

## BIHAR SPONGE IRON LIMITED.

REGISTERED OFFICE & PLANT : UMESH NAGAR, CHANDIL-832401, DISTT. SARAIKELA - KHARSAWAN, JHARKHAND  
PHONE (EPABX) : 06591-232410, 232417, Fax : 06591-232412  
E-mail : bsilchandil@gmail.com / Web : bsil.org.in, CIN : L27106JH1982PLC001633

**BSIL/CS/SE/2021**

**Dated: 20<sup>th</sup> August, 2021**

The General Manager  
Listing Centre, BSE Limited  
P J Towers, Dalal Street,  
MUMBAI- 400 001.

**Subject :** 39th Annual Report and Notice of the 39th Annual General Meeting ("AGM") for the Financial Year 2020-21.

**SCRIP CODE : 500058**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the 39th Annual Report of the Company for the F.Y. 2020-21 along with the Notice of the 39th AGM of the Company.

The 39<sup>th</sup> AGM of the Company scheduled to be held on Wednesday, the 15<sup>th</sup> September, 2021 at 04.00 P.M. (IST) through Video Conferencing ('VC') facility / other audio visual means ('OAVM'). The Register of Members and the Share Transfer Books of the Company will remain closed from 9<sup>th</sup> September, 2021 to 15<sup>th</sup> September, 2021 (both days inclusive) and the remote e-voting shall commence from 12<sup>th</sup> September, 2021 at 9.00 A.M. and ends on 14<sup>th</sup> September, 2021 at 5.00 P.M. The cut-off date (record date) is 8<sup>th</sup> September, 2021 for e-voting.

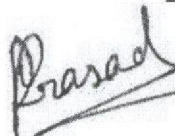
The 39th Annual Report of the Company along with the Notice convening 39th AGM are also available on the website of the Company at [www.bsil.org.in](http://www.bsil.org.in)

Kindly take the same on your records.

Thanking you,

Yours faithfully,

**For Bihar Sponge Iron Limited**

  
Vimal Prasad Gupta  
Company Secretary &  
Compliance Officer  
FCS 6380



PH. EXT. 011-4250 4660  
E-mail: [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in)

**39<sup>th</sup> ANNUAL REPORT**  
**2020-2021**

**BSIL**

**BIHAR SPONGE IRON LIMITED**

**Board of Directors**

Mr. Umesh Kumar Modi Chairman & President  
Mrs. Kumkum Modi  
Mr. Abhishek Modi  
Mr. Jayesh Modi  
Mr. Vijay Kumar Modi  
Mr. Anirudh Kumar Modi  
Mr. Jagdish Chander Chawla  
Mr. Brajeshwar Dayal Garg  
Dr. Shyam Babu Vyas  
Dr. Rohit Garg  
Mr. Shiv Shankar Aggarwal

**Senior General Manager**

Mr. Raj Kumar Sharma

**Cheif Financial Officer**

Mr. Anil Kumar Sinha

**Company Secretary**

CS Himani Mittal

**Statutory Auditors**

M/s k.k. Jain & Co.  
[F.R. No. 02465N]  
184A, Garud Apartments,  
Pocket IV, Mayur Vihar, Phase-I  
New Delhi-110091

**Internal Auditors**

M/s Sarat Jain & Associates  
Chartered Accountants  
[F.R. No. 014793C]  
C-99B, Sector-44,  
Noida, U.P.-201301

**Audit Committee**

Mr. Vijay Kumar Modi Chairman  
Mr. Anirudh Kumar Modi  
Mr. Jagdish Chander Chawla  
Dr. Shyam Babu Vyas

**Registered Office & Plant site**

Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan-832401, Jharkhand  
e-mail: companysecretary@bsil.org.in / Web: www.bsil.org.in  
CIN - L27106JH198PLC001633

**Bankers**

UBI, SBI, HDFC Bank, ICICI Bank

**Registrars and Share Transfer Agent**

M/s Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 99, Madangir, behind Local Shopping Complex,  
New Delhi - 110062

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**Shri Umesh Kumar Modi, Chairman and President  
Bihar Sponge Iron Limited**

## DIRECTORS' REPORT

### To the Members,

The Directors have pleasure in presenting the 39th Annual Report of the Company along with audited accounts for the year ended 31st March, 2021.

(Rs. Lacs)

Financial Parameters	2020-21	2019-20
Sales (Net of GST)	2208.71	-
Other Income	220.94	586.51
Profit / (Loss) before Interest, Depreciation & Exceptional Items	750.89	246.18
Interest & Finance Charges	24.76	0.96
Depreciation	292.46	329.24
Profit/(Loss) for the year before Exceptional Items	433.67	(84.02)
Exceptional Items -Net income / (Expenditure)	(37.53)	1.42
Provision for Tax	-	-
Profit/(Loss) for the year carried to Balance Sheet	396.14	(82.60)

### OUTLOOK

India is the largest producer of sponge iron globally, and accounts for 30% of the world production. According to National Steel Policy, 2017, the aim is to increase the DRI production from 37.14 million tons to 80 million tons by 2030-31. India has huge untapped potential for the growth in the sponge iron industry, as it has still one of the lowest steel consumptions per capita (74.3 Kg.).

The industry's prospects are looking bright, prices of HRC are currently at an all-time high of INR 66,000 per tonne as of May'21, vs INR 37,000 per tonne as of May'20. Additionally, demand of Sponge Iron has been very strong after extended lockdowns with steel demand expected to rebound by 19.8% to exceed 2019 level in 2021.

### OPERATIONS

The Company was constrained to shut its Plant and Operations since 9th August, 2013 on account of sudden stoppage of coal supply by Central Coalfields Limited, a Unit of Coal India Limited against long term Fuel Supply Agreement. The Coal available through online auction from various Coal Companies was of lower grades and was also available at high price, therefore, it was not economically viable for the company to operate with the costlier coal.

In the month of August, 2020, the Company was approached by Mr. Manoj Kumar Agarwal on behalf of Vanraj Steels Private Limited to enter into an arrangement with them thereby, permitting Vanraj Steels Private Limited to utilize the Sponge Iron Plant to undertake and operate the business of manufacturing and selling sponge iron as well as utilize the Railway Siding. The aforesaid proposal was discussed by the Promoters at length and only with a view to earn some revenue, the Company entered into a Facility User Agreement dated 30.12.2020 with Vanraj Steels Private Limited, Mr. Manoj Kumar Agarwal and Parasnath Advisory Private Limited.

