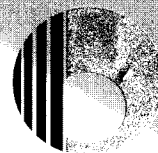


Annual Report - 2005-06

**Strengthening every link
in the value chain**



BHUSHAN

BHUSHAN STEEL & STRIPS LIMITED

Enhancing the world of steel

BSSL's focus on high quality value-added products and a wide product spectrum has made the company a leading supplier of auto grade steel to all automobile manufacturers in the country.

Milestones...

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2003-06

- Initiation of HR plant in Orissa, Phase-I near completion
- Introduction of Galume - 1st time in the country.
- Mumbai project commissioned - 4.25 lac tpa
- New products, Colour Coated, HTSS, H & T
- Drawn tubes installed apart from CR & GP
- Power plant - 24 MW
- Continuous Galvanising Line - 85,000 tpa
- 6 Hi CR Mill - 60,000 tpa
- Power Plant - 12 MW
- Kathabar & Annealing Bases

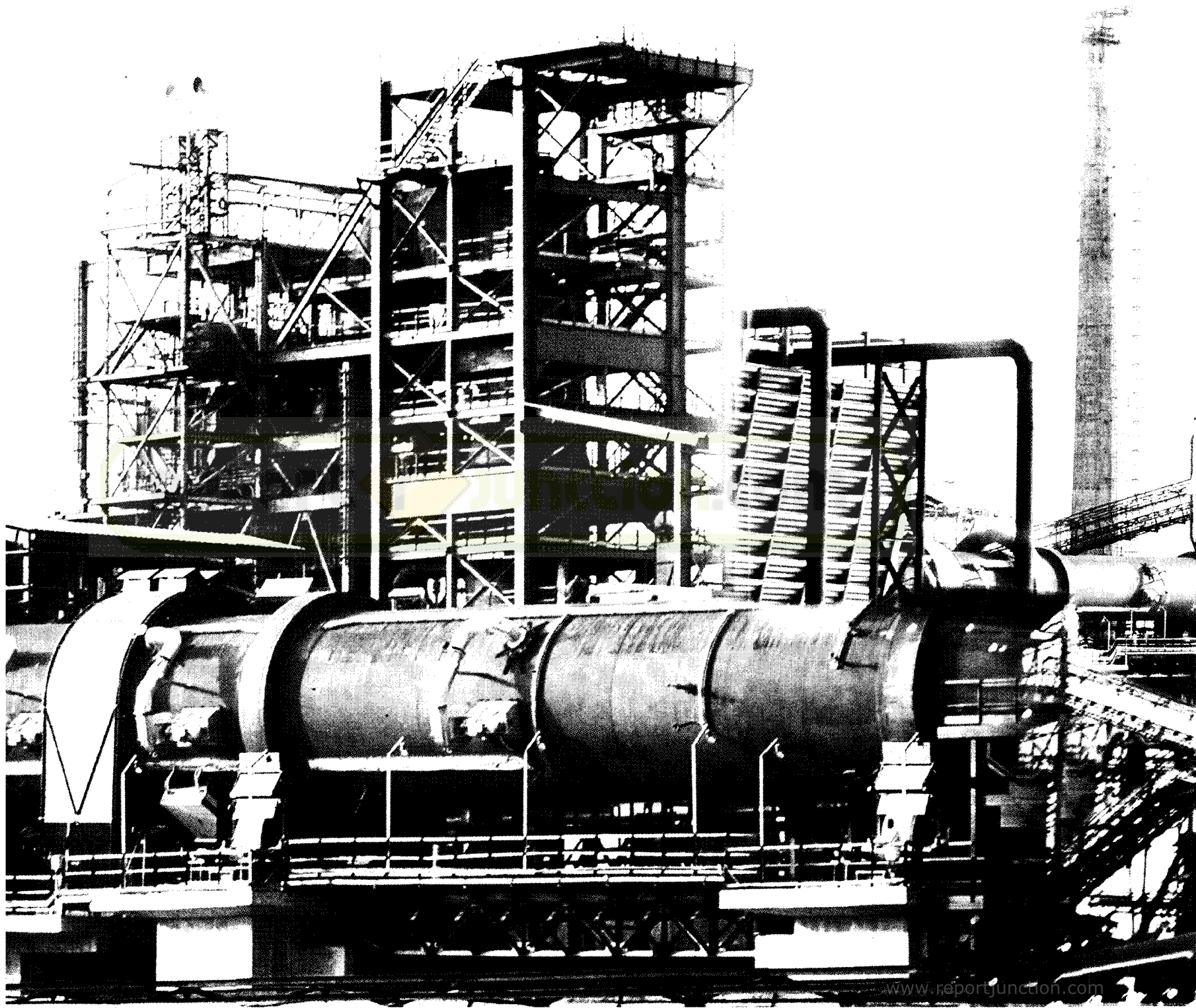
1998-2001

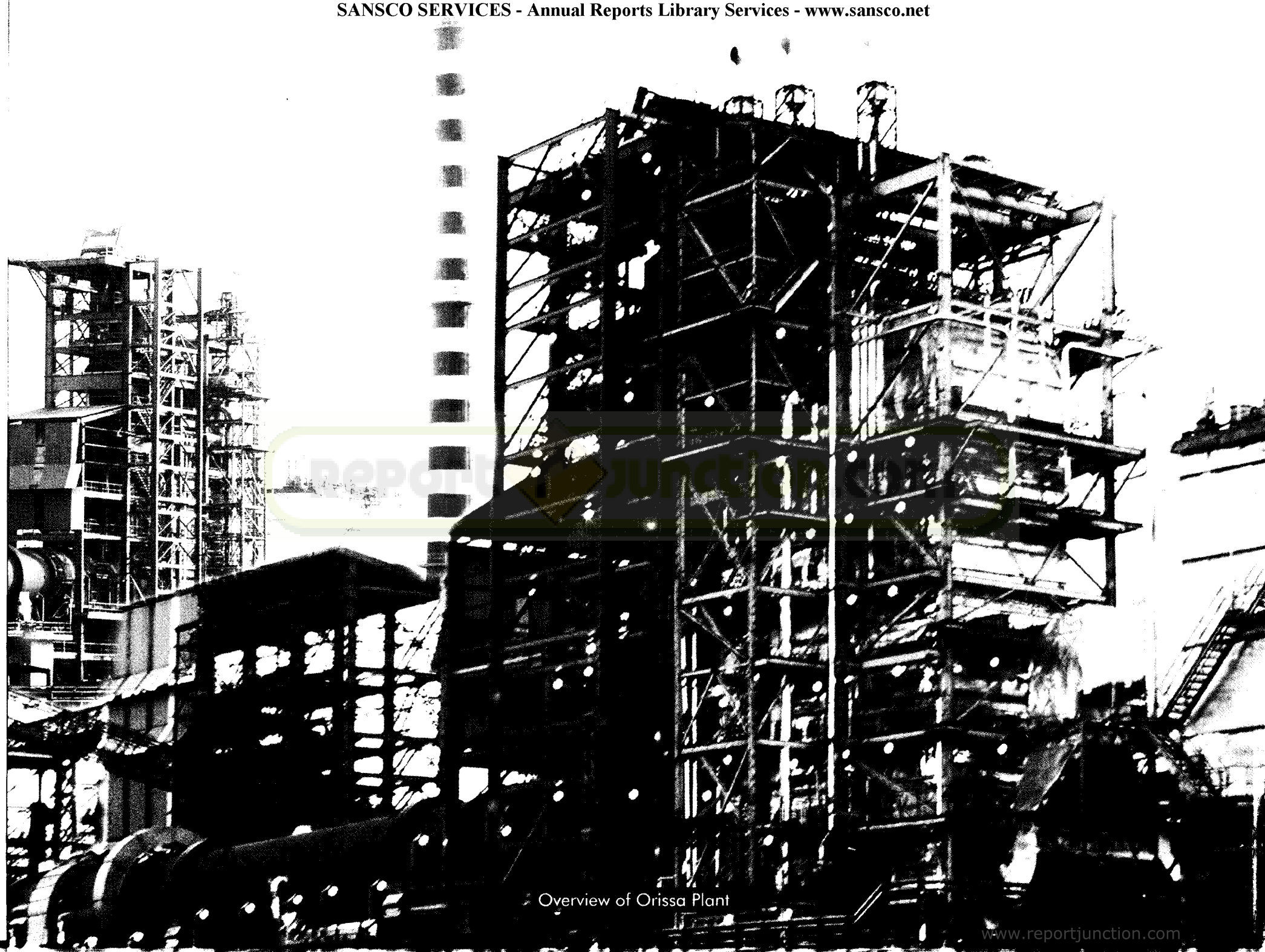
1994-97

- Hitachi CR Mill (1700 mm) - 350,000 tpa
- GP/GC Line - 40,000 tpa
- Power Plant - 12 MW

1993-94

- Skin Pass Mill, Cut to Length, CR Slitter
- Auxiliary Equipment to GP Line





Overview of Orissa Plant

Chairman's Speech

Giving Definition To A Far-sighted Vision

The vision of evolving into a totally integrated steel producer, committed to achieving the highest standards of quality through cutting-edge technology, is being realised at Bhushan Steel & Strips Ltd.

