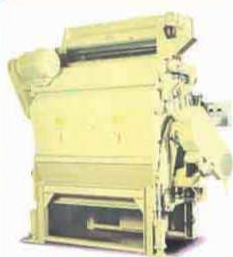


ANNUAL REPORT 2010-11



BAJAJ DOUBLE ROLLER COTTON GIN GOLDEN JUBILEE MODEL



Bajaj
CEC LE 176 DELINTER



Bajaj
CEC HULL BEATER



Bajaj
CEC DE-CORTICATOR / SEPARATOR



Bajaj
CEC COTTON SEED CLEANER



Bajaj
CEC LINTER CLEANER
LC410D



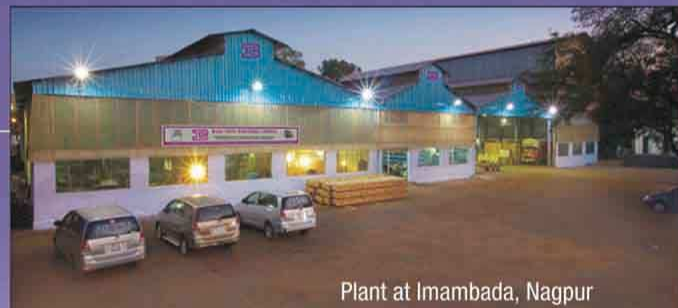
**BAJAJ STEEL
INDUSTRIES LTD.**

BAJAJ STEEL



BAJAJ STEEL INDUSTRIES LTD.

Imambada Road,
Nagpur-440 018. (MS) India
Tel + 91 712 272 0071-80
Fax + 91 712 272 3068, 272 8050
Email bsi@bajajngp.com



Plant at Imambada, Nagpur

Visit us at www.bajajngp.com



Plant at C-108, MIDC Hingna, Nagpur

50th ANNUAL REPORT

BAJAJ STEEL INDUSTRIES LIMITED

Chairman	Shri Hargovind Bajaj
Managing Director	Shri Rohit Bajaj
Executive Director	Shri Sunil Bajaj
Board of Directors	Shri Vinod Kumar Bajaj (Promoter - Non-Executive Director) Shri Lachland Mutha - Non-Executive Director Shri Kamal Kishore Kela - Independent Director Shri Mohan Agrawal - Independent Director Shri Alok Goenka - Independent Director Shri Raj Kumar Lohia - Independent Director Shri Rajiv Ranka - Independent Director Shri Deepak Batra - Independent Director
Company Secretary	Shri Jagdish Shirke
Chief Financial Officer	Shri Manish Sharma
Audit Committee of Board of Directors	Shri Deepak Batra - Chairman Shri Rajiv Ranka - Member Shri Alok Goenka - Member
Remuneration Committee of Board of Directors	Shri Deepak Batra - Chairman Shri Rajiv Ranka - Member Shri Alok Goenka - Member
Auditors	B. Chhawchharia & Co. 602, Govind Estates, Plot No. 172 Shivaji Nagar, Nagpur - 440 010
Bankers / Financial Institution	SICOM LIMITED, Mumbai State Bank of India, Bhopal The Karur Vysya Bank Limited & Axis Bank Limited, Nagpur
R & T Agent	Adroit Corporate Services Pvt Ltd 1 st Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai 400059 Tel : (022) 2859 0942/4442/4428/4060 E.mail: adroits@vsnl.net
Registered Office	Imambada Road Nagpur - 440 018 E.mail: cs@bajajngp.com
Works	Imambada Road, Nagpur-440018 Plot No. B-14, C-108 & D-5/2 Hingna MIDC Area, Nagpur -440028

NOTICE TO MEMBERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of Bajaj Steel Industries Limited will be held on Wednesday, the 21st Day of September, 2011 at 4.00 P.M. at VIA Hall, Udyog Bhavan, Civil Lines, Nagpur - 440 001 (Maharashtra) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon;
2. To Declare dividend on Equity Shares of the Company for the year ended 31st March, 2011;
3. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act 1956; M/s B. Chhawchharia & Co, Chartered Accountants, Nagpur the retiring statutory Auditors, be and hereby re-appointed as the Statutory Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration as decided by the Board of Directors of the Company.”

4. To appoint a Director in place of Shri Rajkumar Lohia, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Vinod Kumar Bajaj, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) the managerial remuneration appended to the notice in absence of adequate profits or no profit in any financial year to paid/ payable for a succeeding three Financial Year commencing from 2011 - 2012 to Shri Rohit Bajaj, during the currency of his tenure as a Managing Director of the Company under respective slab of Section II of Part II of Schedule XIII of the Companies Act, 1956 be and is hereby approved.

RESOLVED FURTHER THAT the remuneration paid to Shri Rohit Bajaj, Managing Director of the Company for the Financial Year 2010 – 2011 which was Rs 20,85,600 /- (Rupees Twenty Lacs Eighty Five Thousand and Six Hundred only) as per Schedule XIII of the Companies Act, 1956 in the absence of adequate profit for the Financial Year 2010 -2011 be and hereby approved and confirmed.

RESOLVED FURTHER THAT Shri Sunil Bajaj, Executive Director or Shri Jagdish Shirke, Company Secretary of the Company be and is hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) the managerial remuneration appended to the notice in absence of adequate profits or no profit in any financial year to paid/ payable for a succeeding three Financial Year commencing from 2011 - 2012 to Shri Sunil Bajaj, during the currency of his tenure as a Executive Director of the Company under respective slab of Section II of Part II of Schedule XIII of the Companies Act, 1956 be and is hereby approved.

RESOLVED FURTHER THAT the remuneration paid to Shri Sunil Bajaj, Executive Director of the Company for the Financial Year 2010 – 2011 which was Rs 20,85,600/- (Rupees Twenty Lacs Eighty Five Thousand and Six Hundred only) as per Schedule XIII of the Companies Act, 1956 in the absence of adequate profit for the Financial Year 2010 -2011 be and hereby approved and confirmed.

RESOLVED FURTHER THAT Shri Rohit Bajaj, Managing Director or Shri Jagdish Shirke, Company Secretary of the Company be and is hereby authorised for the purpose of giving effect to the above resolution, to take all such actions and give all such directions, or do all such acts, deeds, matters and things as may be necessary in this regard ."

Registered office:
Imambada Road,
Nagpur - 440 018

By order of the Board

Jagdish Shirke
Company Secretary

Dated : 09.08.2011

NOTES

- (a) Relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolutions set under Item No. 6 & 7 is appended below.
- (b) MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

-
- (c) The Register of Members of the Company will remain closed from 3rd September, 2011 to 21st September, 2011 (both days inclusive).

Dividend on Equity Shares as recommended by the Board of Directors for the Financial Year ended 31st March, 2011, when declared at Annual General Meeting, will be paid to the members whose names appear :

- i. as Beneficial Owners as per List to be furnished by the Depositories in respect of the Shares held in Demat Form as of the Book Closure Date.
- ii. as Members on the Register of Members of the Company as on 21st September, 2011 after giving effect to all valid Share Transfer in physical form which could be received by the Company / Transfer Agent upto end of the Business hours on the 02nd September, 2011

- (d) Members are requested to :

- (I) Intimate to the R&T Agent about the changes, if any, in their registered addresses, Dividend Mandates etc.,
- (ii) Quote their Folio Number in all their correspondence.

- (e) Members who have multiple folios with identical order of name are requested to intimate to the R & T Agent these folios to enable the R & T Agent to consolidate all share holdings into one folio.

- (f) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s Adroit Corporate Services Private Limited, Mumbai for share transfer process.

- (g) Dematerialisation of Shares :

This is to inform that 53.46% of the total equity shares have already been dematerialized as of 31st March, 2011. Shareholders who have not dematerialized their shares are requested to get the same demated.

- (h) Registrar and Share Transfer Agent :

M/s Adroit Corporate Services Private Limited, 1st Floor, 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400 059 is Registrar and Share Transfer Agents. Therefore Shareholders of the Company are advised to send all future documents/correspondence such as request for Dematerialisation of Shares, Transfers of Shares, Change of Address, Change of Bank Mandate / ECS and other Share related matters to M/s Adroit Corporate Services Private Limited at above mentioned address only

(i) Change of Information/ Bank Mandate :

The members/ shareholders holding shares in physical form are requested to notify/ update any change in their address, Bank Mandate e.g. Name of bank, account number, branch address and ECS number to Registrar and Share Transfer Agent and/ or the Company or to their respective Depository Participants (DP), if the shares are held in electronic form.

IMPORTANT COMMUNICATION TO MEMBER

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and had issued circulars stating that service of notice/ documents including Annual Report can be sent by e.mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail address to the Company's Registrar and Share Transfer Agent- Adroit Corporate Services Private Limited, 19/20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai - 400059.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO : 6 & 7

Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director was re-appointed for a further period of 5 (five) years with effect from 1st July, 2009 onwards on the following terms and conditions in line with Schedule XIII to the Companies Act, 1956 as detailed hereunder which are applicable to each of them.

- A) Salary : In the pay scale of Rs.1,50,000 - Rs.8,000 – Rs.1,90,000 per month.
- B) Commission : 1% per annum of the net profits of the Company.
- C) Perquisites : Perquisites shall be allowed, in addition to salary and commission, Perquisites shall be restricted to an amount equal to the annual Salary or Rs. 9,00,000/- per annum, whichever is less.
Perquisites are classified as under:

Category – A

- i) Housing : As per Policy of the Company
- ii) Medical reimbursement : Reimbursement of expenses incurred for self and family subject to a ceiling of Two month's salary in a year or Six month's salary over a period of three years.
- iii) Leave travel concession : Leave Travel Concession for self and family once in a year.
- iv) Club fees : Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
- v) Personal Accident Policy : Annual Premium of Personal Accident Insurance shall not exceed Rs. 20,000/-.
- vi) Other terms : As per Draft Agreement attached herewith.

Note: For the purpose of perquisites stated in Part -B above "family" means the spouse, the dependents children and dependents parents of the appointee.

Category – B

- vi) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- vii) Gratuity payable shall not exceed half a month's salary for each completed year of service.

Category –C

- viii) Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of services. Encasement of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- ix) Provision of car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal Long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of services of the above mentioned Directors, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed Under Section II of Part II of Schedule XIII of the Companies Act 1956, including any statutory modifications or re-enactment thereof as may be for the time being, in force.

During the Financial year 2010 - 2011 the Company has inadequate profits to provide remuneration to managerial persons out of the maximum limit as per Sub - Clause (A) Section II of Part II of Schedule XIII of the Companies Act, 1956 which shall be Rupees 21.00 Lacs (Rupees Twenty one Lacs only) per managerial person. The Company has calculated and paid the remuneration within the aforesaid limits for the Financial Year 2010- 2011 which was duly approved and confirmed by the Remuneration Committee of the Board of Directors vide their meeting held on 11th May, 2011. However, in view of payment of remuneration as per terms of agreement, the shareholder approval by way of Special Resolution under Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is required. The said payment of remuneration by way of Special Resolution shall be for a period of three years commencing from Financial Year 2011-12 which includes necessary increments in the remuneration of Managerial Persons as per terms of appointment.

Shri Rohit Bajaj and Shri Sunil Bajaj are interested in passing of the resolution in as much as it concern payment of remuneration to each of them as well as being relative of each other. Shri Hargovind Bajaj being relative of Shri Rohit Bajaj and Shri Sunil Bajaj may therefore, be deemed to be interested in passing of the resolution to that extent.

Save as aforesaid, none of the other Directors of the Company in any way concerned or interested in the said resolution.

STATEMENT CONTAINING REQUIRED INFORMATION AS PER CATEGORY B OF PART II OF SECTION II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 FOR THE ITEM NO 1 & 2 :

I. GENERAL INFORMATION :

Nature of Industry :

The Company is engaged in manufacturing of Cotton Ginning and Pressing Machinery and allied equipments, accessories and spare parts.

Date of Commencement of Commercial Production :

Bajaj Steel Industries Limited was incorporated as a Private Limited Company on 14th February, 1961, and subsequently it was converted into Public Limited Company on 7th October, 1985.

The Company is engaged in the following lines of activities:

- Manufacturing of Ginning ,Pressing and allied machineries since 1961
- Manufacturing of Plastic Polymer Granules- Masterbatches from 26.03.1987

Financial Performance Based on Given Indicators :

(Rs in Lacs)

Particulars	2010-11	2009- 10	2008- 09
Gross Turnover	22368.30	22822.40	26166.13
Profit Before tax	258.87	1525.74	2334.03
Profit After Tax	45.76	1024.43	1511.49
Dividend (20%)	47.00	44.00	44.00

Export Performance and Net Foreign Exchange Collaborations:

FOB Value of the Company's Export during the year 2010 – 2011 is Rs 1216.84 Lacs.

Foreign Investments or Collaborators, if any;

The current foreign holding in the Share Capital of the Company is as under :

Foreign Holding	Number of Shares	Percentage Holding
Foreign Institutional Investor	23986	1.02
Total	23986	1.02

The Company had entered technical collaborations to manufacture the Cotton Processing Machines with following Companies :

Sr. No	Name of Machines	Name of Collaborators
1	Continental Products	Continental Eagle Corporation, USA
2	Humidification System	Samuel Jackson Inc. of USA

These collaborations have enabled the company to expand its goodwill and to tap new areas of business.

II. INFORMATION ABOUT THE APPOINTEE :

(A) Shri Rohit Bajaj

Background Details

Shri Rohit Bajaj holds Bachelor Degree in Arts and having Vast Experience of more than 30 years. During his tenure as a Managing Director the Company had made many improvements in its product line .i.e. Ginning Machines, Master Batches etc. He is holding 55,325 Equity Shares comprising of 2.35 % of the paid up Capital of the Company.

