.03.2012	Year ended 31.03.2011
Profit attributable to the Equity Shareholders (A)	181,706,546	188,746,614
Weighted Average No. of Equity Shares (B)	19,072,052	17,072,052
Face value of Equity Shares	10/-	10/-
Basic Earnings per Share (₹) Last Year	–	–
Basic Earnings per Share (₹) [(A)/(B)] After Preferential Share Issue	10	11
Adjusted earning per Share (₹) [(A) / (C)]	–	–

33) Deferred Taxation:

The movement for Deferred Tax is given below:

Particulars	Opening as on 01.04.2011 Amt. (₹)	Charge during the Year Amt. (₹)	Closing as on 31.03.2012 Amt. (₹)
Deferred Tax Liability			
Timing difference of Depreciation	145,181,375	8,823,474	154,004,849
Deferred Tax Assets			
Disallowance allowable on payments	–	3,049,939	3,049,939
Net Deferred Tax Liability	145,181,375	5,773,535	150,954,910

34) Transactions with related parties:

List of Related Parties with whom Transactions have taken place and their relationships.

Name of Related Parties

a) Key Management Personnel

1. Suresh Chand Bansal
2. Mukesh Chand Bansal
3. Vikas Bansal
4. Manav Bansal
5. Gautam Bansal



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

b) Enterprises over which Key Management Persons to its Relative have its Interest:

i) **Associated Companies:**

1. AKC Steel Industries Limited
2. B.P.Spring & Engineering Co(Pvt) Limited
3. Century Vision Private Limited
4. Manvik Estate Private Limited
5. Emerald Suppliers Private Limited
6. Tirumala Holdings Private Limited

ii) **Associated Enterprises:**

1. B. L. Bansal & Sons (HUF)
2. Mukesh Chand Bansal & Others
3. Beekay International
4. Thirupathy Bright Industries

Sl. No.	Nature of Transactions	Associate Companies	Associate Enterprises	Key Managerial Personnel	Amount Outstanding
<i>(Amounts in Rupees)</i>					
1.	Purchases of Goods	580,541,211 (726,451,907)	– –	– –	49,871,946 (161,472,183)
2.	Sales of Goods	230,851,025 (104,376,828)	635,720,440 (297,480,450)	– –	(3,391,321) (225,600,564)
3.	Expenses (Rent, Maintenance & Electricity, Brokerage)	123,138 (2,707,648)	36,000 (241,750)	351,767 (344,600)	1,732,917 (1,227,045)
4.	Amounts Received (Rent, Maintenance & Electricity)	7,523,572 (7,405,894)	– –	– –	1,565,200 (1,110,680)
5.	Unsecured Loans	3,085,176 (1,784,246)	– –	4,181,515 (2,651,857)	28,777,904 (26,048,751)
6.	Payment to Managerial Persons	– –	– –	8,023,335 (6,153,907)	3,263,217 (2,023,086)



Notes on Financial Statements for the year ended 31st March, 2012 (contd.)