The Company had undertaken overhauling and renovation work of the plant and the same is in full swing. The overhauling work is likely to be completed by 31st August, 2021 pursuant to which the plant will be permitted to be utilized by Vanraj Steels Private Limited as is agreed under the Agreement dated 30.12.2020.

With the restart of the plant, the management is quite hopeful that the Company shall gradually start earning surplus and the losses incurred by the Company in the past will get wiped out in due course and thereafter, the Company will be able to operate profitably in normal course of its business.

The financial statements, as such have been prepared on a going concern basis on the strength of management's plan of revival including restructuring of liabilities, operation of the plant through a third party ensuring generation of revenue.

### 5 MW POWER PLANTS / STEEL PLANT

The Company from the existing power plant generates 5 MW of power based on dolo char being produced in the manufacturing of sponge iron. Since the Company is not able to consume the entire dolo char, the Company had entered into an agreement

with G S Pharbutor Pvt. Ltd. (GSP) to install a 5 MW Power Plant. Whenever the existing power plant goes under regular maintenance, the Company had to generate power from its DG Set, which is highly uneconomical. During such time the Company will now take the power from GSP and for the rest of the period, GSP will consume the power or sell it to Jharkhand State Electricity Board. The 5 MW power plant is ready to be commissioned. The Company has been informed that once the sponge iron plant starts its operations, the said power plant will be commissioned as well.

### CORPORATE SOCIAL RESPONSIBILITY

The Company has been receiving constant demands from employees and local residents for establishment of a higher educational institution, for the development of the area and to create employment opportunities for the residents. Due to lack of basic infrastructural facilities like institutions imparting higher education at Chandil, the attrition of employees was quite high, resulting in substantial loss to the Company. Considering the necessity of providing higher and technical education, the Company has set up a trust for establishment of educational institution named BSIL Umesh Modi Educational Trust. This step has been taken by the Company voluntarily.

### DIVIDEND

In view of the continuous losses incurred by the Company in the past, no dividend has been proposed for the financial year ended 31st March, 2021.

### SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2021 is 9020.54 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

### FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### SUBSIDIARY, ASSOCIATE AND JOINT VENTURES

The Company does not have any Subsidiary, Associate or Joint Venture Company as on 31st March, 2021.

### MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year and the date of report.

### DIRECTORS

#### CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since last reported, the following changes have taken place in the Board of Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Smt. KumKum Modi (DIN: 00522904) retires by rotation at forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Sh. Rajeev Kumar Agarwal was re-appointed as an Independent Director for a second term of five consecutive years in the Annual General Meeting held on 23rd September, 2020.

Mr. Raj Kumar Sharma was appointed as Manager designated as "Senior General Manager" w.e.f. 28th July, 2020 for one year and re-appointed again for one year w.e.f. 28th July, 2021.

Mr. Anirudh Kumar Modi regularized as Director on 23rd September, 2020.

Mr. Rajeev Kumar Agarwal passed away on 05th December, 2020.

Mr. Madan Lal, Independent Director resigned on 15th January, 2021 due to his personal reasons.

Mr. Vijay Kumar Modi appointed as an Additional Independent Director on 28th December, 2020 subject to the approval of the shareholders in the ensuing Annual General Meeting.

Re-appointment of Mr. Rohit Garg for second term of five consecutive years w.e.f. 14th November, 2021 to 13th November, 2026 subject to the approval of the shareholders in the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified under Section 164 (2) of the Companies Act, 2013. Your directors have made necessary disclosures as required under various provisions of the Companies Act, 2013.

### Composition of Key Managerial Personnel

Pursuant to the relevant provisions of Section 203 of the Act, the Company has the following KMPs:

S.No	Name	Designation
1.	Mr. Raj Kumar Sharma*	Senior- General Manager
2.	Mr. Anil Kumar Sinha	Chief Financial Officer
3.	Ms. Himani Mittal**	Company Secretary & Compliance Officer

\* Mr. Raj Kumar Sharma is re-appointed for a term of one year w.e.f. 28th July, 2021 as Manager designated as “Senior General Manager”.

\*\* Ms. Himani Mittal resigned from the post of Company Secretary & Compliance Officer w.e.f. the close of business hours dated 31st July, 2021 and in her place, the Board has appointed Mr. Vimal Prasad Gupta as Company Secretary & Compliance Officer of the Company w.e.f. 1st August, 2021.

### DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Director(s) have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

### FORMAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without participation of the Non-Independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-Independent Directors.

The Board subsequently evaluated the performance of the Independent Directors as per the criteria laid down and has recommended their continuation on the Board of the Company. The working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the Director being evaluated) were also evaluated. The criteria for performance evaluation have been detailed in the Corporate Governance Report.

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2020-21, four(4) Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Act, and the Listing Regulations.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013 the Directors of your Company declare as under:

- that in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- that the directors had prepared the annual accounts on a going concern basis; and
- that the directors, had laid down and implemented internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS AND AUDITORS REPORT

Statutory Auditor

M/s. K. K. Jain and Co., Chartered Accountants (Firm Registration No.002465N), Statutory Auditors of the Company was appointed in 35th Annual General Meeting of the Company till the conclusion of 40th Annual General Meeting.

### AUDITOR QUALIFICATION

Notes to accounts referred to in the Auditor's Report are self-explanatory and therefore, do not require call for any further explanation. However the following has not been recognized as explained below:

- Rs. 3,64,771 thousand against currency fluctuation of foreign currency loan has not been recognized as the Company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi and it is hopeful that the decision will be in favour of the Company.
- Rs. 21,528 thousands recovered by South Eastern Coal Fields Ltd as penalty on account of short lifting of coal quantity in terms of Fuel Supply Agreement as the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh. The Company is hopeful that it would get an order in its favour in the said proceedings.
- Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2021 has not been taken into account as the Company will approach the lenders for the waiver of the interest on unsecured loan.
- Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 4,83,309 thousand from 10.08.2013 to 31.03.2021 has not been provided as the Company will make a representation to the concerned Government Authority for waiver upon re-start of the Company's operations.

Further due to shut down of the plant and suspension of operation from 9th August, 2013, various dues could not be paid on the due date. Necessary steps are being taken to re-start the Company and payment of such dues shall be made after re-start of operations of the Company.

### INTERNAL AUDITORS

M/s. Sarat Jain & Associates, Chartered Accountants, Noida, conducted Internal Audit periodically and submitted their reports to Audit Committee. Their Reports have been reviewed by the Audit Committee.