He has widely traveled and has also visited foreign countries to keep abreast of the latest development in technology and marketing. He has wide interest in social activities and was the Vice President of Vidarbha Industries Association, Nagpur, a premier industry association of this region.

Past Remuneration

Shri Rohit Bajaj was drawing an aggregate Annual remuneration of Rs 20.85 Lacs.

Job Profile and suitability

Shri Rohit Bajaj has been serving the Company for more than 3 decades and as a member of the Senior Management Team brought many changes during his tenure as a Managing Director. The Company under the leadership of Shri Rohit Bajaj, Managing Director expanded rapidly. Today the company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants machineries.

Further, the Company under his leadership became a focused entity and the market driven focus has allowed the Company to enter into another growth phase. With the proposed expansion and new projects the company is expected to register growth, both in topline and bottomline.

Remuneration Proposed :

The terms of remuneration are detailed in the notice.

Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person :

The proposed remuneration is not commensurate with his experience and responsibility and significantly below par with the industry levels while compared to the salaries and incentives paid to the Managing Director of Companies of similar size.

Pecuniary Relationship Directly / Indirectly with the company or Managerial Personal if any :

Shri Rohit Bajaj has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his capacity of a Managing Director and the shares held by him in the company.

(A) Shri Sunil Bajaj

Background Details

Shri Sunil Bajaj holds Bachelor Degree in Engineering from Manipal Institute of Technology, Karnataka. After completion of Education he has joined the Board of the Company - Bajaj Steel Industries Limited, as an Executive Director, . He is holding 63,325 Equity Shares comprising of 2.69 % of the paid up Capital of the Company.

Past Remuneration

Shri Sunil Bajaj was drawing an aggregate Annual remuneration of Rs 20.85 Lacs

Recognition or Awards :

Shri Sunil Bajaj, Executive Director of the Company has recently been awarded with Honorary Fellowship of International Society for Cotton Improvement for his notable contribution in the field of development of cotton industry.

Job Profile and suitability

Shri Sunil Bajaj is having an experience of over 25 years in Steel and Plastic Industry and as a member of the Senior Management Team is managing day to day affairs of the Company.

Further, Shri Sunil Bajaj is actively involved in the upgradation and introduction of its new products. He has traveled abroad several times for finding out the new developments in manufacture of Steel and Plastic Products, which was implemented by the Company to increase the production of the Company.

Remuneration Proposed :

The terms of remunerations are detailed in the notice.

Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person :

The proposed remuneration is not commensurate with his experience and responsibility and significantly below Executive Director of Companies of similar size.

Pecuniary Relationship Directly / Indirectly with the company or Managerial Personal if any :

Shri Sunil Bajaj has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his capacity as a Executive Director and the shares held by him in the Company.

III. OTHER INFORMATION :

Reason of Loss or Inadequate Profits :

1. Impact of Recession which felt in the year 2010- 2011 as such the Sales maintained at earlier level and there was no growth in Sales.

2. Cost incurred for developing of new products without increase in sales.

Steps Taken or proposes to be taken for improvement :

The Company has inherent strengths in the form of its innovative products and national reach. The Company is hopeful of satisfactory performance in the current and subsequent years.

The Company had introduced new products and moreover developed an improved model of D.R. Gin Machine and named as “**BAJAJ D R GIN MACHINE-GOLDEN JUBILEE**” which give 20% more output with the same power consumption. Due to introduction of the new products the Company would earn good profits as per the past trend.

Expected increase in Productivity and Profits in Measurable Terms :

Though the profits of the Company are subject to market forces, the effective capital base in not much effected. Further the Company is in the phase of expansion and had introduced new products which would cater the market through out the year and lead the company to new achievements. The Company is having good orders in hand which would be executed in the current year.

IV. DISCLOSURES :

- (a) Shareholders of the Company shall be informed of the remuneration package of the managerial person :

The remuneration package of Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj Executive Director of the Company has been stated in detail in the explanatory statement attached to the notice.

- (b) Disclosure under the Heading Corporate Governance :

The required disclosure has been made in the Directors' Report.

REPORT OF THE DIRECTORS

The Directors of the Company are please to present their Fiftieth Annual Report on the affairs of the Company together with the Audited Accounts for the year ended 31st March, 2011.

The Highlights of the Financial performance for the year under review are as below :

FINANCIAL RESULTS :

RUPEES

	<u>31.03.2011</u>	<u>31.03.2010</u>
SALES AND OTHER INCOME	2,236,830,645	2,282,240,338
Profit before Interest & Depreciation	142,153,915	259,966,140
Less : Interest	58,974,317	55,999,830
Depreciation	57,295,421	51,392,407
	25,887,177	152,573,903
Add : Extra Ordinary Item	(-)	(-)
Profit before Tax	25,887,177	152,573,903
Provision for Taxation :		
Current Year : 12,541,000	54,908,000	
Deferred Tax : (2,030,000)	(4,777,000)	
Tax for Earlier year/ Adjustment : 10,799,487	---	
	21,310,487	50,131,000
Net Profit	4,576,690	102,442,903
Add : Balance Brought Forward from previous year	35,899,091	18,586,973
	40,475,781	121,029,876
Less : Appropriations :		
Proposed Dividend	4,700,000	4,400,000
Corporate Dividend Tax	762,458	730,785
Transfer to General Reserve	10,000,000	80,000,000
Balance Carried Forward to Balance Sheet	25,013,323	35,899,091
	40,475,781	121,029,876

GOLDEN JUBILEE YEAR :

Your Directors are pleased to inform that the Company had completed its 50th year and looking forward for continuous growth.

Initially the company was founded in the year 1961 with the object of carrying on the business of manufacturer and converter of all kinds of steel and allied products including Cotton Ginning Machines. Later, the Company diversified into other industrial activities and today, the company enjoys a very high reputation for its technological superiority, consistent high quality of products and committed services to its customers. The Company believe in technological up-gradation, steady growth and professional management and continue to strive hard to achieve these objective from time to time. The company commands major share over the Cotton Ginning industry in India.

DIVIDEND :

Your Directors are pleased to recommend a Equity Dividend of Rs 2.00/- per share. The Dividend as recommended would involve an outflow of Rs 47.00 Lacs towards Dividend and Rs 7.62 Lacs towards Corporate Dividend Tax, resulting in a total outflow of Rs 54.62 Lacs. The dividend will be distributed to the members whose names appear on the register of members as on record date.

WORKING & FUTURE PROSPECTS :

The Company's performance was affected as the Company has introduced new products in the market. The outcome of these products has started receiving some response during the Financial Year 2010 -11 and its full fledged effect is expected in next few years. During the year under review, the turnover of the Company has been marginally decreased from Rs 228.22 Crores in 2009-10 to Rs 223.68 Crores in 2010 -2011 representing a fall of 2.00.%, this was due to uncertainty about cotton crop in the country. The profitability of the Company has also been affected as the profit of the Company has decreased from Rs 10.24 crores in 2009 -10 to Rs. 0.46 Crore in 2010-11 .The Board of Directors are trying their best to improve the performance of the Company. The working of both the division of the Company is given as below:

- **STEEL DIVISION:**

The Steel Division is concentrating in its core business of manufacturing Cotton ginning and Pressing machineries which has a great potential to expand, considering the increasing cotton cultivation in India & abroad. The Company had successfully launched few new products like Cotton Delinting Machines and Decorticating Machines, Pre-fabricated Industrial Sheds etc.

- **PLASTIC DIVISION (SUPERPACK) :**

The sale / disposal of the Superpack Division is expected to complete at the earliest . However the performance of the unit during the year was remained static due to adverse market forces.

COVERSION OF SHARE WARRANTS :

The Company received request from the share warrant holders in respect of conversion of 1,50,000 share warrants into Equity Shares of the Company. The Board of Directors of the Company vide their meeting held on 29th March, 2011 had accepted the request of the share warrant holders and approved the conversion and allotment of 1,50,000 Equity Shares.

The Company had already received 25% of the application money for the balance 1,50,000 share warrants. However the Balance 1,50,000 share warrants would be converted into Equity Shares after receiving the balance payment of 75%.

Further, the Company had applied for listing of the abovementioned shares to The Bombay Stock Exchange Ltd, The Delhi Stock Exchange Ltd and The Calcutta Stock Exchange Limited and got the listing and trading approval from the Bombay Stock Exchange Ltd vide their letter Dated 10th May, 2011.

However, the listing approval from The Delhi Stock Exchange Ltd and The Calcutta Stock Exchange Limited are awaited.

AUDITORS' REPORT :

The observations made by the auditors read together with the relevant notes thereon, are self-explanatory.

PUBLIC DEPOSITS :

The total public deposits as on 31st March, 2011 amounted to Rs. 54,73,000 (Rupees Fifty Four Lacs Seventy Three Thousand only) . There was no unclaimed deposits at the end of the Financial Year ended as on 31st March, 2011.

INDUSTRIAL RELATIONS :

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of employees.

DIRECTORS :

Shri Rajkumar Lohia and Shri Vinod Kumar Bajaj retires by rotation and being eligible offers themselves for re-appointment.

CORPORATE GOVERNANCE REPORT :

A Certificate from the Statutory Auditors- M/s B. Chhawchharia & Co, Chartered Accountants, Nagpur; confirming compliance with conditions as stipulated under the aforesaid Clause 49 is annexed to the Report of Corporate Governance.

Disclosures required to made under the heading 'Corporate Governance' Under Clause (IV) (1) & (2) of the proviso under the table (B) of Sub-Section 1 of Section II of part II of Schedule XIII of the Companies Act, 1956, are made hereinbelow :

(i) The Company does not pay any remuneration to its Non-Executive Director. The elements of remuneration package payable to Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director are detailed out in the explanatory statement annexed to the notice calling the ensuing Annual General Meeting which has been made a part of this Annual Report & Corporate Governance Report.

(ii) Various components of remuneration payable to Shri Rohit Bajaj, Managing Director and Shri Sunil Bajaj, Executive Director are detailed out in the explanatory statement annexed to the notice calling the ensuing Annual General Meeting which has been made a part of this Annual Report & Corporate Governance Report.

(iii) No stock options are offered by the Company.

AUDIT COMMITTEE :

The Audit committee of the Board is under Chairmanship of Shri Deepak Batra, Chartered Accountant, an Independent Director of the Company and consisting of other Independent Directors viz Shri Rajiv Ranka and Shri Alok Goenka, as a practice of good Corporate Governance.

PROJECTS :

The Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants / Machineries. The facilities are equipped with state of art machines with latest technologies and managed by team of engineers. Moreover, the Company is in the process of executing various new projects for wider product range, value additions and to make its product more competitive. The Company has acquired land measuring 38757.50 sq. meters at Plot No. G-108 at Butibori Industrial Area, Nagpur. The Building Construction work is in progress and the production work is expected to commence in the near future.

DEVELOPMENT OF NEW PRODUCTS :

During the year under review, the Company had successfully introduced a few new products like Cotton Dispensing Machines, Delinting Machines, Fire Diverter System, Prefabricated Industrial Shed, Raw Cotton Modular Feeding System Primary and Secondary Filter, Fiber Compacter etc. These new products are expected to cater the market through out the year as against the seasonal nature of the Ginning Machines.

Moreover, the Company has recently developed an improved model of D.R. Gin Machine and named as “**BAJAJ D R GIN MACHINE-GOLDEN JUBILEE**” which give 20% more output with the same power consumption. Thus increasing the productivity of the gin machines.

PARTICULARS OF EMPLOYEES U/s 217 (2A) :

As per Annexure attached with the Directors Report.

RESEARCH AND DEVELOPMENT :

The Company recognizes that focused initiative on the development of new products would form the backbone of the Company's future business performance and profitability. Keeping this in view, the Company has increased its efforts in terms of development of new products in the Company's in House Research and Development Centre. At present, the company is working on various products like Fire Detection System for Cotton Ginning Plant, improved model of Double Roller Cotton Ginning Machine, etc under the able leadership of Shri Sunil Bajaj, Executive Director. Research and Development is a continuous phenomenon in the Company and due to which the Company is able to launch successfully various new products like Auto Feeder, Down Packing Cotton Baling Press, Overhead Distribution Conveyor Raw Cotton Feeding System Cotton Delinting Machines and Decorticating Machines, Pre-fabricated Industrial Shed etc.

RECOGNITION AS A STAR EXPORT HOUSE :

During the year under review the Company got recognition as a 'STAR EXPORT HOUSE' from the Ministry of Commerce & Industry, Government of India, New Delhi. As a result of which the Company would get the benefit of Star Exporter. The Certificate is valid for a period of 5 years upto 31st March, 2015.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & PROTECTION FUND :

The Dividends declared by the Company which remain unpaid / unclaimed for a period of Seven (7) years are required to transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Members are requested to claim their unpaid / unclaimed Dividend , if any, declares and paid for the financial years 2004-05 ,2005-06, 2006 - 07, 2007- 08, 2008-09 , 2009 -10

CONSERVATION OF ENERGY :

The Company lays great emphasis on savings in the cost of energy consumption. Achieving reduction in the per unit consumption of energy is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy as far as possible.

TECHNOLOGY ABSORPTION :

The technological developments on Ginning & Pressing Machinery has acted as an driving force in structural shift from old outdated to more productive advance machinery. The technology used by the Company is updated as a continuous exercise.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Details of foreign exchange earnings through exports and foreign exchange outgo on account of imports, expenditure on Traveling and other matters etc. are shown in the

Notes No. 15(b), 15(c) and 15(d) respectively of Notes on Accounts. To avoid repetition, the members are requested to refer to these Notes.