35) Contingent Liabilities and Commitments

1. The Company is contingently liable in respect of the following which are not provided for in the accounts but are separately disclosed here :
 - i) Guarantees of ₹ 275,00,000/- (Previous year ₹ 260,00,000/-) issued by Banks in favour of certain parties against which Bank Fixed Deposit Receipts of ₹ 28,91,498/- (Previous year ₹ 26,41,498/-) are pledged with the Banks.
 - ii) Claims against the Company disputed and not acknowledged as debts in respect of :
 - a) Appeal Filed on 23.05.2005, Appellate City Commissioner-C.T.Rural Division , Hyderabad for an amount - As per Book the Balance amount is ₹ 5,12,273/-, Company have filed appeal for ₹ 4,34,537/- (Previous Year Rs. 4,34,537/-) Balance ₹ 77,736/- to be treated as expenses against non receipt of C Form. and appeal dated 22.06.2005 of ₹ 2,38,451/- (Previous Year Rs. 2,38,451/-) for the financial year 2003-04 and another appeal of ₹ 49,781/(Previous Year Rs. 49,781/-) for the financial year 2004-05 have been filed and the matters pending in appeal.
 - b) Sales Tax ₹ 4,24,400/- (Previous year ₹ 3,12,722/-) pending with Additional Commissioner, Commercial Taxes, Kolkata and the matter is pending in appeal.
 - c) Sales Tax ₹ 13,87,213/- (Previous Year ₹ 10,38,595/-) pending with Appellate Deputy Commissioner (CT), Visakhapatnam and the matter is pending in appeal.
 - d) Central Excise Duty for ₹ 8,31,204/- (Previous Year ₹ 8,31,204/-) is in appeal before Hon'ble High Court, Kolkata and the matter is pending in appeal.
 - e) Central Excise Duty for ₹ 18,20,803/- (Previous Year ₹ 18,20,803/-) is in remand before Jt. Commissioner of Central Excise, Jamshedpur and the matters pending in appeal.
 - f) Central Excise Duty for ₹ 94,185/- (Previous Year ₹ 94,185/-) is in remand before Customs, Excise & Service Tax Appellate Tribunal, EZB, Kolkata and the matters pending in appeal.
 - g) The Assistant commissioner Of Central Excise Div -II, Viskhapatnam-1 Commissionarate has issued an order vide No:15/2010/C No: V /15/17/2009-Adj dt:20.04.2010 demanding the company for an amount of ₹ 40,971/- (Including Edu. Cess & Penalty) with applicable interest and the reasons for the payment stated as being the irregularly availed credit on service tax paid on carriage inwards in respect of in puts cleared as Such during the period 01.01.2005 to 31.10.2008. The company has not paid amount for the matter and instead filed an appeal before commissioner of Central Excise, Customs and service tax (Appeals) and the matters pending in appeal.
 - h) Central Excise Duty including Service Tax for ₹ 20,05,899/- (Previous Year ₹ Nil/-) is in appeal before Customs, Excise & Service Tax Appellate Tribunal, Bangalore and the matters pending in appeal.



- i) Central Excise Duty for ₹ 37,79,680/- (Previous Year ₹ Nil/-) is in appeal before Commissioner of Central Excise (Appeals-Visakhapatnam) and the matters pending in appeal.
- j) Central Excise Duty including Service Tax for ₹ 31,50,000/- (Previous Year ₹ Nil/-) is in appeal before Customs, Excise & Service Tax Appellate Tribunal, Kolkata and the matters pending in appeal.
- iii) Estimated amount of capital contract (net of advances) ₹ 3,01,954,910/- (Previous Year ₹ 72,599,734/-) remaining to be executed.

36) Other Notes.

- (a) The Company's Chengalpet Unit has availed for deferral of interest free sales tax w.e.f. 01.12.2000, not exceeding ₹ 651.10 Lacs. The unit has availed ₹ 538.03 Lacs and makes a payment of ₹ 4,413,319 relating to 2000-2001. The Net Sales tax deferred as on 31.03.2012 is ₹ 53,803,481/- (Previous year ₹ 58,216,800/-).
- (b) Pending Final Settlement, liability of Bonus ₹ 2,021,358/- (Previous year ₹ 16,78,414/-) has been provided in the accounts.
- (c) In the opinion of the Directors, all the Assts other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of Business, atleast equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- (d) In the opinion of the Directors the Current Assets, Loans & Advances, have the value at which they are stated to the Balance Sheet, if realised in the ordinary course of business. Further the confirmation of Balances from several parties having transactions with the Company have yet to be obtained.
- (e) The liability for Gratuity as on 31st March, 2012 has been ascertained on actuarial basis by the management as ₹ 9,701,450/- (Previous year ₹ 7,957,623/-) and provided accordingly. Payments made during the year has been charged to Accounts.
- (f) Company has acquired land at Bobbili, Vizianagram and entered into an agreement for Sales with Andhra Pradesh Industrial Infrastructure Corporation Ltd. and shown the amount as advance against land as the conveyance of title is contingent on commencement of commercial production on the said plot of Land. Necessary Capitalisation will be made on commencement of production.
- (g) Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosures are required to be made relating to Micro, Small and Medium Enterprise. The Company have not reclassified the creditors hence disclosure of overdue payment and interest payable under aforesaid Act, is not ascertained.
- (h) Previous year's figures have been recast/restated where necessary.



AUDITOR'S CERTIFICATE

To
The Board of Directors,
BEEKAY STEEL INDUSTRIES LIMITED,
"Lansdowne Towers"
2/1A, Sarat Bose Road, 4th Floor,
Kolkata - 700 020

We have examined the attached Cash Flow Statement of **BEEKAY STEEL INDUSTRIES LIMITED** for the year ended 31st March, 2012. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 21st day of August, 2012 to the members of the Company.

For RUSTAGI & ASSOCIATES
Firm Regd. No. 314194E
Chartered Accountants

Sd/-
(S.K. RUSTAGI)

Partner
Membership No. 51860

59, Bentinck Street, Kolkata - 700 069.