### SECRETARIAL AUDITOR

M/s. Soniya Gupta & Associates, Company Secretaries (PCS Registration No. 8136) were appointed as the Secretarial Auditor of the Company in relation to the financial year 2020-21, in terms of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for financial year 2020-21 is attached as “**Annexure – A**” with this report.

The observation in secretarial audit report are self-explanatory and therefore do not call for any further explanation. Further due to shutdown of the plant and suspension

of operations since 09.08.2013 various dues could not be paid on due date. Necessary steps are being taken to re-start the Company and payment of all such dues shall be made after re-start of operations of the Company.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans, guarantees or made any investments under Section 186 of Companies Act, 2013 during the financial year 2020-21.

## INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

With respect to the Auditors opinion on above, it is clarified that Central Coalfields Ltd. had stopped supply of linkage coal as per Fuel Supply Agreements (expired in April, 2013 & not renewed) to the Company w.e.f. 5th February 2013. Due to non-supply of Coal by CCL, the company was constrained to suspend its operations w.e.f. 9th August 2013.

Since the suspension of the operations, there has been continuous labour unrest, entry in factory premises was restricted due to which physical verification of inventories of Raw-Materials and Stores & Spare Parts and Fixed Assets could not be carried out.

## RISK MANAGEMENT POLICY

As per Section 134(3) (n) of the Companies Act, 2013, The Company has adopted a Risk Management Policy which is reviewed on a periodic basis in order to recognize and reduce exposure the risks wherever possible. The Company's Risk management policies are based on the philosophy on achieving the substantial growth and managing risks involved.

## NOMINATION AND REMUNERATION POLICY

In accordance with the requirements under Section 178 of the Companies Act, 2013 and Listing Regulations, the Committee formulated a Nomination and Remuneration policy to govern the nomination/appointment and remuneration of Directors, Key Managerial Personnel's other employees, senior Management of the Company. Details of Composition of Committee are given in the Corporate Governance Report.

The aforesaid policy can be accessed on the Company's website [www.bsilorg.in](http://www.bsilorg.in).

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance of Section 177 (9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has set up a whistle blower policy which can be viewed on the Company's website [www.bsilorg.in](http://www.bsilorg.in). In terms of the said policy, the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrong doings.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the Related party Transactions entered by the Company during the financial year were done in the ordinary course of business and at Arm's Length. The Audit Committee granted omnibus approval for the said related party transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors.

During the year, your Company had entered into materially significant transactions i.e. transactions exceeding ten percent of the annual consolidated turnover with Related Parties and the same are within the limits approved by the Shareholders of the Company. Furthermore, suitable disclosures as are required under IND AS - 24 have been made in the Notes to the Financial Statements.

The details of these transactions, as required to be provided under section 134(3) (h) of the Companies Act, 2013 are disclosed in Form AOC-2 as **Annexure-B** and forms part of this report.

The Board of Directors of the Company, at its meeting held on 13th February, 2019, re-framed a policy on materiality to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Act, and regulation 23 of the Listing Regulations, as amended,

The policy as approved by the Board is uploaded and can be viewed on the Company website [www.bsilorg.in](http://www.bsilorg.in).

## EXTRACT OF THE ANNUAL RETURN

The details of the extract of the Annual Return as per the provisions of Section 92 of Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is available on the website of the Company at [www.bsilorg.in](http://www.bsilorg.in)

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure with respect to remuneration of Directors and employees as required under section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board report for the year ended 31st March, 2021 are given in **Annexure- C** to this Report.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with rule (8)(3) of the Companies Account Rules, 2014 is enclosed in **Annexure- D** and forms part of this report.

## CORPORATE GOVERNANCE

A report on Corporate Governance along with a Auditors' Certificate confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual report.

## MANAGEMENT DISCUSSION ANALYSIS REPORT

In terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report is annexed as **Annexure-E** and form part of this report.

## LISTING OF SECURITIES

The equity shares of your Company continue to be listed on BSE Ltd. and listing fee for the Financial Year 2021-22 has been paid.

## COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India as approved by Central Government as required under Section 118(10) of the Companies Act, 2013.

## DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During FY 2020-21, no complaint was received from any employee and hence no complaint is outstanding as on March 31, 2021 for redressal.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere thanks to all stakeholders, various departments of Central Government, the Government of Bihar and Jharkhand, Financial Institutions and Banks for their valuable assistance. Your Directors equally acknowledge the trust reposed by you in the Company. The Directors also wish to place on record their appreciation for the all-round support and co-operation received from the employees at all levels.

For & on behalf of the Board  
of Bihar Sponge Iron Limited

Sd/-  
U.K. Modi  
Chairman & President  
DIN:00002757

Place : New Delhi  
Date: 20.07.2021

## SECRETARIAL AUDIT REPORT OF BIHAR SPONGE IRON LIMITED

(For the year ended on 31.03.2021)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Bihar Sponge Iron Ltd.  
Umesh Nagar, Chandil  
Distt Saraikela - Kharsawan Jharkhand

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BIHAR SPONGE IRON LTD (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2021 according to the provisions of undernoted Acts, Regulations and Guidelines applicable on the Company

- i. The **Companies Act, 2013 (the Act)** and the Rules made thereunder;
- ii. The Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) **Regulations, 2015** thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. OTHER APPLICABLE ACTS,
  - (a) The Factories Act, 1948
  - (b) The Payment of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) The Payment of Gratuity Act, 1972
  - (e) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
  - (g) The Industrial Dispute Act, 1947
  - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

- (i) The Insolvency and Bankruptcy Code, 2016
- (j) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

1. *The plant was in closed position since 09.08.2013 and there was restriction in entry to factory premises because of labour unrest, due to which certain registers / records including fixed assets/stock records and register and its verification, Labour records and Factories Act, 1948 compliances could not be produced for verification. Hence information / documents in relation to them were not verified. There is no record of physical verification of the Fixed Assets/Stocks on record.*  
  