LISTING OF SHARES :

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd, The Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited. In view of conversion of 1,50,000 share warrants during the Financial Year , the total listed Share Capital (paid up) of the Company is Rs 2,35,00,000 /- comprising of 23,50,000 equity shares of Rs 10/- each.

The Company has paid annual listing fees of the Stock Exchange for the financial year 2010- 2011. There are no trading of Company's shares at The Delhi Stock Exchange and The Calcutta Stock Exchange.

DIRECTORS RESPONSIBILITY STATEMENT:

As per provision of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- a. In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The accounting policies have been consistently applied and reasonable and prudent judgement and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and the Profit and Loss Account of the Company for the period.
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 has been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a going concern basis.

AUDITORS :

M/s B. Chhawchharia & Co., Chartered Accountants, Nagpur retires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT :

The Directors are grateful to the Bankers and Financial Institutions for their continued support, co-operation and assistance during the year.

The Directors express their thanks for the sincere and dedicated efforts put in by the workers, staff and officers during the year.

FOR AND ON BEHALF OF THE BOARD

**PLACE : NAGPUR
DATED : 09.08.2011**

**HARGOVIND BAJAJ
CHAIRMAN**

ANNEXURES TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THIS DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED AS ON 31ST MARCH, 2011 :

Name	Age	Qualification	Date of joining	Designation	Remuneration (Per Annum)	Experience	Last Employment	Equity Shares held in the Company
Shri M.K. Sharma	54	M. Com	19.10.1996	President	Rs 50.45 Lacs	More than 32 years	Worked as a Chief Commercial Manager & Director in Quality Casting Ltd, Fujairah , U.A.E.	100 Equity Shares

NOTES :

1. Experience includes number of years of service elsewhere, wherever applicable;
2. Shri M. K. Sharma is not a relative of any Director of the Company;
3. Further , Shri M. K. Sharma is in full time employment with the Company;
4. The details of aforesaid are available at the Registered Office of the Company for inspection.

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DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

{Pursuant to Clause 49 of the Listing Agreement}

Name of Director	Date of Birth	Date of Appointment	Qualification
Shri Rajkumar Lohia	21.08.1954	18.10.2007	B.A.(Economics)
Expertise in specific functional areas	<p>Having more than 36 years of experience in the field of Commerce and Industry. He also serves as a Director on the Board of a number of other Indian Companies including J.K. Cement Limited, Lohia Starlinger Limited. He started Lohia Starlinger Limited in 1981 which is the largest domestic producer of machinery for Plastic Woven Fabric.</p> <p>Currently he is holding the position of Vice President of Merchant's Chamber of Uttar Pradesh and have received several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship.</p>		
Directorship held in other Companies	<ul style="list-style-type: none"> • Lohia Filaments Machines Ltd • Lohia Packaging Machines Ltd • Lohia Sales & Services Ltd • J K Cement Ltd • Lohia ICBT Ltd • Lohia Starlinger Ltd 		
Membership/ Chairmanship of committee	<p>J.K. Cement Limited</p> <p>i. Audit Committee - Member</p> <p>ii. Investor Grievance Committee - Member</p> <p>iii. Remuneration Committee - Chairman</p>		
Shareholding in Bajaj Steel Industries Limited	100 Equity Shares		
Shri Vinod Kumar Bajaj	25.01.1937	01.07.1980	Chartered Accountant
Expertise in specific functional areas	<p>Having more than 35 years of experience in Plastic Industry. He was the Vice President of Plastic Woven Sacks Manufacturers association for three years (1986 to 1988)</p>		
Directorship held in other Companies	<ul style="list-style-type: none"> • M/s Associated Biscuit Company Limited • M/s Bajaj Polyblends Private Limited • M/s Bajaj Superpack Limited 		
Membership/ Chairmanship of committee	NIL		
Shareholding in Bajaj Steel Industries Limited	13,300 Equity Shares		

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS :

1. Disclaimer

These financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward - looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

2. Future Trend & Opportunities :

The technological developments on Ginning & Pressing Machinery has acted as a driving force in structural shift from old outdated to more productive advanced machinery. By and large the good pace of technology development and dissemination has been witnessed in India in the last 10 years. The continuous thrust of Government, research institutes like Central Institute for Research on Cotton Technology, organizations like Cotton Association of India and machinery manufacturers towards technological developments will prove a driving force for the further improvement of cotton ginning and pressing machinery in future. The growth rate for utilization of cotton is about 10-15%, at present and among all the natural fibers cotton constitutes about 80% of the total consumption of natural fibers in the world. There are various possibilities to increase the use of cotton for diversified product manufacture, thus the requirement of modernization machinery is going to increase which will improve the working of the company in the core business. Further, the company has planned to take up the other areas of cotton ginning & pressing factories such as building structures, electrical panels, fire diversion, humidification systems and advanced material handling systems which will result in substantially higher value for orders as compared to earlier orders only for core machinery.

The Company has also started manufacturing Delinting and Decorticating Plant Machineries as well as other items for the same on turnkey basis under technical collaboration within M/s. Continental Eagle Corporation USA, this will also result in additional business.

INDUSTRY STRUCTURE & DEVELOPMENT :

Primarily, the Company is consisting two Divisions viz Steel Division and Superpack (Plastic) Division. Steel Division of the Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants located at Imambada Road and C-108, Hingana Industrial Area, Hingna, Nagpur.

Recently the Company had acquired land in G-108 Butibori Industrial Estate, Nagpur (MH) where the construction of building work had been completed substantially and is expected to start the production at the earliest.

The Superpack Division of the Company is for manufacturing of Masterbatches. However, the sale / disposal of the Superpack Division is expected to complete at the earliest. Further, the Major thrust of the Management is on the operation of Steel Division of the Company which is its core business.

The strong vision and dedication of the promoters has put the Company as one of the biggest manufacturers of Cotton Ginning and Pressing Machineries with distinction of having only company in the world with capabilities for manufacturing Cotton Ginning Machines for all the three major cotton ginning technologies being used in the world and enjoying more than two - thirds of the market share in India while rapidly expanding wings in the other cotton growing countries of the world.

The Company has entered technical collaborations to manufacture the Cotton Processing Machines with following companies / institutes:

Sr. No	Name of Machines	Name of Collaborators
1	Continental Products	Continental Eagle Corporation, USA
2.	Ginning and Pressing Machines	Central Institute for Research on Cotton Technology (CIRCOT), ICAR, Govt of India Mumbai
3.	Humidification System	Samuel Jackson Inc. of USA

These collaborations have enabled the company to expand its goodwill and to tap new areas of business.

DEVELOPMENT & EXPANSION :

The Company is having distinguished manufacturing facilities in India for Cotton Ginning & Pressing Plants / Machineries. The facilities are equipped with state of art machines with latest technologies and managed by team of engineers. Moreover, the Company is in the process of expanding its business activities by way of expansion plans. Looking against the seasonal nature of Ginning Machines, the Company had successfully developed few new products like Cotton Seed Delinting Machines/ Decorticating Machines, Fire Diverter System, Pre-fabricated and Secondary Filter, Fibre Compacter, Bale Ties etc which would cater the market through out the year.

The company has recently developed an improved model of D.R. Gin Machine and named as **"BAJAJ D R GIN MACHINE- GOLDEN JUBILEE"** which give 20% more output with the same power consumption. Thus increasing the productivity of the gin machines.

Moreover, the Company has introduced **Cotton Seed Dispensing System Machine** which evenly and gently open the seed cotton and allows consistent and uniform feeding of Seed Cotton hence resulting in the higher productivity. Subsequently the Company has applied to the Patent Office for the registration of "Cotton Seed Dispensing System Machine" under the Patent Act, 1970.

Moreover as the Company is in the phase of expansion and diversification, it had started the business of Construction and Fabrication of Factory Shades, Structural Buildings etc., the Company has filed application under The Trademarks Act, 1969 to register the **BAJAJ STEEL BUILDING LOGO** used by the Company in relation to the above mentioned activities undertaken by the Company.

EXPORT POTENTIAL OF GINNING MACHINES:

Like Indian economy, agriculture always remains the base of most of the developing countries. The company has successfully exported its cotton processing machines to Peru, Tajikistan, Srilanka, Myanmar, Bangladesh, Egypt, Pakistan, Madagascar, Nigeria, Zimbabwe, Zambia, Uganda, Tanzania, Malawi, Ethiopia etc.

The demand for spare parts for ginning machines and allied equipments are increasing manifold. In order to meet this demand, the company has opened a depot at Ahmadabad and planning to open more depots in other cotton growing areas in India.

SEGMENT WISE - PRODUCT WISE PERFORMANCE :

The Steel Division of the Company consists of manufacturing of Cotton Ginning & Pressing machineries and its spare parts & accessories.

During the year, the Steel Division has achieved a Turnover of Rs.136.62 Crores and Superpack Division has achieved a turnover of Rs. 85.80 Crores. The turnover of Cotton Division in domestic sale and export of Cotton Bales during the year is Rs. 1.25 Crores. The details of segment wise revenue, Results & capital employed has been mentioned in Notes to the Accounts in this Annual Report.

THREATS

In the current global uncertain economic environment certain risks may gain more prominence either on a standalone basis or when taken together. Your Company has already initiated in this direction by resorting to man power review, cutting unnecessary costs, etc. Moreover, cotton being a seasonal industry based on agricultural output any adverse effect on cotton crop may affect sales of the company.

RISK AND CONCERNS :

The challenges ahead are to find out ways and means to reduce the energy consumption of per kg lint produced, to bring down the processing costs, to further improve fibre quality, to further increase the productivity and efficiency of machines and to standardize the machinery used for each level of operation in the Ginning & Pressing Factories and Delinting & Decorticating Factories.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure :

1. That all assets and resources are used efficiently and are adequately protected.
2. That all the internal policies and statutory guidelines are complied with; and
3. The accuracy and timing of financial reports and management information is maintained.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES:

Industrial relations remained cordial during the year. Employees' competencies and skills were enhanced by exposing them to several internal and external training programs.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Introduction

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Company's philosophy on Corporate Governance is guided by strong emphasis on transparency, accountability, responsibility, fairness, integrity and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company's beliefs on Corporate Governance are intended at supporting the management of the Company for competent conduct of its business and ensuring long term value for shareholders, employees, customers and statutory authorities. The Company is committed to implement the standards of good Corporate Governance and endeavors to preserve nurture these core values in all its activities with an aim to increase and sustain its corporate value through growth and innovation.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchange, the details are set out below :

2. BOARD OF DIRECTORS

Composition :

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in which the Company's shares are listed. The composition of the Board are as under :

Name of the Director	Designation	Category
Shri Hargovind Bajaj	Chairman	Promoter (Non- executive)
Shri Rohit Bajaj	Managing Director	Promoter(Executive)
Shri Sunil Bajaj	Executive Director	Promoter(Executive)
Shri Vinod Kumar Bajaj	Director	Promoter (Non- executive)
Shri Lalchand Mutha	Director	Non- executive
Shri Alok Goenka	Director	Independent(Non-Executive)
Shri Rajiv Ranka	Director	Independent(Non-Executive)
Shri Mohan Agrawal	Director	Independent(Non-Executive)
Shri Kamal Kishore Kela	Director	Independent(Non-Executive)
Shri Rajkumar Lohia	Director	Independent(Non-Executive)
Shri Deepak Batra	Director	Independent(Non-Executive)

Category of Directors	Number of Directors	Percentage to the Board
Executive Director (including Managing Director)	2	18 %
Non-Independent(Non-Executive)	3	27 %
Independent(Non-Executive)	6	55 %

Attendance of each Director at the Board Meeting, Last Annual General Meeting and Number of other Directorship/ Chairmanship of Committee of each Director's of various Companies.

Name of Director	Attendance particular		No. of other Directorships and Committee Membership/Chairmanship		
	Board Meeting	Last AGM	Other Directorship (including Pvt Ltd Company)	Other Committee Membership	Other Committee Chairmanship
Shri Hargovind Bajaj	6	Yes	None	None	None
Shri Rohit Bajaj	6	Yes	11	1	None
Shri Sunil Bajaj	4	Yes	10	1	None
Shri Vinod Kumar Bajaj	6	Yes	3	None	None
Smt. Ramadevi Ruia (upto 29.07.2010)	-	No	None	None	None
Shri Lalchand Mutha	5	No	None	None	None
Shri Alok Goenka	3	No	2	3	None
Shri Rajiv Ranka	3	No	1	3	None
Shri Mohan Agrawal	6	No	4	None	None
Shri Kamal Kishore Kela	3	No	1	None	None
Shri Rajkumar Lohia	-	No	5	2	1
Shri Deepak Batra	6	No	1	None	3

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees **(as per Clause 49 (I) (C)(ii)**. All the Directors have made the requisite disclosure regarding Committee position held by them in other Companies

Meetings Held :

The Board met 6 (six times) on the following dates during the financial year 2010 - 2011

April 30,2010	November 11, 2010
May 11,2010	February 11, 2011
July 29,2010	March 29 , 2011

Disclosure on Remuneration package of Whole -time Directors during the financial year 2010 - 2011

Sr.No	Name of Directors	Salary & Allowances	Other benefits & perks	Performance linked incentive	Retirement Benefits	Bonus/ Commission	Stock Options during the year	Total
1	Shri Rohit Bajaj	18,72,000	2,13,600	-	-	-	-	20,85,600
2	Shri Sunil Bajaj	18,72,000	2,13,600	-	-	-	-	20,85,600

* Provident Fund Contribution of Rs 2,17,728/- (Rupees Two Lacs Seventeen Thousand Seven Hundred and Twenty Eight only) for each of the above Directors has not been included.