Dated: 21st day of August, 2012



Cash Flow Statement for the year ended 31st March, 2012

	Amount in Lacs Current Year	Amount in Lacs Previous Year
A. NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	2,690.26	2,798.84
Adjustment for :		
Depreciation	925.26	751.13
Gratuity & Leave Encashment	24.64	22.68
(Profit) / Loss on Sale of Fixed Assets	(11.51)	(100.56)
(Profit) / Loss on Sale of Investments	(21.50)	–
Dividend Received	(5.80)	(8.70)
Interest Received	(29.63)	(26.47)
Interest Paid	1,822.99	1,445.81
Sundry Balances Written back	(15.24)	(20.34)
Bad Debts & Sundry Balances Written Off	61.06	3.69
Misc. Expenses W/off	20.46	53.61
	5,460.99	4,919.70
Operating Profit before Working Capital Changes		
Trade and other Receivables	1,178.82	(1,583.22)
Inventories	(1,330.06)	(2,788.97)
Loans & Advances	(2,787.30)	(2,028.98)
Miscellaneous Expenditure	20.46	53.61
Trade and other Liabilities	1,358.83	4,934.58
	(1,559.25)	(1,412.98)
Cash Generated from Operations	3,901.74	3,506.72
Direct Taxes - Refund / (Paid)	680.02	378.88
Cash Flow Before Extra Ordinary Items	3,221.72	3,127.84
Extra Ordinary Items	–	–
	3,221.72	3,127.84
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sold/Discard of Fixed Assets	26.37	122.62
Purchase of Fixed assets	(3,962.53)	(2,873.52)
Interest Received	29.63	26.47
Proceeds from Sales of Investment	64.50	–
Dividend received	5.80	8.70
Cash used in Investing Activities	(3,836.23)	(2,715.73)



Cash Flow Statement for the year ended 31st March, 2012 (contd.)

	Amount in Lacs Current Year	Amount in Lacs Previous Year
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Equity Share Capital including Premium	2,000.00	–
Repayment Of Preference Share Capital	–	(120.00)
Dividend Paid (Including Taxes)	(99.54)	(54.35)
Long Term & Short Term Borrowing	558.97	1,376.09
Interest Paid	(1,822.99)	(1,445.81)
Net Cash used in Financing Activities	636.44	(244.07)
Net Cash Flow During the Year (A+B+C)	21.93	168.04
Net Decrease / Increase in Cash & Cash Equivalent		
Opening Cash & Cash Equivalents	393.20	225.16
Closing Cash and Cash Equivalents	415.13	393.20
	21.93	168.04

For **RUSTAGI & ASSOCIATES**

Firm Regd. No. 314194E

Chartered Accountants

S/d-

(S.K. RUSTAGI)

Partner

Place: Kolkata

Dated: 21st day of August, 2012

On behalf of the Board

S/d-

Suresh Chand Bansal - Chairman & Managing Director

Mukesh Chand Bansal - Jt. Managing Director

Lalit Chand Sharma - Comp. Secretary & CFO



BEEKAY STEEL INDUSTRIES LIMITED

Registered Office: 'Lansdowne Towers', 4th Floor, 2/1A, Sarat Bose Road, Kolkata: 700 020

PROXY FORM

I/We in the district of being a member/members of the Company hereby appoint of or failing him/her of in the district of as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company on Saturday, the 29th day of September, 2012 at 11.30 a.m. / or any adjournment thereof.

Signed this day of 2012

(Affix
Re. 1/-
Revenue
Stamp)

Signature

Note: This form, in order to be valid and effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

* Those who hold shares in Demat form must quote their Demat A/c No. and Depository Participant (DP) ID No. and Client ID No.



BEEKAY STEEL INDUSTRIES LIMITED

Registered Office: 'Lansdowne Towers', 4th Floor, 2/1A, Sarat Bose Road, Kolkata: 700 020

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company on Saturday the 29th day of September, 2012 at 11.30 a.m.

Full name of the Shareholder / Proxy* attending the Meeting

Folio No. /DP ID No. and Client ID No.

No. of shares

Full Name of Shareholder
(if the proxy attends instead of the shareholder).

.....
Signature of Shareholder/Proxy holder

* Delete whichever is not applicable.

Member/Proxy attending the Meeting must fill in this attendance slip and hand it over at the entrance of the Meeting hall).