*However, as per the Management representation, the company has entered into a Facility User Agreement with a third party which has become operative in the third quarter of 2021 and has also got its Factory licence renewed. Application for obtaining No objection certificate from pollution control board is under process.*
2. *The Company is not regular in depositing the undisputed statutory dues with the appropriate authorities including Provident fund, income-tax (tax deducted at source and tax collected at source), GST, Cess & any other applicable statutory dues during the year.*
3. *There are arrears on account of unpaid statutory dues for a period of more than 6 months from the date on which they became payable including the Service Tax: Rs. 78.67 Lakhs, Income Tax (TCS) Rs.2.08 Lakhs, Electricity duty: 26.01 Lakhs (excluding un-provided Rs.22.81 Lakhs) and Cess Rs.1000/- as at the end of the financial year 31st March 2021. Further settlement dues of co-employees amounting to Rs.15.76 Lakhs remained unpaid. As informed by the management it was due to shut down status of Factory/Plant since 09.08.2013.*
4. *The shareholding of promoters and group of promoters which needs to be 100% in demat form is dematerialized only to the extent of 56.27% share as on 31.03.2021. The Company has intimated the promoters to get the shares dematerialised, the same is in process. 32500300 shares held in the name of Moderate Leasing and Capital Services Limited are pledged.*
5. *In accordance with the Note 12 (a) of Audited Financial Statement for the year ended on 31.03.2021, No provisions have been made for disputed liability on account of fluctuation in foreign exchange rate on Foreign Currency loans obtained by it. The company has not provided this liability in the Audited Financial Statements.*
6. *The Company had taken secured soft loan under Jharkhand Industries Rehabilitation Scheme, 2003 from the State Government of Jharkhand. The details of which are provided in Note 12 (d) of the Audited Financial Statements for the year ending 31.03.2021. We have been informed that charge on above loan have been registered manually by the company. However, the same are not appearing in the index of charge on MCA. As informed by the management the company is in the process of getting the same updated on the MCA site.*
7. *The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.*

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Soniya Gupta & Associates

Sd/-  
(Soniya Gupta)  
Proprietor  
M. NO. 7493  
CP NO. 8136

Place : New Delhi  
Date : 20.07.2021  
UDIN: F007493C000662147

## **ANNEXURE-B**

### **FORM NO. AOC - 2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014  
Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

S. No.	Name of Related Party	Nature of Relationship	Nature and Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts/ arrangements/ transaction including the value, if any	Justification for entering into such contracts/ arrangements/ transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the OR was passed in GM
Not Applicable								

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Name of Related Party	Nature of Relationship	Nature and Duration of the contracts/ arrangements/transaction	Salient terms of the contracts/ arrangements/transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Modi Hitech India Ltd.	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi, Mr. B. D. Garg and Mr. Anirudh Kumar Modi are common directors.	01-04-2020 to 31-03-2021	Rent received at arm's length basis of Rs. 21.33 Lacs.	Transactions for each of the four quarters were approved by the Board in their meeting held on 28th July, 2020; 14th September, 2020, 10th November, 2020, 11th February, 2021.	NIL
2.	G S Pharmbutor Pvt. Ltd.	G S Pharmbutors Pvt. Ltd. holds more than 20 % of shares in Moderate Leasing and Capital Services Limited which is a promoter group company and holds 49 .10 % shares of the Company. Mr. Vijay Kumar Modi is a common director.	01-04-2020 to 31-03-2021	Facility user charges, recovered of Rs. 147.5 Lacs. Sales of trading goods is Rs.2606.12 lacs ,Interest paid on Loan Repayment of Rs. 264.75 Lacs and Repair & Maintenance of Plant & Machinery of Rs. 776.44 Lacs.		NIL
3.	Modi Motors Pvt. Ltd.	Mrs. Kumkum Modi is a common director and Mr. U. K. Modi, Mr. Abhishek Modi and Mr. Jayesh Modi as relative of director.	01-04-2020 to 31-03-2021	Printing of Annual Report at arm's length basis of Rs. 0.58 Lacs.		NIL
4.	Modiline Travel Service Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Abhishek Modi as common director and Mr. U. K. Modi and Mr. Jayesh Modi as relatives of directors.	01-04-2020 to 31-03-2021	Support Services at arm's length basis of Rs. 0.99 Lacs		NIL
5.	Jayesh Tradex Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Jayesh Modi as common director and Mr. U.K. Modi, Mr. Abhishek Modi as relative of directors.	01-04-2020 to 31-03-2021	Purchase of trading goods of Rs. 1447.87 Stationery of Rs. 0.15 Lacs.		NIL
6.	A to Z Holding Pvt Ltd	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi are common directors.	01-04-2020 to 31-03-2021	Loan Repayment of Rs. 284.00 Lac and Interest on Loan is Rs.3.87 Lacs.		NIL
7.	Longwell Holding Pvt Ltd	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi are common directors.	01-04-2020 to 31-03-2021	Loan Repayment of Rs. 199.00 Lac and payment of Interest on Loan is Rs.28.24Lacs		NIL

For & on behalf of the Board  
of Bihar Sponge Iron Limited

Sd/-  
U.K. Modi  
Chairman & President  
DIN:00002757

Place : New Delhi  
Date: 20.07.2021

**ANNEXURE - C**

Particulars under Section 197(12) of the Companies Act, 2013 and the Rules made thereunder:

- (a) The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2020-21.:

All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

- (b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the percentage increase in remuneration of each Director is not applicable.

Key Managerial Personnel's	Designation	Remuneration Of KMP In Financial Period 2020-21	% increase in remuneration
Mr. Raj Kumar Sharma(w.e.f 28.07.2020)	Senior General-Manager	9.61 Lacs	Nil
Mr. A.K. Sinha	Chief Financial Officer	5.52 Lacs	Nil
Ms. Himani Mittal	Company Secretary	5.14 Lacs	Nil

- (c) The percentage increase in the Median Remuneration of Employees. \*\*
- (d) The number of Permanent Employees on the Rolls of Company as on 31st March, 2021. \*\*
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.\*\*

\*\*The information could not be provided as the plant is shut and the operations stood suspended since 8th August, 2013, thereby the salary waged and allowances of the employees is unascertained.

- (f) The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

In terms of provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee was in receipt of remuneration in excess of the limits set out in the said rules from the Company.