Details of payment made to Directors other than Whole-time Directors during the financial year 2010 - 2011

Sr.No	Name of the Director	Sitting Fee		Total
		Board Meeting	Committee Meeting	
1	Shri Hargovind Bajaj	12000	-	12000
2	Shri Vinod Kumar Bajaj	12000	-	12000
3	Shri Lalchand Mutha	10000	-	10000
4	Shri Kamal Kishor Kela	6000	-	6000
5	Shri Mohan Agrawal	12000	-	12000
6	Shri Rajiv Ranka	6000	4000	10000
7	Shri Rajkumar Lohia	-	-	-
8	Shri Deepak Batra	12000	5000	17000
9	Shri Alok Goenka	6000	4000	10000

3. AUDIT COMMITTEE :

Composition

The Audit Committee of the Board of Directors comprises of :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

All the members of the Committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal controls etc. The Composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

Terms of Reference :

The terms of reference of the Audit Committee, broadly as under :

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair ;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Discussing with the auditors any significant findings and follow up there on ;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with the auditors before the audit commences, about the nature and scope of the audit as well as post – audit discussion to ascertain any area of concern;
- To look into the reasons, if any, for substantial defaults in the payments to the depositors, creditors, shareholders (in case of non-payment of declared dividend).

Meetings Held :

The Audit Committee met 4 (Four times) on the following dates during the financial year 2010 - 2011

April 30,2010	November 11, 2010
July 29,2010	February 11, 2011

Attendance of each Director at the Audit committee Meeting is as under:

Sr.No	Name of the Director	Meeting Attended
1	Shri Deepak Batra	4
2	Shri Alok Goenka	3
3	Shri Rajiv Ranka	3

4. REMUNERATION COMMITTEE :

Composition :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

Terms of Reference :

- To appraise the performance of Managing and Executive Director , and
- To determine and recommend to the Board, compensation payable to the Managing and Executive Director .

Remuneration Policy :

The Company's pays remuneration to its Managing Director and Executive Director by way of salary, perquisites, allowances and commission. Salary is paid within the overall limits approved by the members of the Company subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.

Meetings Held :

The Remuneration Committee met for 1 (One Time) during the Financial Year 2010 - 2011

1. 30th April, 2010

Attendance of each Director at the Remuneration committee Meeting are as under :

Sr.No	Name of the Director	Meeting Attended
1	Shri Deepak Batra	1
2	Shri Alok Goenka	1
3	Shri Rajiv Ranka	1

5. **SHAREHOLDERS' / INVESTOR GRIEVANCE & SHARE TRANSFER COMMITTEE :**

Composition :

Sr. No.	Name	Composition
1.	Shri Deepak Batra	Chairman
2.	Shri Rajiv Ranka	Member
3.	Shri Alok Goenka	Member
4.	Shri Rohit Bajaj	Member
5.	Shri Sunil Bajaj	Member

Shri Jagdish Shirke, Company Secretary acts as the Secretary to the Committee

Terms of Reference :

To look into redressal of investors' complaints and request such as transfer of shares / debentures, non – receipt of dividend, annual reports etc

Meetings Held :

The Share Transfer Committee met 18(Eighteen) times on the following dates during the financial year 2010 – 2011 :

April 15 th , 2010	September 15 th , 2010
April 30, 2010	September 30 th , 2010
May 15 th , 2010	November 26 th , 2010
May 31 st , 2010	November 30 th , 2010
June 15 th , 2010	January 04 th , 2011
June 30 th , 2010	January 15 th , 2011
July 15 th , 2010	February 15 th , 2011
July 30 th , 2010	March 15 th , 2011
August 13 th , 2010	March 31 st , 2011

Attendance of each Director at the Share Transfer committee Meeting is as under:

Sr.No	Name of the Director	Meeting Attended
1	Shri Deepak Batra	-
2	Shri Alok Goenka	-
3	Shri Rajiv Ranka	-
4	Shri Rohit Bajaj	18
5	Shri Sunil Bajaj	18

Name, Designation and Address of Compliance Officer :

Shri Jagdish Shirke
Company Secretary
Bajaj Steel Industries Limited
Imambada Road,
Nagpur- 440018
E. mail : cs@bajajngp.com

6. CODE OF CONDUCT :

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. All Directors and Senior Management Personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors of the Company.

7. DETAILS ON GENERAL BODY MEETINGS :

Year	Location	Date	Day	Time
2007-08	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	30.09.2008	Tuesday.	4.00 P.M
2008-09	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	29.10.2009	Thursday	4.00 P.M
2009-10	VIA Hall, Udyog Bhawan, Civil Lines , Nagpur- 440 001	01.09.2010	Wednesday	4.00 P.M

Special Resolution passed at the last 3 Annual General Meetings (AGM)

1. At the AGM held on September 30, 2008 : There was no matter that required passing of special resolution.
2. At the AGM held on October 29 , 2009 :
 - Re-appointment of Shri Rohit Bajaj as a Managing Director and Shri Sunil Bajaj as a Executive Director of the Company,
 - Appointment of Shri Lav Bajaj as a Business Development Executive of the Company
3. At the AGM held on September 01, 2010 :
 - Replacing Article 99 of Articles of Association relating to qualification of shares of Director

8. DISCLOSURES :

Related Party Disclosures:

Names	Category
Shri Rohit Bajaj, Managing Director	Key Managerial Personnel
Shri Sunil Bajaj, Executive Director	Key Managerial Personnel
Shri Lav Bajaj	Relative of Key Managerial Personnel
Shri Vedant Bajaj	Relative of Key Managerial Personnel

Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence :

Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plasticoats Private Limited, Bajaj Global Limited, Ridhi Vinimay Private Limited, Sidhi Vinimay Private Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Bajaj Packaging, Gangalaxmi Agrotech Limited, Bajaj Cotgin Private Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited , Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Pvt Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd , Bajaj Superpack Pvt. Ltd, Bajaj Gintech Pvt. Ltd and Bajaj Plastics Private Limited.

Statutory Compliance, Penalties :

The Company has complied with the requirements of the Stock Exchange / SEBI and Statutory Authority on all matters related to the capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

CEO / CFO Certification :

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended March 31, 2011

9. NON- MANDATORY REQUIREMENTS :

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

The status of compliance with Non- Mandatory requirements is as under

The company has set up a Remuneration Committee pursuant to Clause 49 of the Listing Agreement. The board terms of reference of the Committee are to appraise the performance of Managing / Executive Directors, determine and recommend to the Board, compensation payable to Managing / Executive Directors.

10. MEANS OF COMMUNICATION :

- **Website :** The Company's website www.bajajngp.com contains a separate dedicated section "Investor Relations" where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form.
- **Financial Results :** The annual , half yearly and quarterly results are regularly posted by the Company on its website www.bajajngp.com These are also submitted to the Stock Exchanges in accordance with the Listing Agreement and published in Indian Express(English), Loksatta (Marathi Edition)
- **Annual Report:** Annual Report containing inters- alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to Members and other entitled thereto.
- **Corporate Filing :** Announcements, Quarterly ,Shareholding Pattern etc., of the Company regularly filed and are also available on the website of The Bombay Stock Exchange Ltd www.bseindia.com

11. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Date and Time	: 21 st September, 2011 at 4.00 P.M.
Venue	: VIA Hall, Udyog Bhawan, Civil Lines, Nagpur - 440001
Financial Year	: April to March
Book Closure Date	: .03.09.2011 to 21.09.2011 (both days are inclusive)
Dividend payment date	: 29.09.2011
Listing on Stock Exchanges	: The Company's shares are listed on the Bombay Stock Exchange Limited, the Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited

The Company has paid the Annual Listing fees for the Financial Year 2010 -2011

Scrip Code :

The Bombay Stock Exchange Limited : 507944

12. STOCK MARKET DATA :

The Equity Shares of the Company have been listed during the year on The Bombay Stock Exchange Limited (BSE), The Delhi Stock Exchange Limited and The Calcutta Stock Exchange Limited. Equity Shares of Rs. 10/- each.

	The Bombay Stock Exchange Limited (BSE)	
	Monthly High Price (In Rs.)	Monthly Low Price (In Rs.)
April, 2010	303.50	245.00
May, 2010	255.00	208.00
June, 2010	236.40	199.00
July, 2010	269.50	205.20
August, 2010	231.00	203.30
September , 2010	261.90	209.05
October, 2010	239.00	211.00
November, 2010	250.00	181.50
December, 2010	216.75	158.10
January, 2011	212.95	172.00
February, 2011	190.00	137.00
March, 2011	164.00	135.55

* Market data of trading at The Delhi Stock Exchange and The Calcutta Stock Exchange are not available

ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS/ INVESTOR	
For all matters relating to shares and Dematerialisation of shares, Change of address etc be sent to :	For all matters relating to Annual Reports / Dividend:
M/s Adroit Corporate Services Private Limited 1 st Floor, 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka, Mumbai – 400 059 Tel: 022- 28590942 / 4442/ 4428/4060 E.mail : adroits@vsnl.net	The Company Secretary Bajaj Steel Industries Limited Imambada Road Nagpur-440018 Tel : 0712- 2720071 – 80 Fax : 0712- 2728050 Email : cs@bajajngp.com

Share Transfer Process :

Presently, the share transfers which are received in physical form are processed and transferred by Registrar and Share Transfer Agent and the share certificates are returned within a period of 15-20 days from the date of receipt, subject to the documents being valid and complete in all respects and confirmation in respect of the request for Dematerialisation of shares is sent to the respective depositories i.e. National Securities Depository Limited(NSDL) and Central Depository Services (India) Limited (CDSL) expeditiously.

Distribution of Shareholding as on 31st March, 2011:

Category	No. of shareholders	Percentage (%)	No. of shares	Percentage
Up to - 500	4306	95.18	525014	22.34
501 - 1000	103	2.28	81073	3.45
1001 - 2000	44	0.97	68226	2.90
2001 - 3000	13	0.29	33174	1.41
3001- 4000	6	0.13	20284	0.86
4001 - 5000	15	0.33	73669	3.13
5001 - 10000	5	0.11	35572	1.51
10001 & Above	32	0.71	1512988	64.38
TOTAL	4524	100	2350000	100

Pattern of Shareholding as on 31st March, 2011

Sr. No	Category	No. of Holders	No. of Shares	Percentage (%)
1.	Promoters	54	860650	36.62
2.	Non Resident Individuals/ FIIs	449	113149	4.82
3.	Corporate Bodies	121	569564	24.24
4.	Indian Public	3875	673246	28.65
5.	Banks /Mutual Funds	3	3000	0.13
6.	Clearing Members/ Broker etc	22	130391	5.55
	TOTAL	4524	2350000	100

Dematerialisation of Shares : (as on 31st March, 2011)

Percentage of Share held in

Physical form : 46.54 %

Electronic Form with NSDL : 41.02 %

Electronic Form with CDSL : 12.44 %

Shares of the Company were actively traded on the Bombay Stock Exchange Limited and hence have good liquidity.

Secretarial Audit :

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

The Statutory Auditor of the company carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL / CDSL).

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**TO THE MEMBERS OF
BAJAJ STEEL INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s Bajaj Steel Industries Limited ("the Company") for the year ended 31st March, 2011 , as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with all material respect by the Company

**FOR M/S B.CHHAWCHHARIA & CO.
CHARTERED ACCOUNTANTS**

**SANJAY AGARWAL
PARTNER**

**Firm Registration No. 305123E
Membership No. 66580**

**PLACE : NAGPUR
DATE : 28.06.2011**

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

We, Shri Rohit Bajaj, CEO and Managing Director and Shri Manish Sharma, Chief Financial Officer of M/s Bajaj Steel Industries Limited, to the best of our knowledge and belief hereby certify that

1. We have reviewed the Audited Financial Statements and the cash flow statements for the **Year ended as on** 31st March, 2011 and that to the best of our knowledge and belief that :
 - (a) the Financial Statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (b) these statements 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 our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there are no deficiencies in the design or operation of internal control.
4. We have indicated to the Auditors and the Audit Committee that there are no
 - (a) Significant changes in internal control during the year ended as on 31.03.2011;
 - (b) Significant changes in accounting policies during the year ended as on 31.03.2011, if any that the same have been disclosed in the notes of the statements;
 - (c) instances of significant frauds of which I am aware, that involves management or other.

ROHIT BAJAJ
CEO & MANAGING DIRECTOR

MANISH SHARMA
CHIEF FINANCIAL OFFICER

PLACE : NAGPUR
DATE : 06.07.2011

AUDITORS' REPORT

To the members of Bajaj Steel Industries Limited

We have audited the attached Balance Sheet of M/s. Bajaj Steel Industries Limited as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with 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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report that:

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) 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.
2. Further to our comments in the Annexure referred above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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 such books;
 - (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account;
 - (d) In our opinion, subject to our comments hereinafter, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representation received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and Notes to the 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 :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
 - iii) in the case of the Cash Flow Statements, of the Cash flows of the Company for the year ended on that date.

For B. CHHAWCHHARIA & CO.
Chartered Accountants

P.K.Chhawchharia
Partner

Firm Registration No.305123E
Membership No. 50786

Place : Nagpur
Date : 09.08.2011

BAJAJ STEEL INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date for the year ended 31st March, 2011.