As one of the leading initiators of the technological revolution in the Indian steel industry, BSSL's infrastructure, equipment and machinery are well-complemented by its people and continue to create benchmarks for the industry.

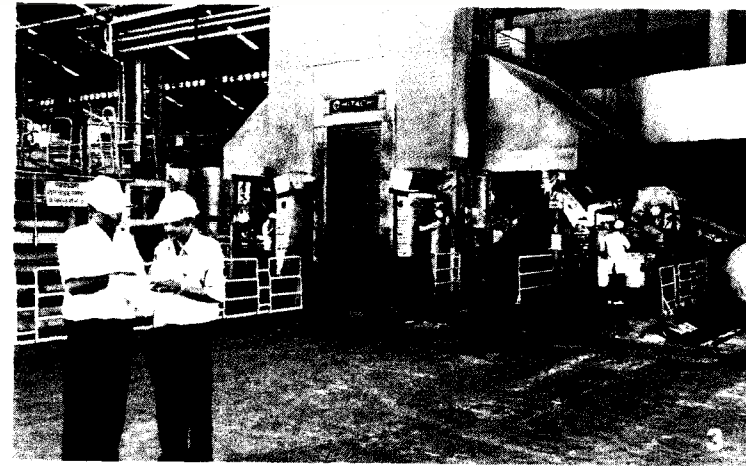
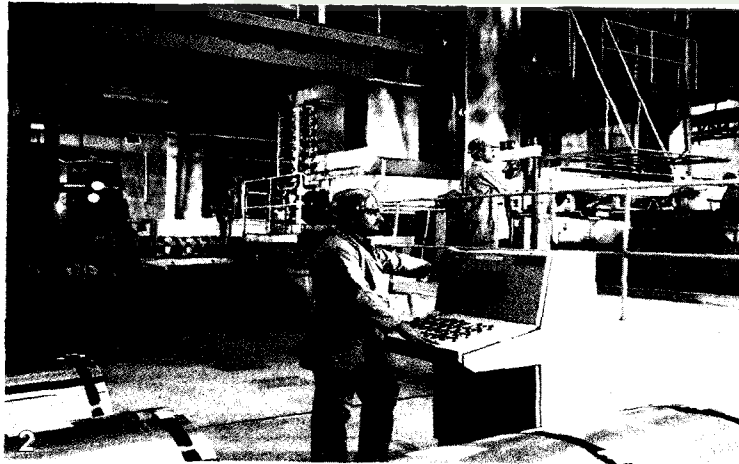
As a part of its 24x7 initiative for total integration on the steel value chain, Bhushan Steel & Strips Ltd. (BSSL) is in the process of setting up one of the most advanced Hot Rolling Plants of the world, in Orissa. The construction of the first phase is being carried out with speed and is nearing completion. Together with its state-of-the-art Cold Rolling Plant at Sahibabad and another one at Khopoli, the company is well poised in the industry. The Company has recently launched Galume, the zinc and aluminium coated sheet, for the first time in India. Thereby, it is all set to revolutionise the industry and demand patterns.

BSSL's vision of total integration is a lot closer to realisation today. Through seamless backward integration, BSSL is consolidating its position on the entire steel value chain - from iron ore to specialised, value-added steel, the company is surging ahead.

Be it specialised steel for the automotive and white goods industry, or steel for highly discerning international clients, BSSL's advanced manufacturing facilities and stringent quality standards have earned appreciation and acceptance in international markets. BSSL is currently exporting to Europe, USA, Canada, Africa, China and the Middle East, in addition to the Asian markets. And, is eagerly looking ahead, steadily defining the future of steel day by day.