For & on behalf of the Board  
of Bihar Sponge Iron Limited

Sd/-  
U.K. MODI

CHAIRMAN & PRESIDENT  
DIN:00002757

Place : New Delhi  
Date : 20.07.2021

**ANNEXURE -D**

TO THE DIRECTORS' REPORT STATEMENT PURSUANT TO SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

**CONSERVATION OF ENERGY:**

	Current Year (2020-21)	Previous Year (2019-20)
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. ELECTRICITY		
A) PURCHASED		
Unit	Nil	Nil
Amount(Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
B) OWN GENERATION		
1. Through Diesel Generator		
Unit	Nil	Nil
Unit per liter of HSD	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
2. Through steam turbine		
Unit	Nil	Nil
Unit per M.T of fuel	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
3. COAL		
Quantity (M.T)	Nil	Nil
Cost (Rs.)	Nil	Nil
Average Rate (Rs./M.T)	Nil	Nil
<b>B. CONSUMPTION PER M.T OF PRODUCTION (SPONGE IRON)</b>		
1. Electricity (Unit)	Nil	Nil
2. Furnace Oil	Nil	Nil
3. Coal (M.T)	Nil	Nil
4. Others – HSD (Liter)	Nil	Nil

**TECHNOLOGY ABSORPTION :****(A) Research and Development.**

1. Specific areas in which R & D is carried out by the Company : Nil
2. Benefits derived as a result of the above R & D : Does not arise
3. Future plan of action : Not yet decided
4. Expenditure on R & D : Nil

**(B) Technology absorption, adaptation & innovation.**

1. Efforts in brief made towards technology absorption, adaptation & innovation:  
— Technology transfer is complete.
2. Benefits derived as a result of above efforts: The Company achieves the metallization acceptable to the user industry. Sponge Iron produced by the Company has helped the country in saving outgo of scarce foreign exchange resources by way of import substitution.

**TECHNOLOGY IMPORTED**

- (a) Lurgi SL/RN process for the direct reduction of Iron Ore in a rotary kiln.
- (b) Year of import :1986-89 (plant construction period)
- (c) Has the technology been fully absorbed? Yes
- (d) If not fully absorbed, areas where this has not been taken place, reasons thereof, and future plans of action N.A

FOREIGN EXCHANGE EARNINGS & OUTGO:		(Rs. Lacs)	
		(2020-21)	(2019-20)
1. EARNING		-	-
2. EXPENDITURE		-	-
Import on CIF Basis Stores & Spares		-	-

For & on behalf of the Board  
of Bihar Sponge Iron Limited

Sd/-

U.K. MODI  
CHAIRMAN & PRESIDENT  
DIN:00002757

Place : New Delhi  
Date : 20.07.2021

**ANNEXURE -E****MANAGEMENT DISCUSSION & ANALYSIS****1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company produces sponge iron from three kilns with an installed capacity of 2,10,000 MT per annum. The Company's primary product, sponge iron, is a high quality pre-reduced ferrous material and, therefore, is preferred to most other materials in place of steel scrap by secondary steel producers operating induction and electric arc furnaces for producing long products for meeting the demand of the construction and infrastructure sectors.

Since the price of sponge iron is purely market driven in the present economy, the Company continuously makes efforts for reducing the cost of production to sustain its margins. The principal cost components of sponge iron consist of coal, iron ore and capital service charges. With the successful operation of its captive 5.0 MW power plant, the power cost of the Company is expected to reduce significantly.

In view of the closure of the operations of the Company for some time and with a view to earn some revenue, the Company has, after considering and evaluating various possibilities and viability, entered into the activity of trading of plastic packaging materials.

However, of late the iron ore market has started looking viable. Resultantly, some parties have evinced interest in using the facilities of the Company and operating the plant.

In the month of August, 2020, the Company was approached by Mr. Manoj Kumar Agarwal on behalf of Vanraj Steels Private Limited to enter into an arrangement with them thereby, permitting Vanraj Steels Private Limited to utilize the Sponge Iron Plant to undertake and operate the business of manufacturing and selling sponge iron as well as utilize the Railway Siding. The aforesaid proposal was discussed by the Promoters at length and only with a view to earn some revenue, the Company entered into a Facility User Agreement dated 30.12.2020 with Vanraj Steels Private Limited, Mr. Manoj Kumar Agarwal and Parasnath Advisory Private Limited.

The Company had undertaken overhauling and renovation work of the plant and the same is in full swing. The overhauling work is likely to be completed by 31st August, 2021 pursuant to which the plant will be permitted to be utilized by Vanraj Steels Private Limited as is agreed under the Agreement dated 30.12.2020.

With the restart of the plant by them, the management believes that the company shall gradually start earning surplus and losses incurred in the past will get wiped out in due course and thereafter, the company will be able to operate profitably in normal course of its business.

**2. OPPORTUNITIES AND THREATS**

Coal and iron ore are the two major raw-materials for producing sponge iron. The price of both iron ore and coal are quite volatile and on most of the times increased by the suppliers, which adversely affects Company's margin. Therefore, the Company has been exploring various avenues for procuring good quality iron ore and sufficient coal.

**3. SEGMENT WISE/ PRODUCT WISE PERFORMANCE**

The Company is engaged only in the segment of manufacturing and selling of sponge iron.

**4. OUTLOOK**

The Government is going ahead with the economic reforms process albeit at slower pace. The main thrust is on developing rural economy and agriculture, flowing of funds through budget and plan towards the vast rural area will increase the income levels of the country's huge rural population and spurt demand. The increase in disposable income of the rural economy will be utilized in housing construction which is the biggest user of mild steel. Sponge Iron is basic raw material used by induction furnaces to produce mild steel. Thus there will be a huge demand for Sponge Iron.

**5. RISKS AND CONCERNS**

Management periodically carries out risk assessment exercises. Risk factors are also discussed in Audit Committee Meetings. Wherever possible and necessary, insurance cover is taken for risk mitigation. However, an economic slowdown can adversely affect the demand-supply equation in the sponge iron industry. The price of sponge iron is sensitive to the demand-supply position of steel scrap in the country and also to the selling prices of long products. On the financial front, the Company's debt had been restructured pursuant to the rehabilitation scheme sanctioned by the Ld. BIFR, however, before the scheme could be fully implemented, the Sick Industrial Company (Special Provisions) Act 1994 as well as the proceedings pending before the Ld. BIFR/AAIFR stood abated with effect from 01.12.2016 as a result thereof, the net worth of the Company has not turned positive. All the installments of principal and interest thereon has already been paid under the scheme, except for the exchange fluctuation on foreign currency loan and interest thereon in respect of which LPA has been filed with the High Court of Jharkhand, Ranchi. In addition, the entire rehabilitation loan along with the interest is due for payment to Government of Jharkhand, for which the Company will make representation for waiver of interest upon re-start of Company's operations.

**6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. In line with the international trend, planning and conducting the business is oriented towards a review of controls in the management of risks and opportunities in the Company's activities. The annual audit programme is developed by the Internal Auditors and approved by the Audit Committee of the Board. The Internal Auditors' Report is placed before the Audit Committee which met at least four times during the year to review the audit observations and to follow up implementation of corrective actions.

