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CORPORATE INFORMATION

| | |
|---|---|
| MENTOR | Mr. Basheshar Lal Bansal |
| BOARD OF DIRECTORS | <p>Mr. Suresh Chand Bansal Chairman & Mg. Director</p> <p>Mr. Mukesh Chand Bansal Joint Mg. Director</p> <p>Mr. Vikas Bansal Executive Director</p> <p>Mr. Gautam Bansal Whole time Director</p> <p>Mr. Manav Bansal Non-Executive Director</p> <p>Mr. Vijay Bansal Non-Executive Director</p> <p>Mr. Bhal Chand Khaitan Independent Director</p> <p>Mr. Aditya Kumar Sikdar Independent Director</p> <p>Mr. Brijesh Kumar Dalmia Independent Director</p> <p>Mr. Ravishankar Sridharan Independent Director</p> <p>Mr. Krishna Chandra Raut Independent Director</p> <p>Mr. Srikumar Banerjee Independent Director</p> |
| COMPANY SECRETARY & CFO | Mr. Lalit Chand Sharma |
| BANKERS | <p>Allahabad Bank</p> <p>State Bank of India</p> <p>Punjab National Bank</p> <p>Bank of Baroda</p> |
| AUDITORS | <p>M/s. Rustagi & Associates</p> <p>Chartered Accountants</p> <p>59, Bentick Street, Kolkata-700 069</p> |
| REGISTERED OFFICE | <p>"Lansdowne Tower" 4th Floor,</p> <p>2/1A, Sarat Bose Road, Kolkata-700020.</p> <p>Tel: 033 30514444</p> <p>Fax: 033-2283 3322</p> <p>E-mail: contact@beekaysteel.com</p> <p>Website: www.beekaysteel.com</p> |
| 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 | <p>M/s. Maheshwari Datamatics Pvt Ltd</p> <p>6, Mangoe Lane, 2nd Floor, Kolkata-700 001</p> <p>Ph: 033-2248 2248, 2243 5809, 2243 5029</p> <p>Fax: 033-2248 4787</p> <p>Email: mdpl@cal.vsnl.net.in</p> |



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

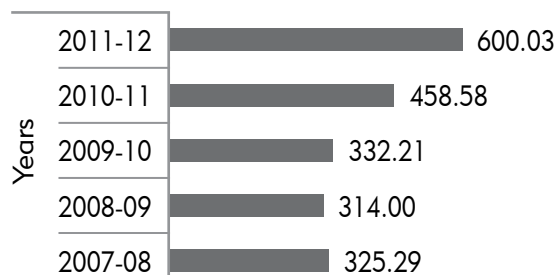
Net worth

Up by 42% to Rs.129.74 crores

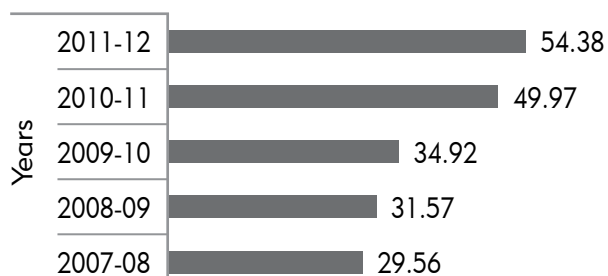
Total Production

Up by 37% to 3,91,053 MT

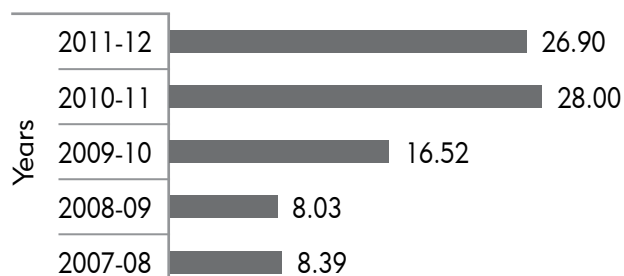
Gross Turnover (Rs. in crores) 5 Years CAGR 12.66%



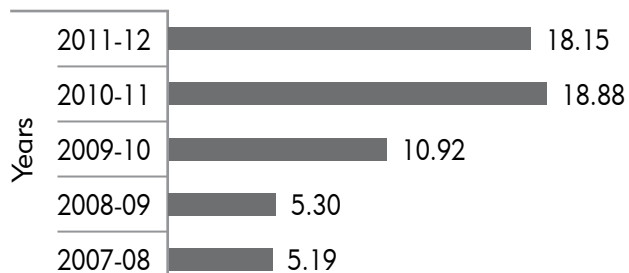
EBIDTA (Rs. in crores) 5 Years CAGR 21.33%



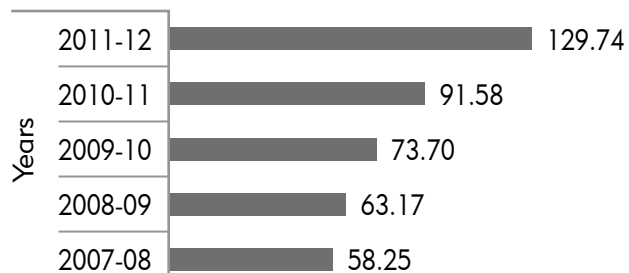
PBT (Rs. in crores) 5 Years CAGR 16.90%



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 |