B.B. Singal
Chairman



1. Hydrogen based Bell Annealing Furnace at the Sahibabad Plant
2. Galvanising Line
3. Hitachi Cold Rolling mill at the Sahibabad Plant

The Hues of Utilising Technology To Catalyse Growth

Amongst the various reasons behind BSSL's unprecedented growth and rapid integration on the steel value chain, perhaps, the most important would be its unwavering focus on acquiring the latest technology and know-how. The most important reason behind this focus has been BSSL's commitment to provide its customers with the best quality products. The result, to say the least, has been awe-inspiring growth.

The Khopoli plant, commissioned in 2004 has been playing a remarkable role not only in the growth of exports, but in the production of a much wider variety of value added steel like Colour Coated Sheets, High Tensile Steel Strappings, Hardened and Tempered Strips and Precision Tubes. In addition to these, the Khopoli plant has recently launched the Galume value added steel (Aluminium & Zinc Coated Sheet) for the first time in the country.

Operating with the most advanced technology, expressed through a large fleet of latest equipment, machinery and systems, the Khopoli plant has given a tremendous boost of 425000 MT per annum to BSSL's total production capacity including 240000 MT of galvanised steel, which are further forward integrated into Colour Coated Sheet, Galume and other value added products.

Giving a tremendous volume-thrust to the production capacity of BSSL is its plant at Sahibabad, with a production of 475,000 MT per annum comprising products such as Automotive Grade CR Sheet and Galvanised Sheets.

As a strategic move to optimise the usage of resources and services, as well as to streamline the functioning of all systems and process within the organisation, BSSL has recently implemented SAP (the global leader in Enterprise Resource Planning Systems). After all, with sales touching Rs. 3070 crores and installed capacity in the one million tonnes per annum range, BSSL is now India's 3rd largest Secondary Steel Producer after SAIL and TISCO. BSSL has the distinction of being the only producer in India of the widest width CR Sheet, besides being a preferred supplier of automotive grade steel sheets for inner and outer panels to all leading 4-wheeler and 2-wheeler manufacturers in the country.

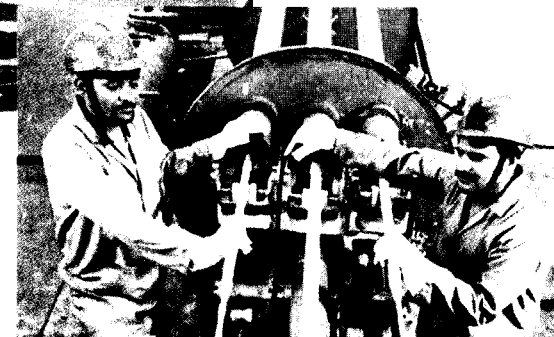
The most brilliant milestone in BSSL's journey of excellence is the setting up of a state-of-the-art Hot Rolling Steel & Power Plant in Orissa. This Integrated Steel and Power Plant will, no doubt, put BSSL firmly on the fast track of progress.



HTSS Line at Khopoli Plant



Colour Coating Line at the Khopoli Plant



Drawn Tube Line at Khopoli Plant

Transforming Strengths Into Steady Growth With A Deep Tone Of Performance

One of the most advanced Hot Rolling Plants in the world coming up in Orissa; a burgeoning clientele of top notch organisations; a rapidly growing export market; most advanced technology, and a progressive customer-oriented approach to business, all have helped BSSL in achieving phenomenal growth over the last few years. And, the key reason behind it all has been BSSL's remarkable financial strength.

Thanks to a better product mix in the high value segment, BSSL enjoys one of the best financial leverage in the industry today. Farsighted and sound financial planning has positioned BSSL in an enviable position. In fact it would not be out of place to mention that the company has never defaulted on payments to FIs. Complementing BSSL's financial strength is its client diversification strategy, which has moved BSSL higher up the value chain by allowing for a much larger percentage of clients in the OEM and export segments and a well-diversified clientele. Add to all of the above BSSL's customer focus, one begins to realise the various parameters involved in defining BSSL's success, both on the domestic and export fronts.

Adding a major thrust to BSSL's growth are its key strategic tie-ups, continuous technology upgradation, a futuristic out look and the ability to innovate. Amongst the various strengths instrumental in shaping BSSL's unprecedented success, its keen focus on key growth facilitators like technology and plant modernisation, exports, IT infrastructure, financial acumen and BSSL brand equity, have paid off very well in the form of fast and steady growth .