- (i) a) As informed, proper records showing full particulars including quantitative details and situation of fixed assets are being compiled by the Company.
- b) According to the information and explanation given to us, all the fixed assets including Capital work in progress have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As explained, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, the Company has not disposed substantial part of its fixed assets during the year.
- (ii) a) According to the information and explanation given to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
- (iii) a) The Company has not granted any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The Company has taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 151.93 Lacs and the year-end balance of such loans taken was ` 72.19 Lacs.
- c) In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from such companies are, prima facie, not prejudicial to the interest of the Company.
- d) The payment of principal amounts and interest are regular as per stipulations, wherever such stipulations exist.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness, if any, in internal control system.
- (v) a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 are being updated in the register required to be maintained under that section.

- b) In our opinion and according to the information and explanations given to us, the transactions that were made in pursuance of contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- or more, in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A, 58AA or other relevant provision of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.
- (vii) In our opinion and according to the information and explanations given to us, the Company has a formal internal audit system commensurate with the size of the Company and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) In our opinion and according to the information and explanations given to us:
 - a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities.
 - b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited on account of any dispute except as detailed in Annexure I.
- (x) There are no accumulated losses in the Company and the Company has not incurred any cash loss in the year under review or in the immediately preceding year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. All the Shares and Securities held as investments are in company's own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company for the year under review, we report that no funds raised on short term basis have been used for long term investments.

- (xviii) The company has during the year made preferential allotment of shares to Companies Covered u/s 301 of the Companies Act, 1956, but the price at which the shares have been allotted is prima facia, not prejudicial to the interest of the Company.
- (xix) The Company has not issued any debentures during the year under review.
- (xx) The Company has not raised any money by public issue during the year under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For B. CHHAWCHHARIA & CO.
Chartered Accountants

P.K.Chhawchharia
Partner

Firm Registration No.305123E
Membership No. 50786

Place : Nagpur
Date : 09.08.2011

Annexure 1 as referred in clause [ix (b)] of the Annexure to our Report of even date for the year ended 31st March, 2011

Name of the Statute	Nature of the Dues	Amount (Lacs)	Relating to the year	Forum where dispute Pending
Central Sales Tax Act, 1956	Non submission of Forms	0.44	1998-99	Deputy Commissioner, Sales Tax, Nagpur
Central Sales Tax Act, 1956	Non submission of Forms	2.16	2001 - 2002	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	1.83	2002-2003	Maharashtra Sales Tax Tribunal (Mumbai)
Central Sales Tax Act, 1956	Non submission of Forms	7.92	2003-2004	Deputy Commissioner, Sales Tax, Nagpur
Bombay Sales Tax Act, 1956	Non submission of Forms	13.76	2003-2004	Deputy Commissioner, Sales Tax, Nagpur
Central Excise Act, 1944	Duty on material cleared after Job Work	0.43	Oct-03 to Apr - 2004	Assistant Commissioner Chindwara
The Customs Act, 1962	Duty and Penalty on import of material	136.60	2002-2003 & 2003-2004	CESTAT, Mumbai
Madhya Pradesh Commercial Tax Act, 1994	Demand on regular assessment	0.27	2002 - 2003	Assistant Commissioner, Commercial Tax
Central Sales Tax Act, 1956	Non submission of Forms	0.63	2004-2005	Additional Commissioner of Commercial Tax, Jabalpur
Maharashtra Tax on entry of Motor Vehicles into local area Act, 1987	Imposition of Entry Tax on Capital Assets	0.87	2009-2010	Deputy Commissioner of Sales Tax (Appeal), Nagpur
Income Tax Act, 1961	Demand under Section 143 (3) of the Income Tax Act, 1961.	0.24	2003-2004	Commissioner of Income Tax (Appeal)
		1.22	2004-2005	
		31.72	2006-2007	
		32.06	2007-2008	
		62.39	2008-2009	
Central Sales Tax Act, 1956	Non submission of Forms	0.82	2006-2007	Deputy Commissioner, Commercial Tax (Appeal) Chindwara

For B. CHHAWCHHARIA & Co.
Chartered Accountants

P.K.Chhawchharia
Partner

Firm Registration No.305123E
Membership No. 50786

Place : Nagpur
Date : 09.08.2011

BAJAJ STEEL INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011	As at 31.03.2010
		₹	₹
SOURCES OF FUNDS			
Shareholders' Funds :			
a) Share Capital	1	23,500,000	22,000,000
b) Convertible Warrants	1A	9,900,000	—
c) Reserves and Surplus	2	478,403,569	441,189,337
		511,803,569	463,189,337
Loan Funds :			
a) Secured Loans	3	257,488,622	237,906,201
b) Unsecured Loans	4	272,121,870	222,258,938
		529,610,492	460,165,139
Deferred Tax - Net	5	2,030,000	4,060,000
		1,043,444,061	927,414,476
APPLICATION OF FUNDS			
Fixed Assets :			
a) Gross Block	6	696,788,189	614,035,762
b) Less: Depreciation		354,085,587	296,796,774
c) Net Block		342,702,602	317,238,988
d) Capital Work-in-Progress		130,357,189	103,554,814
		473,059,791	420,793,802
Investments	7	2,783,689	2,783,689
Current Assets, Loans and Advances :			
a) Inventories	8	614,159,324	458,023,965
b) Sundry Debtors	9	236,343,176	155,573,230
c) Cash and Bank Balances	10	185,625,294	233,754,605
d) Loans and Advances	11	104,299,609	100,512,291
		1,140,427,403	947,864,091
Less : Current Liabilities and Provisions :	12		
a) Current Liabilities		543,876,867	424,212,373
b) Provisions		28,949,955	19,814,733
		572,826,822	444,027,106
Net Current Assets		567,600,581	503,836,985
		1,043,444,061	927,414,476

NOTES ON ACCOUNTS 20
BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE 21

The Schedules referred to above form an integral part of accounts

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

(P. K. Chhawchharia)
Partner

Firm Registration No. 305123E
Membership No. 50786

Place: Nagpur

Date : 09.08.2011

Shri Hargovind Bajaj Chairman
Shri Rohit Bajaj Managing Director
Shri Sunil Bajaj Executive Director

Shri L.C.Mutha

Shri V.K.Bajaj

Shri K.K. Kela

Shri Alok Goenka

Shri Rajiv Ranka
(Director)

Shri Deepak Batra
(Director)

Shri Jagdish Shirke
Company Secretary

Shri Manish Sharma
Chief Financial Officer

BAJAJ STEEL INDUSTRIES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010 - 2011	2009 - 2010
		₹	₹
INCOME :			
Sales		2,208,902,913	2,245,394,763
Processing Charges		2,274,670	374,633
Other Income	13	25,653,062	36,470,942
Increase in Stock	14	100,819,899	128,973,292
		<u>2,337,650,544</u>	<u>2,411,213,630</u>
EXPENDITURE:			
Cost of Materials	15	1,483,989,844	1,315,542,400
Purchases		12,015,476	208,415,430
Manufacturing and Processing charges		143,526,792	141,422,766
Power and Fuel		13,670,037	11,731,615
Personnel	16	202,493,821	158,794,661
Excise Duty		176,607,608	136,991,321
Cost of Borrowing	17	58,974,317	55,999,830
Other Expenses	18	163,190,051	178,349,297
Depreciation		57,295,421	51,392,407
		<u>2,311,763,367</u>	<u>2,258,639,727</u>
PROFIT BEFORE TAX		25,887,177	152,573,903
Less: Direct Taxes	19	21,310,487	50,131,000
PROFIT AFTER TAX		<u>4,576,690</u>	<u>102,442,903</u>
Balance Surplus Brought Forward		35,899,091	18,586,973
		<u>40,475,781</u>	<u>121,029,876</u>
APPROPRIATIONS			
Provision for proposed dividend		4,700,000	4,400,000
Corporate Dividend Tax		762,458	730,785
Transfer to General Reserve		10,000,000	80,000,000
Balance Surplus Carried to Balance Sheet		25,013,323	35,899,091
		<u>40,475,781</u>	<u>121,029,876</u>
EARNING PER SHARE			
(On Shares of nominal value of ₹ 10/- each)			
Basic		2.08	46.56
Diluted		1.86	46.56

The Schedules referred to above form an integral part of accounts

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

(P. K. Chhawchharia)
Partner

Firm Registration No. 305123E
Membership No. 50786

Place: Nagpur

Date : 09.08.2011

Shri Hargovind Bajaj

Chairman

Shri Rohit Bajaj

Managing Director

Shri Sunil Bajaj

Executive Director

Shri L.C.Mutha

Shri V.K.Bajaj

Shri K.K. Kela

Shri Alok Goenka

Shri Rajiv Ranka
(Director)

Shri Deepak Batra
(Director)

Shri Jagdish Shirke
Company Secretary

Shri Manish Sharma
Chief Financial Officer

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
1 SHARE CAPITAL		
Authorised :		
15,000,000 Equity Shares of ₹ 10 each	150,000,000	150,000,000
Issued, Subscribed and paid-up :		
* 2,350,000 (P.Y.2,200,000) Equity Shares of ₹ 10 each fully paid up	23,500,000	22,000,000
(The above includes 510,000 Equity Shares issued as fully paid Bonus shares by capitalisation of General Reserve)		
* Refer Note No.5 of Schedule - 20.	23,500,000	22,000,000
1A CONVERTIBLE WARRANTS		
Share Warrants (Application money for 150000 Warrants ; P.Y- Nil)	9,900,000	-
(Convertible into Equity within 10/11/2011)	9,900,000	-
2 RESERVES AND SURPLUS		
Capital Reserve :		
Capital Subsidy	5,286,746	5,286,746
On re-issue of forfeited Equity Shares	3,500	3,500
	5,290,246	5,290,246
General Reserve :		
As per last account	400,000,000	320,000,000
Transfer from Profit & Loss Account	10,000,000	80,000,000
	410,000,000	400,000,000
Securities Premium Account	38,100,000	-
Profit and Loss Account	25,013,323	35,899,091
	478,403,569	441,189,337
3 SECURED LOANS		
A) * Term Loans from :		
SICOM Limited	68,000,000	75,000,000
Secured by first charge on the entire fixed assets and movable assets, present and future, situated at Plot No. C-108, MIDC, Hingna, Nagpur and floating charge on all other assets of the Company and by personal guarantee of the Managing and Executive Director of the company.		
B) (i) Working Capital Loans from :		
a) State Bank of India	64,271,614	61,948,129
Secured by first charge on Stocks and Book debts and second charge on the fixed assets of the company situated at Sausar and Imambada Road, Nagpur and by personal guarantee of the Managing, Executive and two other Directors and C.E.O. of Superpack Division of the company.		
b) Karur Vysya Bank Limited	99,401,892	46,271,175
Secured by first charge on current assets of Steel Division, collateral security by way of extension of first and exclusive charge on the entire fixed assets, present and future situated at plot No- G-108, Butibori, MIDC, Nagpur (Collateral Security pending documentation and Registration) and by personal guarantee of the Managing and Executive Directors of the Company.		
(ii) Overdraft from :		
a) HDFC Bank Limited	8,124,686	17,124,051
b) Wardhaman Co-Operative Bank Limited	-	15,222,300
c) AXIS Bank Limited	3,226,880	3,014,616
d) Karur Vysya Bank Limited	-	9,074,594
- Secured by pledge of certain Fixed Deposit Receipts		
C) * Vehicle Loans from :		
a) ICICI Bank Limited	984,532	77,328
b) HDFC Bank Limited	5,157,600	8,453,501
c) Karur Vysya Bank Limited	6,094,612	-
d) AXIS Bank Limited	2,226,806	1,720,507
- Secured by hypothecation of vehicles financed by them		
	257,488,622	237,906,201
* Repayable within one year	27,780,392	10,924,487
4 UNSECURED LOANS		
+ Fixed Deposits	5,473,000	10,867,000
From Bodies Corporate	266,648,870	211,391,938
	272,121,870	222,258,938
+ Repayable within one year	3,296,000	5,394,000
5 DEFERRED TAX - NET		
Deferred Tax Liability on Fiscal allowances of fixed assets	12,369,000	11,892,000
Less:-Deferred Tax Assets on		
Employees Benefits	7,801,000	5,054,000
Fiscal allowances on provisions	2,538,000	2,778,000
	2,030,000	4,060,000