The Committee also consults the company's statutory auditors to ascertain their views on the adequacy of the internal control systems in the Company. The Audit Committee has majority of independent directors to maintain the objectivity.

**7. FINANCIAL PERFORMANCE**

The Plant has been shut since 9th August, 2013 as a result of non-supply of coal by Central Coalfields Limited. The past losses have been due to non-operation of the plant as a result of non-availability coal. During the period under review, the Company has earned profit.

**8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company, at the year ended 31st March, 2021 had approximately 271 employees.

**9. CAUTIONARY STATEMENT**

The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are forward looking statements within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied. Further various important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in the Government regulations statutes, tax laws and other incidental factors.

**For & on behalf of the Board  
of Bihar Sponge Iron Limited**

**Sd/-  
U.K. MODI**

**CHAIRMAN & PRESIDENT  
DIN:00002757**

**Place : New Delhi  
Date : 20.07.2021**

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

In Bihar Sponge Iron Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the Company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the Corporate Governance.

### BOARD OF DIRECTORS

As on March 31, 2021 the Company has 11 Directors and all 11 are Non-Executive Directors. 6 out of the 11 Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015. As required under Section 149(1) of the Companies Act, 2013, Mrs. Kumkum Modi, is a Woman Director on the Board of Directors of the Company.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulations 16(1)(b) Listing Regulations, 2015.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and at the last Annual General Meeting and also the number of directorships and committee memberships held by them in other companies (excluding directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships) as on March 31, 2021 are given below. Chairmanship/membership in committees includes only Audit Committee and Stakeholder Relationship Committee of Indian Public Ltd. Companies.

Name of the Directors	Executive/ Independent/ Non- Executive	No. of meetings During the year 2020-21		Attendance at previous AGM on 23rd September, 2020.	No. of outside directorships held Excluding BSIL	No. of membership/ chairmanship in other board Committee		List of Directorship held in other listed Companies and Category of Directorship
		Held	Attended			Chairmanship	Membership	
Mr. Umesh Kumar Modi	NED	4	3	Not Present	5	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mrs. Kumkum Modi	NED	4	1	Not Present	3	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Abhishek Modi	NED	4	3	Not Present	4	Nil	Nil	SBEC Sugar Limited (Executive Director)
Mr. Jayesh Modi	NED	4	3	Not Present	4	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Vijay Kumar Modi*	INED	4	1	-	6	5	6	SBEC Sugar Limited (Independent Director)  SBEC Systems (India) Ltd. ( Non-Executive Director)
Mr. B. D. Garg	INED	4	1	Not Present	1	Nil	Nil	-
Dr. S. Babu Vyas	INED	4	1	Not Present	2	Nil	4	SBEC Sugar Limited (Independent Director)  SBEC Systems (India) Ltd. (Independent Director)
Mr. J. C. Chawla	INED	4	4	Present	4	2	9	SBEC Sugar Limited (Independent Director)  SBEC Systems (India) Ltd. ( Independent Director)
Mr. Madan Lal**	INED	4	0	Not Present	2	4	1	Shreyans Financial and Capital Services Limited (Independent Director)
Mr. R. K. Agarwal#	INED	4	2	Present	7	5	6	SBEC Sugar Limited (Independent Director)  SBEC Systems (India) Ltd. (Independent Director)
Dr. Rohit Garg	INED	4	1	Not Present	2	Nil	Nil	SBEC Sugar Limited (Independent Director)  SBEC Systems (India) Ltd. ( Non-Executive Director)
Mr. S.S. Agarwal	INED	4	3	Not Present	4	Nil	3	SBEC Systems (India) Ltd. ( Executive Director)
Mr. Anirudh Kumar Modi	NED	4	4	Present	1	Nil	1	-

Note

i) ED: Executive director (b) NED: Non- Executive Director (c) INED: Independent Non - Executive Director.

(\*) Mr. Vijay Kumar Modi appointed as an additional Independent Director w.e.f. 28th December, 2020

(\*\*) Mr. MadanLal resigned as an Independent Director of the Company with effect from 15th January, 2021 due to his personal reasons.

(#) Mr. Rajeev Kumar Agarwal passed away on 5th December, 2020.

Mrs. Kumkum Modi is related to Mr. Umesh Kumar Modi as wife, Mr. Abhishek Modi and Mr. Jayesh Modi are related to Mrs. Kumkum Modi & Mr. Umesh K. Modi as sons and mother & father respectively.

**INFORMATION REGARDING REAPPOINTMENT OF DIRECTORS**

Smt. KumKum Modi, Director of the Company retires by rotation and being eligible, offers herself for re-appointment. Smt. KumKum Modi is a Non-Executive director. She completed her Post Graduation from University of Delhi and has vast experience in the area of administration, business planning and corporate social activities. She is also Director in certain other manufacturing, public listed companies etc.

**Board Meetings**

The Board meets atleast once in quarter to review the financial results and other items on the Agenda. The Agenda of Board Meeting is circulated to all the Directors well in advance and contains all information which is distributed to the Directors in advance.

Four Board Meetings were held during the year ended March 31, 2021. These were held on 28th July, 2020; 14th September, 2020, 10th November, 2020, 11th February, 2021.

Mrs. Kumkum Modi is related to Mr. Umesh Kumar Modi as wife, Mr. Abhishek Modi and Mr. Jayesh Modi are related to Mrs. Kumkum Modi & Mr. Umesh K. Modi as sons and mother & father respectively.

**Details of Shareholding of Non-Executive Directors**

Shri Umesh Kumar Modi holds 39,755,34 equity Shares, Smt. Kumkum Modi holds 5500 equity Shares, Shri Abhishek Modi holds 1100 equity Shares, Shri Vijay Kumar Modi holds 69,225 Shares of the Company as on 31st March, 2021.

