



BHUWALKA STEEL INDUSTRIES LIMITED

Regd. Office : "BHUWALKA CENTRE" No. 71, 3rd Cross, Residency Road,
BANGALORE - 560 025. Fax : 25596030 / 25599090 / 41123010
Phone : 25599797, 42427000, Email : bsil@bhuwalkagroup.com

Ref: BSIL/BSE/ 12823
Date: 01.06.2011

Ms. Neha Gada
DCS-CRD
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI 400 001

Dear Madam,

Announcement

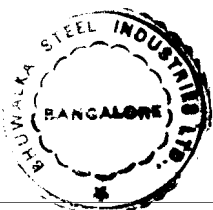
We are pleased to announce the following:

1. Company has got approval of " Mega Project " status to its Proposed Project for manufacture of MS Billets, TMT Bars, Beams, Channels, Angles, Transmission Line Towers at Wada, District Thane, Maharashtra by the Industries, Energy and Labour Department of the Government of Maharashtra, under the Package Scheme of Incentives (PSI) 2007, entailing investment of around INR 135.65 Crores and Provide employment to about 622 persons.

Company's Wada Unit 4 has been capitalized in FY 2010-11 with an amount of INR 38.20 Crores and investment in the same is eligible for the scheme approved. Further, Company is proposing to take up expansion of Steel Melting Unit and Transmission Line Tower Unit under this scheme in FY 2011-12 for an expected Capex of INR 100 Crores to complete its target of total investment and employment of 622 persons.

The benefits accruing to the Company as a result of according "Mega Project " status includes:

- a) Electricity Duty exemption for a period of 7 years from the date of commencement of commercial production.
- b) 100% exemption from payment of Stamp Duty on land acquired.





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- c) Industrial Promotion Subsidy (IPS) equivalent to 100% of investment eligible under PSI 2007.
2. Company further announce that it has renewed its Joint Development Agreement for its Hoskote (Bangalore) property by executing Supplementary JDA with M/s. Soul Space Reality Limited, New Delhi (a M/s. B.L.Kashyap Group Company) for real estate development of its property of 8 acre 36.85 Guntas. The Total Project Built up area would be approximately 11,80,000 Sq.ft. subject to approval of Concerned Authorities. Company's Share of built up area will be 38% along with proportionate undivided share of land. M/s. Soul Space Reality Limited (Developer) has already paid an interest free refundable deposit of Rs. 8.00 crores at the time of signing the JDA earlier and will further pay an amount of Rs. 3.50 Crores at the time of launch of the project. Company's share of built up area i.e. 38% of built up area is valued at around Rs. 75 Crores to Rs.100 Crores based on current market valuation. Both Company and Developer have taken up the matter with concerned authorities for approval of the project and will announce the launch once approval is duly accorded.

Thank you,

Yours faithfully,
For ~~Bhuwalka~~ **Steel Industries Ltd.**

Suresh Kumar Bhuwalka
Chairman & Managing Director