SCHEDULES TO THE ACCOUNTS

	Face Value ₹	No. of Shares Nos.	As at 31.03.2011 ₹	No. of Shares Nos.	As at 31.03.2010 ₹
7 INVESTMENTS - LONG TERM					
<i>In fully paid up Equity Shares of Companies</i>					
<u>Quoted:</u>					
Wopolin Plastics Limited	10	85,850	1,788,050	85,850	1,788,050
Less: Provision for diminution in value of Investments			1,788,049		1,788,049
			1		1
Ushita Trading & Agencies Ltd	10	90,000	2,117,975	90,000	2,117,975
<u>Unquoted :</u>					
Associated Biscuits Co.Ltd.	100	3,800	627,000	3,800	627,000
Nagpur Nagrik Sahakari Bank Ltd.	50	1	50	1	50
Shikshak Sahakari Bank Ltd.	25	24	600	24	600
<i>In fully paid up Preference Shares of a company</i>					
<u>Unquoted :</u>					
Associated Biscuits Co.Ltd.					
- 11% Non Cumulative Convertible Preference Shares	10	3,800	38,063	3,800	38,063
			2,783,689		2,783,689
Aggregate amount of Quoted Investments			2,117,976		2,117,976
Aggregate amount of Unquoted Investments			665,713		665,713
Market Value of Quoted Investments			2,934,000		2,934,000
8 INVENTORIES					
(As taken, valued and certified by Management)					
Stores, spares and fuel			14,269,468		11,788,219
Raw Materials (Includes Stock in Transit ₹ NIL; P.Y. ₹ 2991712/-)			244,033,086		218,417,060
Semi-finished Goods			325,758,949		185,516,128
Finished Goods			30,097,821		40,957,084
Trading Goods			-		1,345,474
			614,159,324		458,023,965
9 SUNDRY DEBTORS					
Due for more than six months					
Considered Good					
- Secured			1,699,312		678,934
- Unsecured			23,586,102		19,502,780
Considered Doubtful					
- Unsecured			7,823,519		8,362,620
Others					
Considered good					
- Secured			18,835,478		5,038,040
- Unsecured			192,222,284		130,353,476
			244,166,695		163,935,850
Less: Provision for Doubtful Debts			7,823,519		8,362,620
			236,343,176		155,573,230
10 CASH AND BANK BALANCES					
Cash in hand			537,365		885,194
Cheques in hand			159,572		469,638
Balance with Scheduled Banks:					
- In Current Account			8,141,965		26,317,600
- In Unpaid Dividend Account			1,385,388		1,156,146
- In Term Deposit Account (Pledged ₹ 25093527/-; P.Y. ₹ 66094566/-)			175,401,004		204,926,027
			185,625,294		233,754,605
11 LOANS AND ADVANCES					
(Unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received			41,971,186		58,551,765
Balances with Government Authorities			41,656,604		33,567,909
Deposits			3,017,580		2,556,934
Taxation advance and refundable (Net of provisions)			17,654,239		5,835,683
			104,299,609		100,512,291

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
12 CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Acceptances	27,722,426	19,507,327
Sundry Creditors	340,266,246	277,193,549
Advance from Customers	114,548,739	80,337,732
Unclaimed Dividends	1,385,388	1,156,146
Deposits	22,319,427	13,456,205
Other Liabilities	36,964,523	32,030,711
Interest accrued but not due	670,118	530,703
	<u>543,876,867</u>	<u>424,212,373</u>
b) Provisions		
For Proposed Dividend	4,700,000	4,400,000
For Corporate Dividend Tax	762,458	730,785
For Gratuity	18,592,620	11,062,352
For Leave Encashment	4,894,877	3,621,596
	<u>28,949,955</u>	<u>19,814,733</u>
	<u>572,826,822</u>	<u>444,027,106</u>
	2010-2011 ₹	2009-2010 ₹
13 OTHER INCOME		
Rent	60,000	60,000
Dividend	-	107,891
Interest (Includes TDS ₹ 1418038/-; P.Y. ₹ 2803035/-)	13,251,664	18,370,345
Profit on sale of fixed assets (Net)	5,839	479,265
Profit on sale of Investments (Net)	-	1,009,426
Share Difference	74,131	-
Miscellaneous Income	10,409,437	10,307,875
Bad Debt Recovered	1,207,525	-
Excess provision for Bonus written back	-	6,300
Provision for Doubtful debts written back	644,466	6,129,840
	<u>25,653,062</u>	<u>36,470,942</u>
14 INCREASE IN STOCK		
Closing Stock :		
a) Finished Goods	30,097,821	40,957,084
b) Semi-finished Goods	325,758,949	185,516,128
c) Trading Goods	-	1,345,474
	<u>355,856,770</u>	<u>227,818,686</u>
Less : Opening Stock :		
a) Finished Goods	40,957,084	37,281,660
b)* Semi-finished Goods	212,734,313	61,563,734
c) Trading Goods	1,345,474	-
	<u>255,036,871</u>	<u>98,845,394</u>
	<u>100,819,899</u>	<u>128,973,292</u>
* Includes ₹ 27218185/- (P.Y-Nil) transferred from opening stock of Raw Materials.		
15 COST OF MATERIALS		
Raw Materials Consumed	1,410,921,726	1,239,250,687
Stores and Spares Consumed	73,068,118	76,291,713
	<u>1,483,989,844</u>	<u>1,315,542,400</u>
16 PERSONNEL		
Salaries, Wages, Bonus and allowances	185,321,310	140,716,535
Directors' Remuneration	3,744,000	6,833,138
Contribution to Provident and Other Funds	8,863,647	7,103,492
Staff and Labour welfare Expenses	4,564,864	4,141,496
	<u>202,493,821</u>	<u>158,794,661</u>
17 COST OF BORROWING		
Interest		
On Term Loans	10,094,129	12,063,328
On Fixed Deposits	1,209,762	2,236,824
On Others	46,758,136	39,749,180
Loan Processing Fees	912,290	1,950,498
	<u>58,974,317</u>	<u>55,999,830</u>

SCHEDULES TO THE ACCOUNTS

	2010-2011	2009-2010
	₹	₹
18 OTHER EXPENSES		
Rent	6,627,844	6,024,850
Rates and Taxes	835,617	1,283,182
Insurance	1,039,106	1,875,240
Discount on Sales	8,960,926	29,107,333
Freight and other Expenses	13,770,853	20,608,273
Travelling and Conveyance	33,170,209	25,877,193
Sales Commission	28,315,441	14,933,225
Repairs and Maintenance:		
Machinery	1,209,572	3,281,772
Buildings	3,731,764	2,090,109
Others	3,654,998	2,676,275
Directors' Sitting Fees	89,000	76,000
Irrecoverable Debts and Advances written off	794,733	7,083,584
Provision for Doubtful Debts	105,365	4,522,118
Miscellaneous Expenses	58,956,885	58,744,092
Items relating to previous years (Net)	1,753,064	166,051
Loss on sale of Investments (Net)	174,674	-
	<u>163,190,051</u>	<u>178,349,297</u>
19 DIRECT TAXES		
Provision for Income Tax	12,400,000	54,800,000
Provision for Wealth Tax	141,000	108,000
Deferred Tax Adjustments	(2,030,000)	(4,777,000)
Income Tax for earlier year	10,623,894	-
Tax Adjustments	175,593	-
	<u>21,310,487</u>	<u>50,131,000</u>

SCHEDULES TO THE ACCOUNTS

6. FIXED ASSETS

	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2010	ADDITIONS	DEDUCTIONS	AS AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR	ADJUSTMENTS	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(A)	LAND										
	- Freehold	1,207,012	-	-	1,207,012	-	-	-	-	1,207,012	1,207,012
	- Leasehold	11,180,158	-	-	11,180,158	-	-	-	-	11,180,158	11,180,158
	BUILDING	185,773,923	3,136,881	-	188,910,804	68,933,224	9,872,291	-	78,805,515	110,105,289	116,840,699
	PLANT AND MACHINERY	326,493,418	29,570,630	39,270	356,024,778	186,899,936	31,038,661	6,609	217,931,988	138,092,790	139,593,482
	OFFICE EQUIPMENTS	34,602,187	4,977,726	-	39,579,913	21,355,733	4,893,320		26,249,053	13,330,860	13,246,454
	FURNITURE AND FIXTURES	16,634,291	1,852,484	-	18,486,775	7,135,990	2,002,029	-	9,138,019	9,348,756	9,498,301
	VEHICLES	31,107,520	12,193,157	-	43,300,677	11,950,837	6,417,663	-	18,368,500	24,932,177	19,156,683
	TECHNICAL KNOW HOW	7,037,253	31,011,419	-	38,048,672	521,054	3,070,273	-	3,591,327	34,457,345	6,516,199
	PATENTS	-	49,400		49,400	-	1,184	-	1,184	48,216	-
	TOTAL (A)	614,035,762	82,791,697	39,270	696,788,189	296,796,774	57,295,422	6,609	354,085,587	342,702,603	317,238,988
(B)	CAPITAL WORK IN PROGRESS:										
	BUILDING	80,795,172	26,847,588	1,258,284	106,384,476	-	-	-	-	106,384,476	80,795,172
	PLANT AND MACHINERY	1,537,378	19,692,137	-	21,229,515	-	-	-	-	21,229,515	1,537,378
	MACHINE IN STOCK	4,593,556	-	4,593,556	-	-	-	-	-	-	4,593,556
	TECHNICAL KNOW HOW	15,670,094	15,341,325	31,011,419	-	-	-	-	-	-	15,670,094
	PRE-OPERATIVE EXPENSES	958,614	1,784,584	-	2,743,198	-	-	-	-	2,743,198	958,614
	TOTAL (B)	103,554,814	63,665,634	36,863,259	130,357,189	-	-	-	-	130,357,189	103,554,814
	GRAND TOTAL (A + B)	717,590,576	146,457,331	36,902,529	827,145,378	296,796,774	57,295,422	6,609	354,085,587	473,059,791	-
	PREVIOUS YEAR FIGURES	605,092,034	146,504,561	34,006,019	717,590,576	253,613,417	51,392,410	8,209,053	296,796,774	-	420,793,802

SCHEDULES TO THE ACCOUNTS

20. NOTES ON ACCOUNTS

1. Significant Accounting Policies:

i) **Accounting Convention:**

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards.

ii) **Valuation of Fixed Assets:**

Fixed assets are stated at cost without deducting capital grants which are shown separately in the accounts.

iii) **Method of depreciation:**

Depreciation is provided on 'Written Down Value Method' in accordance with the provisions of Schedule XIV to the Companies Act, 1956.

iv) **Treatment of Expenditure during construction:**

The expenditure including Pre-Operative expenditure, incurred during the period of construction is charged to capital work-in-progress and on completion the cost is allocated to the respective fixed assets.

v) **Inventories:**

Inventories are valued as follows:

Raw Materials, Stores, Spares and Fuel:- Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Semi finished goods and finished goods:- Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

vi) **Obsolescence and damaged materials:**

The inventories are periodically reviewed to ascertain dormant/ obsolescence materials and necessary adjustments are made thereof.

vii) **Investments:**

Long Term investments are valued at cost except that provision is made to recognize the permanent diminution in their value. Investments intended to be held for less than one year are classified as current investments and are valued at lower of cost and market value.

viii) **Foreign Exchange Variations:**

Closing balances of current assets and current liabilities relating to foreign currency transactions are converted into Rupees at prevailing rates or at the rate of forward cover. Export sales are recorded in rupee amount by applying the exchange rate existing at the time of discounting the bills of exchange with the bankers or at closing rate of exchange.

ix) **Sales and other income:**

i) Sales include excise duty and exclude sales tax/Value Added Tax.

ii) Revenue recognition is postponed to a later date only when it is not possible to estimate it with reasonable accuracy.

x) **Employees Benefits:**

i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

SCHEDULES TO THE ACCOUNTS

xi) Taxes on Income :

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred Tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities arising on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

xii) Impairment of assets:

Impairment loss in the value of assets as specified in Accounting Standard 28 is recognized whenever carrying value of such assets exceeds the market value or value in use, whichever is higher.

xiii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates/ exemptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

2) Contingent liabilities (not provided for) in respect of :- (₹ In Lacs)

	<u>2010-2011</u>	<u>2009-2010</u>
a) Labour matters	2.88	7.40
b) Excise duty	0.43	6.57
c) Customs Duty	136.60	136.60
d) Sales Tax	36.21	39.58
e) Income Tax	200.89	-
f) Entry Tax	2.24	-

- 3) Estimated amount of contracts to be executed on Capital accounts and not provided for ₹ 162.14 lacs (P.Y. ₹ 285.08 lacs), advance thereagainst ₹ 57.25 lacs (P.Y. ₹ 207.74 lacs).

- 4) According to the accounting system consistently followed by the Company, excise duty payable on finished goods is accounted for at the time of removal of the same for sale. Had the said liability been provided, the same would have resulted in higher value of inventory having no impact on the profit for the year.

- 5) In terms of the Resolution passed u/s 81(1A) of the Companies Act, 1956, the Board of Directors of the Company have allotted 300000 Convertible share Warrants of ₹ 10/- each at ₹.264/- (Including Premium ₹ 254/- per warrant) in their meeting held on 11th May, 2010 on receipt of 25% application money aggregating to ₹ 198 Lacs. During the year 150000 fully paid Equity Shares of ₹ 10/- each were allotted on 29th March, 2011 on receipt of ₹ 297 Lacs, being the balance 75% payment in respect of 150000 Convertible Share warrants.

- 6)(a) As per the information available with the Company and relied upon by the Auditors, Sundry Creditors include ₹ 55,989,747/- (P.Y. ₹ 17,843,454/-) due to Small Scale Industrial Undertakings (SSI). Names of the SSI Undertakings to whom there are dues for more than 30 days are Boltnut (India), Hindustan Metal Industries, Kirti Fasteners, Laxmi Iron & Steel Industries, Raju Steel Industries, Sanvijay Rolling & Engineering, Gangalaxmi Agrotech Limited and Luk Technical Services Private Limited.

- (b) In absence of adequate information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the Company is unable to identify such suppliers, hence the Information required under the said Act, cannot be ascertained.