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

The Company has adopted the Code of Conduct for the Directors and Senior Management Personnel of the Company. The Company has received confirmations from both the Directors as well as Senior Management regarding compliance of the Code of Conduct for the year ended 31st March, 2021. The Code is posted on the website of the Company i.e. [www.bsil.org.in](http://www.bsil.org.in)

**Skills/ expertise/ competence requirements for Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:

Areas of Skills, Expertise and Competencies					
Name of Director	Knowledge on Company's business, policies & Culture	Behavioral Skills	Business Strategy, Sales & Marketing etc.,	Financial and Management Skills	Technical/ Professional skills
Shri Umesh Kumar Modi	YES	YES	YES	YES	YES
Shri Abhishek Modi	YES	YES	YES	YES	YES
Smt. Kumkum Modi	YES	YES	YES	YES	YES
Shri Jayesh Modi	YES	YES	YES	YES	YES
Shri Vijay Kumar Modi	YES	YES	YES	YES	YES
Shri Anirudh Kumar Modi	YES	YES	YES	YES	YES
Shri Shyam Babu Vyas	YES	YES	YES	YES	YES
Shri Rohit Garg	YES	YES	YES	YES	YES
Shri Jagdish Chander Chawla	YES	YES	YES	YES	YES
Shri B.D. Garg	YES	YES	YES	YES	YES
Shri S.S. Agarwal	YES	YES	YES	YES	YES

**Information provided to the Board**

The Board has unrestricted access to all Company-related information including that of our employees. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. The Board was presented with the information broadly on all suggested matters in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD COMMITTEES**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees request special invitees to join the meeting, as and when considered appropriate.

**AUDIT COMMITTEE**

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

Composition of Audit Committee is in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Members of the Audit Committee are Non-executive or Independent Directors and also financially literate. The Company Secretary of the Company acts as a Secretary to the Committee. A representative of the Statutory Auditors and a representative of Internal Auditors are permanent invitees to the Audit Committee meetings.

Four meetings of Audit Committee were held during the year on 28th July, 2020, 14th September, 2020, 10th November, 2020, 11th February, 2021.

Composition and attendance at meetings during the year are given below:

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2020-21	
				Held	Attended
1.	Shri R.K. Agarwal	Chairman*	Independent Director	4	2
2.	Shri Vijay K. Modi	Chairman **	Independent Director	4	1
3.	Shri J.C. Chawla	Member	Independent Director	4	4
4.	Shri. Shyam Babu Vyas	Member	Independent Director	4	2
5.	Shri. Madan Lal	Member #	Independent Director	4	0
6.	Shri. Anirudh k. Modi**	Member	Non- Executive Director	4	1

\* Sh. R.K. Agarwal passed away on 5th December, 2020.

\*\* Sh. Vijay K Modi appointed as Chairman and Sh. Anirudh Kumar Modi Member of the committee w.e.f 1st February, 2021.

# Sh. MadanLal resign from the directorship of the Company w.e.f. 15th January, 2021.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been duly constituted pursuant to Section 178 (1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The terms of reference of the Nomination & Remuneration Committee are:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,
- formulation of criteria for evaluation of performance of Independent Directors and the Board,
- devising a policy on Board diversity,
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting.

During the period one meeting was held on 28th July, 2020.

Composition and attendance of the Committee meeting during the year are given below:

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2020-21	
				Held	Attended
1.	Shri R.K. Agarwal*	Chairman	Independent Director	1	1
2.	Shri Vijay K. Modi**	Chairman	Independent Director	1	0
3.	Shri J.C. Chawla	Member	Independent Director	1	1
4.	Shri Shyam Babu Vyas	Member	Independent Director	1	0
5.	Shri Madan Lal	Member	Independent Director	1	0
6.	Shri B.D. Garg	Member	Independent Director	1	1

\* Sh. R.K. Agarwal passed away on 5th December, 2020.

\*\* Sh. Vijay K Modi appointed as Chairman of the Committee w.e.f. 11th February, 2021.

# Sh. MadanLal resigned from the directorship of the Company w.e.f. 15th January, 2021.

**PERFORMANCE EVALUATION OF DIRECTORS**

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done of the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

**Role & Accountability**

- Understanding the nature and role of Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Active engagement with the management and attentiveness to progress of decisions taken.

**Objectivity**

- Own recommendations given professionally without tending to majority or popular views.

**Leadership & Initiative**

- Heading Board's Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

**Personal Attributes**

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

**Meeting of Independent Directors**

During the year, meeting of Independent Directors was held on 11th February, 2021 to review the performance of the Board as a whole and Chairman on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

**Familiarisation Programme**

Your Company follows a structured orientation and familiarisation programme which aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of the same are available on the Company's website [www.bsil.org.in](http://www.bsil.org.in).

**STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee has been duly constituted pursuant to Section 178 (5) of the Companies Act, 2013 and relevant provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to look into various issues relating to shareholders including the complaints of shareholders, share transfers/ transmission/issue of duplicate shares etc.

During the year under review, the Committee met three times on 28th July, 2020, 14th September, 2020 and 11th February, 2021.

Composition and attendance at meetings during the year are given below:

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2020-21	
				Held	Attended
1.	Shri R.K. Agarwal*	Chairman	Independent Director	3	2
2.	Shri Vijay K. Modi**	Chairman	Independent Director	3	1
3.	Shri J.C. Chawla	Member	Independent Director	3	3
4.	Shri. Shyam Babu Vyas	Member	Independent Director	3	1
5.	Shri MadanLal#	Member	Independent Director	3	0
6.	Mr. B.D. Garg	Member	Independent Director	3	1

\* Sh. R.K. Agarwal passed away on 5th December, 2020.

\*\* Sh. Vijay K Modi appointed as Chairman of the Committee w.e.f. 11th February, 2021.

# Sh. MadanLal resigned from the directorship of the Company w.e.f. 15th January, 2021.

The Company Secretary acts as Secretary to the Committee.

Details of complaints received and addressed during the year under review are given below:

	Direct to the Company or through RTA	Number of complaints received				Number of total complaints (Share Transfers/Annual reports etc.)
		Stock Exchanges	SCORES	SEBI	Ministry of Company Affairs	
(2020-21)						
Received	Nil	Nil	Nil	Nil	Nil	Nil
Replied	Nil	Nil	Nil	Nil	Nil	Nil
Pending	Nil	Nil	Nil	Nil	Nil	Nil

## REMUNERATION OF DIRECTORS

A) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board & Committee meetings and Commission as approved by members for their invaluable services to the Company.

B) Remuneration Policy

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board. The Nomination and Remuneration Committee decides the remuneration for the Whole-time Directors. The remuneration policy is also placed on the website [www.bsil.org.in](http://www.bsil.org.in).

C) Details of Remuneration paid to Directors

The Independent Directors who are Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fee of Rs. 1,000/- per meeting for attending the meetings of Board and/or Committees thereof.