PERFORMANCE AT A GLANCE (TEN YEARS' REVIEW)

FINANCIAL HIGHLIGHTS

(Rs. in crores)

PARTICULARS	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Sales	600.03	458.58	332.21	314.00	325.29	330.68	328.89	153.65	114.42	68.11
Other Income	1.64	2.29	0.96	1.31	1.41	1.03	1.42	1.70	1.01	4.26
Total Income (A)	601.67	460.87	333.17	315.31	326.69	331.71	330.30	155.35	115.44	72.37
Manufacturing & Other Expenses (B)	547.29	410.91	298.25	283.74	297.13	311.02	313.38	143.49	106.03	66.82
EBIDTA (C) [A-B]	54.38	49.97	34.92	31.57	29.56	20.68	16.92	11.86	9.40	5.55
Finance Costs	18.23	14.46	11.24	14.91	11.43	4.51	3.49	1.42	1.83	1.93
Depreciation	9.25	7.51	7.16	8.63	9.74	3.85	3.62	1.77	2.15	2.50
Profit Before Tax	26.90	28.00	16.52	8.03	8.39	12.32	9.80	8.66	5.42	1.12
Less:-Taxation / Deferred Tax	8.75	9.12	5.60	2.72	3.20	4.02	3.03	1.82	1.77	2.48
Profit / (Loss) After Tax	18.15	18.88	10.92	5.30	5.19	8.30	6.78	6.84	3.65	(1.36)
Adjustment in the respect of the earlier years	0.02	(0.01)	0.17	0.11	–	(0.09)	0.06	(0.02)	(0.02)	0.02
Profit Available For Appropriation	18.17	18.87	11.09	5.41	5.19	8.20	6.83	6.82	3.63	(1.34)
Appropriation										
(a) Dividend Amount & Dividend Tax	–	1.00	0.54	0.48	0.41	0.86	–	–	–	–
(b) Transfer to / from Reserves	(5.00)	4.20	3.60	3.60	3.00	4.00	4.00	4.00	–	–
Surplus	23.17	13.67	6.94	1.33	1.78	3.35	2.83	2.82	3.63	(1.34)
What The Company Owned										
Fixed Assets										
Gross Block	172.23	162.47	128.71	122.10	109.17	100.25	68.65	48.18	46.98	42.68
Less : Depreciation	62.65	53.56	46.08	39.08	30.86	21.27	17.48	18.17	16.75	14.69
Net Block	109.58	108.91	82.62	83.02	78.31	78.98	51.17	30.01	30.22	27.99
Capital Work-in-Progress	37.96	8.09	13.12	6.00	11.68	6.23	10.58	0.14	0.47	–
Investment	23.22	0.66	0.66	0.66	0.66	0.67	0.67	2.10	0.43	0.00
Current Assets & Advances	274.93	238.57	172.88	136.31	168.11	103.35	106.83	34.59	26.61	30.62
Non Current Assets	0.01	0.21	0.74	0.68	0.02	0.01	0.01	0.01	0.01	0.02
445.70	356.44	270.03	226.66	258.78	189.24	169.26	66.86	57.74	58.62	
What The Company Owed										
Secured Loans	101.13	98.20	82.49	74.44	100.70	45.78	17.42	6.42	7.21	11.40
Redeemable Preference Shares	–	–	1.20	1.80	2.40	3.00	–	–	–	–
Unsecured Loans	36.08	32.98	34.47	25.89	34.94	35.67	34.03	9.05	12.45	10.90
Deferred Tax Liability	15.10	14.52	17.72	17.13	15.91	15.78	13.65	5.26	–	–
Current/Long Term Liabilities & Provisions	235.70	113.34	60.44	44.23	46.59	35.54	55.03	22.51	21.30	23.17
388.01	259.04	196.32	163.49	200.53	135.77	120.13	43.25	40.96	45.47	
Net Worth of the Company										
Equity Share Capital	19.09	17.09	2.86	2.86	2.86	2.86	1.75	2.01	2.01	2.01
Share Suspense	–	–	–	–	–	–	4.11	–	–	–
Reserve & Surplus	110.65	74.49	70.84	60.30	55.38	50.61	43.26	21.60	14.78	11.14
	129.74	91.58	73.70	63.17	58.25	53.47	49.12	23.61	16.79	13.15
Financial Indicators										
Earning per Share (EPS)	10.00	11.00	39.00	19.00	16.00	31.00	39.15	34.35	18.34	(6.82)
Book Value per Equity Share	68.03	53.58	257.33	220.55	203.36	186.70	171.52	117.42	83.48	65.41