7) a) Managing, Executive, and Whole-time Directors' remuneration:

	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
Salary	3,744,000	3,657,000
Contribution to Provident Fund	449,280	438,840
Perquisites (As per I.T. Rules)	1,033,496	942,930
Commission	-	<u>3,176,138</u>
	<u>5,226,776</u>	<u>8,214,908</u>

b) Computation of net profit U/s. 198 read with Section 309(5) of Companies Act, 1956 and Directors' Commission:

	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹
i) Managing Director and Executive Director:		
Profit Before Tax	25,887,177	152,573,903
Add: Directors' remuneration	4,193,280	7,271,978
Sitting fees	89,000	76,000
Loss on sale of Investments	174,674	-
Provision for Doubtful debts	105,365	4,522,118
	<u>30,449,496</u>	<u>164,443,999</u>
Less: Profit on Sale of Fixed Assets above its original cost	-	5,867
Profit on sale of Investments	-	1,009,426
Provision for Doubtful debts Written back	644,466	6,129,840
	<u>29,805,030</u>	<u>157,298,866</u>
Commission payable to the Managing Director and the Executive Director each @1% on the net profit restricted to their annual salary and overall managerial remuneration of 10% of profits	* NIL	3,145,977
* Foregone		
ii) Whole-time Director: (Since Resigned)		
Profit / (Loss) before Tax (Superpack Division)	-	(1,401,591)
Add: Whole-time Director's remuneration	-	618,161
(Part of the year)	-	-
Provision for Doubtful debts	-	4,522,118
	<u>-</u>	<u>3,738,688</u>
Less: Profit on Sale of Fixed Assets above its original Cost	-	-
Provision for Doubtful debts Written back	-	2,015,163
	<u>-</u>	<u>1,723,525</u>
Commission payable to whole-time Director @3% (Pro-rata) on the net profit of the Division restricted to his annual salary.	-	30,161

8)	Payments to Auditors:	<u>Amount (₹)</u>	<u>Amount (₹)</u>
	Statutory Audit fees	650,000	650,000
	Tax Audit fees	100,000	100,000
	Internal Audit Fee	30,000	35,000
	For Other Services	92,600	65,000
	Reimbursement of expenses	8,322	8,892

9) Sundry Debtors includes ₹ 528,871/-(P.Y. Nil) due from a Private Company in which director is interested.

10) Related Party Disclosures:

1. Enterprises where control exists: None
2. Other related parties with whom the Company had transactions:
 - a) Key Management Personnel - Sri Rohit Bajaj (Managing Director), Sri Sunil Bajaj (Executive Director) and Sri Ashish Bajaj (Chief Executive Officer)
 - b) Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence - Associated Biscuit Company Limited, Bajaj Chemoplast (I) Limited, Bajaj Trade Development Limited, Bajaj Exports Private Limited, Rohit Polytex Limited, Prosperous Finance Services Limited, Ampee Textiles Private Limited, Twinstar Plastics Private Limited, Bajaj Global Limited, Ridhi Vinimay Private Limited, Sidhi Vinimay Private Limited, Vidarbha Tradelinks Pvt. Limited, Glycosic Merchants Private Limited, Bajaj Marketing Services, Rohit Machines & Fabricators Limited, Bajaj Packaging, Gangalaxmi Agrotech Pvt Limited, Gangalaxmi Industries Ltd, Luk Technical Services Pvt Limited, Luk Plastcon Limited, Plast Master Batches Private Limited, Luk Infrastructure Private Limited, Enbee Trade and Finance Limited, Luk Bedrocks Private Limited, Nagpur Infotech Pvt.Ltd, Bajaj Polymin Pvt Ltd., Luk Bricks Pvt. Ltd., Bajaj Polyblends Pvt. Ltd, Bajaj Superpack Ltd, Bajaj Gintech Pvt. Ltd., Bajaj Plastics Pvt. Ltd., and Bajaj Cotgin Pvt. Ltd.
3. Disclosures of transactions between the Company and related parties and the status of outstanding balances as on 31.03.2011:

a) Transactions

	Enterprises over which Key Management personnel and their relatives have significant influence		Key Management personnel and their relatives	
	<u>2010-2011</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2009-2010</u>
	₹	₹	₹	₹
<u>Income</u>				
Rent	60,000	60,000		
Service Charge	238,553	135,600		
Sales	6,304,900	1,683,052		
Jobwork	29,462	156,963		
Commission	63,738	-		
<u>Expenses</u>				
Computer Charges	25,000	50,000		
Furniture Hire Charges	180,000	180,000		
Interest	15,047,440	16,466,108		
Jobwork charges	7,002,579	8,459,607		
Processing charges	95,847,999	88,223,641		
Purchase	36,228,152	28,301,343		
Rent	6,080,600	5,498,000	336,000	651,000
Labour Supply Charges	41,793,411	38,233,489		
Vehicle Hire Charges	1,417,500	1,470,000		
Legal & Professional Fees	60,720	39,030		
Remuneration			6,265,197	7,271,978
Sitting Fees			24,000	22,000

b) Balances

	As at 31-3-2011 ₹	As at 31-3-2010 ₹
Debtors	2,932,011	1,601,497
Creditors	46,920,015	29,751,353
Loans Taken	172,989,871	124,552,114
Investments	665,064	665,064
Convertible Warrants	6,600,000	-

- 11) On the basis of physical verification of assets, as specified in Accounting Standard – 28 and cash generating capacity of those assets, in the management perception there is no impairment of such assets as appearing in the balance sheet as on 31.03.2011.

SCHEDULES TO THE ACCOUNTS

12. Segment Revenue, Results and Capital Employed

	Particulars	Steel Division		Plastic Division		Cotton Division		Total of Segments		Unallocated		Total	
		2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Revenue - Domestic	1,278,220,982	1,278,422,743	793,625,455	627,799,188	12,524,966	60,326,685	2,084,371,403	1,966,548,616	-	-	2,084,371,403	1,966,548,616
	- Export	88,009,201	100,140,741	64,450,041	49,329,356	-	166,221,624	152,459,242	315,691,721	-	-	152,459,242	315,691,721
	Less: Inter-Segment Revenue	-	-	-	1,127,049	-	-	-	1,127,049	-	-	-	1,127,049
	Total Revenue	1,366,230,183	1,378,563,484	858,075,496	676,001,495	12,524,966	226,548,309	2,236,830,645	2,281,113,288	-	-	2,236,830,645	2,281,113,288
2	Result												
	Profit before Interest, Tax, Depreciation and Extra-Ordinary Items	114,443,940	238,889,319	27,712,975	37,220,218	-	(16,143,398)	142,156,915	259,966,139	-	-	142,156,915	259,966,139
	Less : Depreciation	56,456,362	50,252,485	839,059	1,139,922	-	-	57,295,421	51,392,407	-	-	57,295,421	51,392,407
	Less: Interest Expenses	23,804,575	18,120,728	35,169,742	37,481,887	-	397,214	58,974,317	55,999,829	-	-	58,974,317	55,999,829
	Add/ (Less) : Extra Ordinary Items												
	Items	-	-	-	-			-	-	-	-	-	-
	Provision for Taxation												
	- Current Tax											12,400,000	54,800,000
	- Wealth Tax											141,000	108,000
	- Deferred Tax											(2,030,000)	(4,777,000)
	- Tax Adjustments											175,593	-
	Net Profit											15,200,584	102,442,903
3	Other Information												
	Segment Assets	1,288,048,261	1,106,200,291	310,568,382	251,495,482	-	7,910,127	1,598,616,643	1,365,605,900	216,565,239	194,711,683	1,815,181,882	1,560,317,583
	Segment Liabilities	790,231,108	637,819,201	312,206,205	250,584,665	-	15,788,380	1,102,437,313	904,192,246	198,911,000	188,876,000	1,301,348,313	1,093,068,246
	Capital Expenditure	109,546,270	122,134,884	47,802	619,921	-	-	109,594,072	122,754,805	-	-	109,594,072	122,754,805
	Depreciation	56,456,362	50,252,485	839,059	1,139,922	-	-	57,295,421	51,392,407	-	-	57,295,421	51,392,407

NOTES:-

Items of expenses and income, assets and liabilities (including borrowings), deferred tax assets/liabilities and advances, which are not directly attributable/identifiable/allocable to business segments are shown as unallocated.

SCHEDULES TO THE ACCOUNTS

- 13) The "Earning Per Share" (EPS) has been calculated as specified in Accounting Standard 20 issued by the Institute of Chartered Accountants of India and related disclosures are as follows:

	<u>2010-2011</u>	<u>2009-2010</u>
a) Amount used as numerator for calculating Basic & Diluted EPS		
Profit/(Loss) after Tax (In ₹)	4,576,690	102,442,903
b) Amount used as denominator for calculating EPS (In Nos.)		
<u>For Basic EPS</u>		
Equity Shares		
Opening	2,200,000	2,200,000
Add: 150000 Shares warrants converted into Equity on 29.03.2011 (150000 x 3/365)	1,233	-
	<u>2,201,233</u>	<u>2,200,000</u>
<u>For Diluted EPS</u>		
For Basic EPS (As above)	2,201,233	2,200,000
Add: Potential Equity shares:		
Share Warrants convertible into equity in the ratio of 1:1		
- Opening	-	-
Add: 150000 Share warrants allotted on 11.05.2010 (150000 x 325/365)	133,562	-
Add: 150000 Share warrants allotted on 11.05.2010 and converted on 29.03.2011 (150000 x 322/365)	132,329	-
	<u>2,467,124</u>	<u>2,200,000</u>

- 14) The disclosures required under accounting standard-15:Employees Benefit, notified in the company's (Accounting standard) Rules.

Defined Contribution Plan

(₹ in lacs)

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

	<u>2010-2011</u>	<u>2009-2010</u>
Employer's Contribution to Provident & Pension Fund	88.64	71.04

Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	<u>2010-2011</u>		<u>2009-2010</u>	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a. Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year	110.62	36.22	100.55	30.91
Current Service Cost	21.63	11.48	13.88	8.74
Past service Cost	16.63	0.48	-	-
Interest Cost	10.50	3.03	7.94	2.41
Actuarial (gain)/loss	41.08	4.04	(10.53)	(3.70)
Benefits (paid)	(14.53)	(6.30)	(1.22)	(2.14)
Defined Benefit obligation at year end	185.93	48.95	110.62	36.22
b. Reconciliation of fair value of assets and obligations				
Present value of obligation as at 31st March, 2011	185.93	48.95	110.62	36.22
Amount recognised in Balance Sheet	185.93	48.95	110.62	36.22
c. Expenses recognized during the year				
Current Service Cost	21.63	11.48	13.88	8.74
Past service Cost	16.63	0.48	-	-
Interest Cost	10.50	3.03	7.94	2.41
Actuarial (gain) / loss	41.08	4.04	(10.53)	(3.70)
Actuarial Difference	-	1.54	-	-
Net Cost	89.84	20.57	11.29	7.45
d. Actuarial assumptions				
Mortality Table (L.I.C.)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)
Discount rate (per annum) compounded	8.25%	8.25%	8.25%	8.25%
Rate of escalation in salary (per annum)	5.50% to 6.00%	5.50% to 6.00%	5.00% to 6.00%	5.00% to 6.00%

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on Plan Assets is based on actuarial expectations of the average long term rate of return expected on investments of the fund during the estimated terms of the obligations. The above information is certified by the Actuary.

SCHEDULES TO THE ACCOUNTS

15) a) Raw Material consumed		<u>2010-2011</u>		<u>2009-2010</u>	
		₹	%	₹	%
	Imported	408,376,830	28.94%	355,405,155	28.68%
	Indigenous	1,002,544,896	71.06%	883,845,532	71.32%
		<u>1,410,921,726</u>		<u>1,239,250,687</u>	
Stores & Spare parts consumed					
	Indigenous	73,068,117	100.00%	76,291,714	100.00%
		<u>73,068,117</u>		<u>76,291,714</u>	
		<u>2010-2011</u>		<u>2009-2010</u>	
b) CIF Value of Imports		₹		₹	
	Capital Goods	34,511,181		6,298,425	
	Raw Material	365,344,248		320,970,838	
c) Earnings in Foreign Currency					
	FOB Value of Exports	121,684,867		293,613,661	
d) Expenditure in Foreign Currency					
	Travelling expenses	5,813,255		3,761,900	
	Commission	937,452		1,820,204	
	Advertisement	408,225		621,371	
	Membership and Subscription	146,386		234,356	
	Testing Charges	-		6,663	
	Royalty Charges	4,748,936		-	
	Books & Periodicals	23,666		31,625	
	Consultancy charges	588,280		1,193,783	
	Registration Fees	1,778,607		292,176	
	Discount on Sales	32,932		6,881,665	
	Price difference on settlement of Contract	-		14,900,065	
	Technical Know- How	15341325		19541237	
16) Raw Materials consumed:		<u>2010-2011</u>		<u>2009-2010</u>	
		Qty (MT)	Value (₹.)	Qty (MT)	Value (₹.)
a)	Iron and steel	*	297,016,677	*	277,999,179
	Castings, gun metal, etc.	*	137,188,195	*	161,705,508
	Ball bearings	*	28,125,921	*	26,990,921
	Others	*	358,075,984	*	319,294,290
b)	Polymers	5552.827	383,730,549	4617.75	290,301,956
	Mineral Powders	20298.825	178,149,307	17495.28	143,628,988
	Chemicals	175.687	28,635,093	131.889	19,329,845
* Not ascertainable			<u>1,410,921,726</u>		<u>1,239,250,687</u>
17) Licensed and installed capacities:		<u>2010-2011</u>		<u>2009-2010</u>	
		<u>Licensed capacity</u> *	<u>Installed capacity</u>	<u>Licensed capacity</u> *	<u>Installed capacity</u>
	Sacks/Fabrics	MTs	N.A.	N.A.	-
	Master Batches	MTs	N.A.	5000	N.A.
	Machines assorted	Nos.	N.A.	N.A.	N.A.
* As certified by the management					

SCHEDULES TO THE ACCOUNTS**18. Opening Stock, Purchases, Production, Sales and Closing Stock**

