

BHUSHAN STEEL LIMITED

Regd. Office : Bhushan Centre, Ground Floor, Hyatt Regency Complex, Bhikaji Cama Place, New Delhi-110066  
Telephone: 91-11-71194000 Fax : 91-11-46518611 Website : www.bhushansteel.com Email: bs@bhushansteel.com CIN : L74899DL1983PLC014942

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2017

(Rs. in Crs. except as stated)

S.NO.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		UNAUDITED					AUDITED
1	<b>REVENUE</b>						
	Gross Sales	4244.07	4188.05	4000.20	12474.00	10155.50	14570.05
	Other operating income	163.64	136.57	94.53	434.45	312.87	457.25
	<b>Revenue from Operations</b>	<b>4407.71</b>	<b>4324.62</b>	<b>4094.73</b>	<b>12908.45</b>	<b>10468.37</b>	<b>15027.30</b>
	Other income	5.04	0.98	16.15	26.00	57.21	71.96
	<b>Total Revenue</b>	<b>4412.75</b>	<b>4325.60</b>	<b>4110.88</b>	<b>12934.45</b>	<b>10525.58</b>	<b>15099.26</b>
2	<b>Expenses</b>						
	Cost of Materials Consumed	2502.08	2205.47	2077.47	7268.07	4995.55	7061.63
	Purchase of Stock in Trade	-	7.12	-	7.12	-	0.18
	Change in Inventories of Finished Goods, Work in Progress and stock in trade	17.82	404.06	(359.37)	117.53	(682.15)	(511.49)
	Excise Duty Expenses	(0.22)	-	389.07	391.87	990.25	1321.36
	Employee Benefits Expense	140.15	153.78	120.46	427.63	354.97	490.62
	Finance Costs	1625.19	1491.18	1377.38	4578.83	4001.28	5426.76
	Depreciation and Amortisation Expense	421.65	425.93	290.03	1267.36	874.12	1685.61
	Other Expenses	1137.61	982.37	1042.27	3254.64	2689.76	3742.99
	<b>Total Expenses</b>	<b>5844.28</b>	<b>5669.91</b>	<b>4937.31</b>	<b>17313.05</b>	<b>13223.78</b>	<b>19217.66</b>
3	<b>Profit / (Loss) before exceptional item and tax</b>	<b>(1431.53)</b>	<b>(1344.31)</b>	<b>(826.43)</b>	<b>(4378.60)</b>	<b>(2698.20)</b>	<b>(4118.40)</b>
4	<b>Exceptional items</b>	<b>289.84</b>	<b>63.33</b>	<b>-</b>	<b>353.17</b>	<b>-</b>	<b>6.69</b>
5	<b>Profit / (Loss) before tax</b>	<b>(1721.37)</b>	<b>(1407.64)</b>	<b>(826.43)</b>	<b>(4731.77)</b>	<b>(2698.20)</b>	<b>(4125.09)</b>
6	<b>Tax expense</b>						
	Current Tax	-	-	-	-	-	-
	Deferred Tax Liability/ (Assets)	(114.31)	(940.27)	(92.39)	(1171.21)	(327.73)	(623.97)
7	<b>Profit / (Loss) after tax for the period/year</b>	<b>(1607.06)</b>	<b>(467.37)</b>	<b>(734.04)</b>	<b>(3560.56)</b>	<b>(2370.47)</b>	<b>(3501.12)</b>
8	<b>Other Comprehensive Income (OCI)</b>						
	(i) Items that will not be reclassified to profit or loss	0.49	(0.31)	0.07	(4.11)	(4.37)	(1.27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss Liability/ (Assets)	0.17	(0.10)	0.03	(1.42)	(1.51)	(0.44)
	(iii) Items that will be reclassified to profit or loss	0.11	0.15	0.03	0.34	0.10	0.22
	(iv) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	<b>Other Comprehensive Income / (Loss)</b>	<b>0.43</b>	<b>(0.06)</b>	<b>0.07</b>	<b>(2.35)</b>	<b>(2.76)</b>	<b>(0.61)</b>
9	<b>Total comprehensive income / (Loss) for the period / year</b>	<b>(1606.63)</b>	<b>(467.43)</b>	<b>(733.97)</b>	<b>(3562.91)</b>	<b>(2373.23)</b>	<b>(3501.73)</b>
10	<b>Paid-up Equity Share Capital (Face Value of Rs.2/- each)</b>	<b>45.30</b>	<b>45.30</b>	<b>45.30</b>	<b>45.30</b>	<b>45.30</b>	<b>45.30</b>
11	<b>Other Equity (excluding Revaluation Reserve)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1288.96)</b>
12	<b>Earning per share (of Rs.2/- each) (for continuing and discontinued operations)</b>						
	i) Basic (not annualised) (Rs.)	(70.95)	(20.63)	(32.62)	(157.19)	(105.28)	(154.56)
	ii) Diluted (not annualised) (Rs.)	(70.95)	(20.63)	(32.62)	(157.19)	(105.28)	(154.56)

NOTES:

- A corporate insolvency resolution process ("CIRP") has been initiated against the Company vide an order of the Principal Bench of the National Company Law Tribunal ("NCLT") dated 26th July, 2017 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Pursuant to the order, the powers of the board of directors stand suspended and are exercisable by Mr. VijayKumar V Iyer, who was appointed as IRP by NCLT and was consequently confirmed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC"). These un-audited financial results have been prepared by the management of the Company and certified by Mr. Neeraj Singal, Managing Director & Chief Executive Officer and Mr. Nitin Johari, Chief Financial Officer. The RP has relied upon the assistance provided by the members of the audit committee in review of the financial results and certifications, representations and statements made by Managing Director & Chief Executive Officer and Chief Financial Officer in relation to these financial results. The limited review report for the quarter and nine months ended 31st December, 2017 as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors. The reviewed financial results have been taken on record by the members of the board of directors. These un-audited financial results of the Company for the quarter ended 31st December, 2017 have been approved by the RP on the basis of and on relying on the aforesaid certifications, representations and statements of the management of the Company. The RP has approved these financial results only to the limited extent of discharging the powers of the board of directors of the Company which has been conferred upon him in terms of provisions of Section 17 of the Code.
- Under the CIRP, a resolution plan needs to be presented to and approved by the CoC and thereafter will need to be approved by the NCLT to keep the Company as a going concern. Pursuant to the invitation issued by the RP, a few resolution plans have been received. Currently, the resolution plans received are being examined as to whether they meet the mandatory requirements of the Code and the Regulations and additional requirements as stipulated by the CoC. Accordingly, the financial statements have been prepared on a going concern basis.
- As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the Company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. The RP is in the process of collating and verifying such claims, as and when they are received, and subsequently admitting such verified claims against the Company as per the Code. Pending completion of the CIRP and approval of a resolution plan by the CoC, the impact of such claims that are not yet verified and admitted, if any, has not been considered in the preparation of the financial statements.
- The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per IND AS 108 'Operating Segment'
- Revenue from operation for the period up to 30th June, 2017 includes excise duty, which is discontinued with effect from 1st July, 2017 upon implementation of Goods and Service Tax (GST). In accordance with "Ind AS 18 - Revenue", GST is not included in Gross Sale. In view of aforesaid change in indirect taxes, Gross Sales for the quarter and nine months ended on 31st December, 2017 are not comparable to the previous periods.
- The Supreme Court of India, vide its order dated 24th September, 2014, cancelled number of coal blocks allocated to various entities which includes one coal block allocated to the company which were under development. Subsequently, the Government of India has issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the effected parties in regard to investment in coal blocks.  
No effect has been taken on the value of investment made by the company in the de-allocated coal block amounting to Rs.562.90 crores (including Expenditure incurred of Rs. 135.46 crores and Advances given Rs. 427.44 crores). In the opinion of the management, the Company will receive back the payments/ expenditure paid/ made, including borrowing cost and other incidental expenditure, relating to de-allocated coal block. The Company has filed its claim for compensation with Govt. of India, Ministry of Coal. Subsequently, the Company had filed a Writ Petition bearing No. 6293 of 2016 for recovery of the amount before the Hon'ble Delhi High Court in which notices were issued on 22nd July, 2016 to Union of India and others. The Counter Affidavit(s) were filed by Union of India in November, 2016 and subsequent thereto pleadings were completed. The matter was last taken up on 29th November, 2017 and is now further posted for 22nd February, 2018.
- Further to Note 2 above, during the quarter ended 30th September, 2017 Deferred tax assets (DTA) of Rs.940.37 Crores is recognized on account of deductible temporary differences which requires to be recognized, as per Ind AS-12, to the extent it is probable that taxable profit will be available in future against which the deductible temporary difference, carry forward of unused tax losses and unused tax credits can be utilized.
- As at 31st December, 2017, the Company holds 47.71 % shares of Bhushan Energy Limited (Associate) ("BEL") having a deemed cost of Rs. 350 crores. As at 26th July, 2017, the Company also has Rs. 214.98 crores of advance for energy supply from BEL which was paid under a power purchase contract with BEL. On 8th January, 2018, corporate insolvency resolution process has been initiated against BEL. The Company believes that there is substantial uncertainty about the ability of BEL to fulfill its obligations and repay all its dues in entirety. The Company considers this as an indicator of impairment for equity shares held in BEL and advance for supply of energy from BEL. Accordingly the Company has recognised an impairment loss to the extent of 50% (Rs. 175 crores) of the carrying amount of equity shares held in BEL and 50 % (Rs. 107.49 crores) of the carrying amount of advance for supply of energy from BEL based on principles specified under Ind-AS 36 and shown as an exceptional item. The impairment recognised in books is for compliance with "Ind-AS 36 - Impairment of Assets". The Company will continue to demand realization for 100% of advance for supply of energy from BEL. The impairment loss recognised during the current quarter shall be reversed in books when there is certainty about recoverability of an amount higher than its current carrying amount.
- The Nine Judges constitutional Bench of Hon'ble Supreme Court, vide its judgment dated 11th November, 2016 had upheld the constitutional validity of levy of Entry Tax by States and had referred the matter to Divisional regular bench of the Supreme Court to decide the issues left open for various states. The Divisional regular bench of Supreme Court now vide its judgement dated 9th October, 2017, held the liability of levy of Entry Tax on goods imported from out of the country and accordingly the provision of Rs.70.68 Crores has been made till 31st December, 2017 and shown as an exceptional item.  
The Divisional regular bench of Supreme Court vide its judgment dated 9th October, 2017 in case of Orissa entry tax matter has allowed the parties to file application to revive their writ petitions on the issue of discrimination as well as due to pending decision of the respective High Court of other states, the disputed Entry Tax demand has been treated as contingent liability.
- Some parties' accounts including banks / financial institutions are subject to confirmation / reconciliation.
- Previous period figures have been regrouped / rearranged wherever considered necessary to make them comparable with current period.

Place: New Delhi  
Dated: 14th February, 2018

Vijaykumar V Iyer  
Resolution Professional (RP)