I T E M S	Unit	Opening Stock		Purchases		Production	Sales		Closing Stock	
		Qty.	Value (₹)	Qty.	Value (₹)	Qty.	Qty.	Value (₹)	Qty.	Value (₹)
a) D. R. Gins	Nos.	1	59,351	-	-	3172	3,172	281,046,105	1	72,188
		(1)	(67,129)	(-)	(-)	(3760)	(3,760)	(343,788,978)	(1)	(59,351)
Liliput Gins	Nos.	-	-	25	621,200	-	25	678,446	-	-
		(-)	(-)	(17)	(385,800)	-	(17)	(536,531)	(-)	(-)
Cotton	Bales	125	1,345,474	800	9,724,227	-	925	12,095,098	-	-
		(-)	(-)	(18,959)	(208,029,630)	(-)	(18,834)	(225,144,170)	(125)	(1,345,474)
Others			7,763,240	-	-	-	-	1,056,968,308		7,154,234
		-	(13,573,910)	-	(-)	-	-	(1,000,906,614)		(7,763,240)
b) Sacks and fabrics	MTs	8.711	591,333	-	-	-	-	-	8.711	591,333
		(23,134)	(1,488,040)	(-)	(-)	(-)	(14.423)	(1,110,570)	(8,711)	(591,333)
Master Batches	MTs	1,387.841	32,543,160	53.00	1,670,049	25560.180	26,084.080	857,612,186	916.941	22,280,066
		(1,020.966)	(22,152,581)	(-)	(-)	(21836.760)	(21,469.885)	(671,498,914)	(1,387,841)	(32,543,160)
Others			-	-	-			502,770		-
			-	-	(-)			(2,408,986)	(-)	
			42,302,558		12,015,476			2,208,902,913		30,097,821
			(37,281,660)		(208,415,430)			(2,245,394,763)		(42,302,558)

Note:

1. Production -

Include:

Company's materials processed by outside Agencies:

Master Batches 20869.930 MT (17712.335 MT)

2. Previous year figures above are given in brackets.

19. Previous year figures are rearranged/regrouped wherever considered necessary

SCHEDULES TO THE ACCOUNTS

21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. **L27100MH1961PLC011936** State Code **11**

Balance Sheet Date **31.03.2011**

II Capital raised during the year (Amount in ₹ Thousand)

<u>Public Issue</u>	<u>Right Issue</u>
Nil	Nil

<u>Bonus Issue</u>	<u>Private Placement</u>
Nil	15000

III Position of Mobilisation and Deployment of funds (Amount in ₹ Thousand)

<u>Total Liabilities</u>	<u>Total Assets</u>
1,043,444	1,043,444

Sources of Funds	<u>Paid-up Capital</u>	<u>Reserves & Surplus</u>
	23,500	478,403

<u>Convertible Warrants</u>	<u>Secured Loans</u>
9,900	257,489

<u>Unsecured Loans</u>	<u>Deferred Tax - Net</u>
272,122	2,030

Application of Funds	<u>* Net Fixed Assets</u>	<u>Investments</u>
	473,060	2,783

<u>Net Current Assets</u>	<u>Misc. Expenditure</u>
567,601	NIL

<u>Accumulated Losses</u>
NIL

*** Includes Capital Work In Progress 130357**

IV Performance of Company

<u>Turnover (Gross Revenue)</u>	<u>Total Expenditure</u>
2,236,831	2,210,944

<u>+ - Profit/Loss Before Tax</u>	<u>+ - Profit/Loss After Tax</u>
25,887	4,577

<u>Earning per share</u>	<u>Dividend Rate %</u>
2.08	20

SCHEDULES TO THE ACCOUNTS

V Generic Name of Two Products/Services of Company
(as per monetary terms)

Item Code No. **844519.10**

(ITC Code)

Product Description **Main Activity-Machinery for cotton Ginning and Pressing used for preparing textile fabrics.**

Item Code No. **320649.90**

(ITC Code)

Product Description **Subsidiary Activity-Plastic Master Batches based on Caco3**

Signature to Schedule 1 to 21

For B. CHHAWCHHARIA & CO.
Chartered Accountants

Shri Hargovind Bajaj

Chairman

Shri Rohit Bajaj

Managing Director

Shri Sunil Bajaj

Executive Director

(P. K. Chhawchharia)
Partner

Firm Registration No. 305123E
Membership No. 50786

Shri L.C.Mutha

Shri V.K.Bajaj

Shri K.K. Kela

Shri Alok Goenka

Shri Rajiv Ranka

Shri Deepak Batra

(Director)

(Director)

Place: Nagpur

Date : 09.08.2011

Shri Jagdish Shirke

Company Secretary

Shri Manish Sharma

Chief Financial Officer

BAJAJ STEEL INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011	2009-2010
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	25,887,177	152,573,903
Add: Adjusted for :		
Depreciation	57,295,421	51,392,407
Interest Expenses	58,974,317	55,999,830
	<u>142,156,915</u>	<u>259,966,140</u>
Less: Adjustments for :		
Profit on sale of Fixed Assets	(5,839)	(479,265)
Profit on sale of Investments	174,674	(1,009,426)
Share Difference	(74,131)	-
Interest & Dividend Received	(13,251,664)	(18,478,236)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>128,999,955</u>	<u>239,999,213</u>
Adjusted for Changes in Working Capital		
Trade Payables	128,468,043	128,563,057
Trade & Other receivables	(84,557,264)	(48,453,068)
Inventories	(156,135,359)	(184,137,672)
Cash generated from operations	<u>16,775,375</u>	<u>135,971,530</u>
Less: Interest paid	(58,974,317)	(55,999,830)
Direct Taxes paid/adjusted	(24,071,270)	(68,651,632)
Cash flow before extra ordinary items	<u>(66,270,212)</u>	<u>11,320,068</u>
Extra Ordinary items	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>(66,270,212)</u>	<u>11,320,068</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	38,500	2,526,475
Sale of Investments	2,158,366	37,936,893
Purchase of Investments	(2,258,910)	(23,247,667)
Purchase of Fixed Assets	(109,594,072)	(122,754,805)
Interest & Dividend received	13,251,664	18,478,236
NET CASH USED IN INVESTING ACTIVITIES	<u>(96,404,452)</u>	<u>(87,060,868)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend paid	(4,400,000)	(4,400,000)
Issue of Equity shares on Conversion of Share Warrants	39,600,000	-
Convertible Warrants Application Money	9,900,000	-
Proceeds from long term and other borrowings	69,445,353	152,855,078
NET CASH USED IN FINANCING ACTIVITIES	<u>114,545,353</u>	<u>148,455,078</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	(48,129,311)	72,714,278
CASH AND CASH EQUIVALENTS - OPENING BALANCE	233,754,605	161,040,327
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	185,625,294	233,754,605

NOTES: 01. Proceeds from long term and other borrowings are shown net of repayment.

02. Cash and cash equivalents represent cash and bank balances only

In terms of our Report of even date attached herewith

For B. CHHAWCHHARIA & CO.
Chartered Accountants

(P. K. Chhawchharia)
Partner

Firm Registration No. 305123E
Membership No. 50786

Shri Hargovind Bajaj

Chairman

Shri Rohit Bajaj

Managing Director

Shri Sunil Bajaj

Executive Director

Shri L.C.Mutha

Shri V.K.Bajaj

Shri K.K.Kela

Shri Alok Goenka

Shri Rajiv Ranka
(Director)

Shri Deepak Batra
(Director)

Place: Nagpur

Date : 09.08.2011

Shri Jagdish Shirke
Company Secretary

Shri Manish Sharma
Chief Financial Officer

FORM FOR ECS MANDATE / BANK MANDATE

I / we do hereby authorize Bajaj Steel Industries Limited to :

(Please tick (√) in the appropriate Box)

Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) – ECS Mandate

Print the details of my Account as furnished below, on my dividend warrant which will be mailed to me – Bank Mandate

Folio No (s) DP-ID & Client ID :

Bank	
Branch	
Bank Address (for ECS Mandate only)	
Bank Account Number	
Account Type (Savings / Current)	
9 Digit Code Number of the Bank and Branch as appearing on the MICR Cheque	
STD Code & Telephone Number of Shareholder (optional)	
E.mail ID of Shareholder (Optional)	

I / We shall not hold the Company responsible if the ECS could not be implemented.

(1) (2) (3)

Signature of Shareholder(s)
(as per Specimen lodged with the Company)

Notes :

1. Please submit this form to the Company's Registrar and Share Transfer Agent- Adroit Corporate Services Private Limited, 19/20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Mumbai-400059
 2. Please attach a blank cancelled cheque or a photocopy of a cheque issued by your Bank relating to your above account.
-

BAJAJ STEEL INDUSTRIES LIMITED

Registered Office : Imambada Road, Nagpur – 440 018 (India)

ATTENDANCE SLIP

I Folio No record my presence at the Fiftieth Annual General Meeting held on Wednesday the 21st September, 2011 at 4.00 P.M. Ay VIA Hall, Udyog Bhavan, Civil Lines, Nagpur – 440 001(Maharashtra).

Signature (s) of the Shareholder (s)

BAJAJ STEEL INDUSTRIES LIMITED

Registered Office : Imambada Road, Nagpur – 440 018 (India)

PROXY FORM

I/We Folio No
of in the district of being the
Shareholder (s) of the above named Company hereby
appoint of in the
district of or failing
him of in the district
of as my / our proxy to vote for me / us on my / our behalf
at the Fiftieth Annual General Meeting of the Company to be held on Wednesday the
21st September, 2011 at 4.00 P.M and at any adjournment thereof.

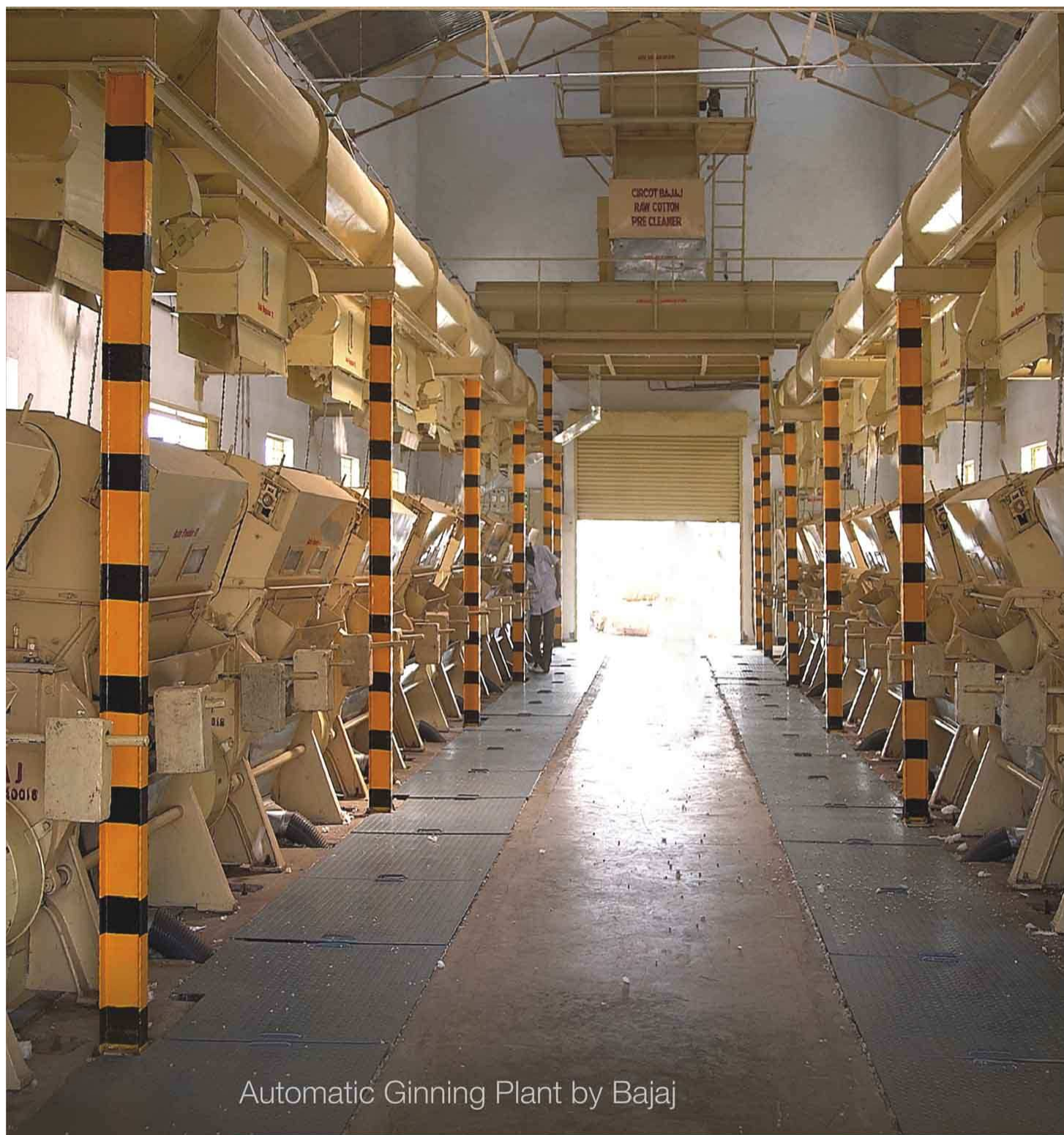
Signed this day of 2011

Signature

N.B. (i) The Proxy need not be a member.

(ii) The Proxy form duly signed and stamped should reach the Company's Office at least 48 Hours before the time of the meeting.

Affix 1Re.
Revenue Stamp



Automatic Ginning Plant by Bajaj

 **BAJAJ STEEL**
INDUSTRIES LTD.
SINCE 1961



Serving Cotton Sector Since 1961