The details of Remuneration /Sitting fees paid to the Executive/Non-Executive Directors during the year ended 31st March, 2021 are as under:-

S. NO.	NAME	SALARY	PERQUISITES AND OTHER BENEFITS	SITTING FEES (Rs.)	TOTAL (Rs.)
<b>Non-Executive Directors:</b>					
1	Mr. B. D. Garg	--	--	3,000	3,000
2	Mr. R. K. Agarwal	--	--	8,000	8,000
3	Dr. S. B. Vyas	--	--	4,000	4,000
4	Mr. J. C. Chawla	--	--	14,000	14,000
5	Mr. Madan Lal	--	--	0.00	0.00
6	Dr. Rohit Garg	--	--	1,000	1,000
7	Mr. S.S. Agarwal	--	--	3000	3000
8.	Mr. Anirudh Kumar Modi	--	--	5,000	5,000
9.	Mr. Vijay Kumar Modi	--	--	3,000	3,000

## ANNUAL GENERAL MEETING

## Date, Place &amp; Time for the last three Annual General Meetings (AGM):

Year	Date & time	Venue	Special Resolution Passed
2020	23.09.2020 At 12.00 Noon	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	Re- appointment of Mr. R.K. Agarwal as an Independent Director for a second term of five consecutive years.
2019	09.09.2019 at 02.00 P.M.	Company Guest House, Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	Re- appointment of Mr. B.D. Garg as an Independent Director for a second term of five consecutive years. Re- appointment of Mr. Shyam Babu Vyas as an Independent Director for a second term of five consecutive years. Re- appointment of Mr. J.C. Chawla as an Independent Director for a second term of five consecutive years. Re- appointment of Mr. MadanLal as an Independent Director for a second term of five consecutive years. Re- appointment of Mr. Satish Kumar Gupta as Whole – Time Director (Director –Works) of the Company.
2018	20.09.2018 At 02:30 P. M.	- do-	Appointment of Mr. S.S. Agarwal as Independent Director of the Company. Approval for continuation of Directorship of Mr. MadanLal as an Independent Director of the Company.

## POSTAL BALLOT

Details of Resolution(s) passed through Postal ballot last year during the year April 01, 2020 to March 31, 2021.

The Company has conducted Postal Ballot process (including e-voting), for obtaining the approval of members of the Company for below mentioned Special Resolution, prescribed under Section 108 & 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013.

The result of said postal ballot process was declared on December 21, 2020.

- Special Resolution Alteration of Objects Clause and Adoption of Memorandum of Association to align with the provisions of the Companies Act, 2013
- Ordinary Resolution for Authorization for entering in to Related Party Transactions.

The Company had appointed Soniya Gupta, Proprietor of M/s Soniya Gupta & Associates, Company Secretary in whole time Practice as Scrutinizer for conducting the Postal Ballot process (including e-voting) in a fair and transparent manner. The voting period for e-voting and postal ballot was commenced on November 20, 2020 (9.00 Hours IST) and ended on December 19, 2020 (17.00 Hours IST) and the CDSL e – voting platform was blocked thereafter. The last date for the receipt of Postal Ballot Forms by the Scrutinizer was December 19, 2020 (17.00 Hours IST). The result of Postal Ballot (including e-voting) was declared on December 21, 2020.

**MEANS OF COMMUNICATIONS****Quarterly Results:**

In compliance to the provisions the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company regularly intimate the un-audited/audited financial results to the stock exchange, immediately after the same is taken on record by the Board and are published in widely circulated English daily "The Financial Express" and Hindi daily "Naya India" as is required under the said regulations. The same are also displayed on the website of the Company.

**Website**

As per the requirements of Regulation 46 of the Listing Regulations, all the data related to quarterly financial results, shareholding pattern etc. is filed with stock exchanges and also disseminated on the Company's website: ([www.bsil.org.in](http://www.bsil.org.in)) within the time prescribed in this regard. The Company's website also displays the official news releases.

**Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Director's Report, Auditor's Report and other important information is circulated to members and other entitled thereto. The Management Discussion and Analysis (MDAR) Report forms part of the Annual Report.

**GENERAL SHAREHOLDER INFORMATIONs****a. AGM: Date, Time and Venue:**

39<sup>th</sup> Annual General Meeting is scheduled to be held on Wednesday, the 15<sup>th</sup> Day of September, 2021 at 04:00 P.M. through Video Conference /OAVM.

**b. Financial Calendar**

Particulars	Date
For First Quarter UFR ended 30.06.2021:	By 14th August, 2021
For Second Quarter UFR ended 30.09.2021:	By 14th November, 2021
For Third Quarter UFR ended 31.12.2021:	By 14th February, 2022
For Audited Financial results for the year ended 31.03.2022:	By 30th May, 2022

**c. Book Closure**

Thursday the 9<sup>th</sup> September, 2021 to Wednesday the 15<sup>th</sup> September, 2021 (both days inclusive)..

**d. Dividend payment date**

In view of losses incurred by the Company in the past, no dividend has been recommended by the Board of Directors for the year ended 31st March, 2021.

**e. Listing of Stock Exchanges:**

The Company's Equity Shares are listed on (BSE), the address of which is given below:

Stock Exchange	Stock Code
BSE Limited, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001	500058

On 21st March, 1998, the Company after complying with the conditions of Circular No. 6/9/SE/78 dated 28th June, 1979 issued by Ministry of Finance, Department of Economic Affairs, Stock Exchange Division, applied to Ahmedabad, Calcutta, Delhi and Madras Stock Exchanges for de-listing of Equity Shares. The Company has received the letter of confirmation of de-listing from Madras Stock Exchange Association Limited only, matter is pending with others stock exchanges. The Company vide its letter dated 25th September, 2007 applied for voluntary de-listing of Shares from Magadh Stock Exchange, the matter is pending with the Exchange.

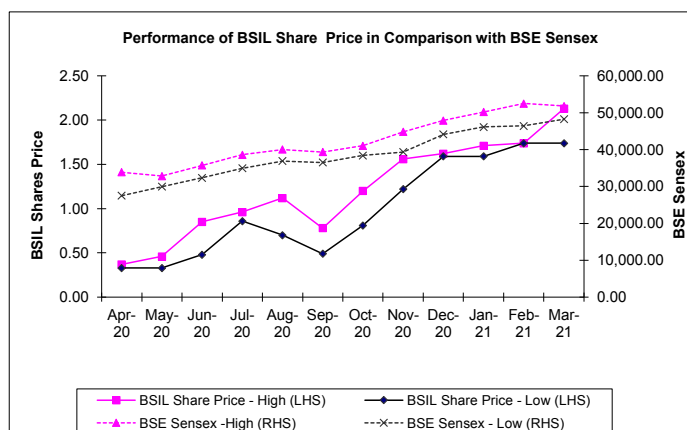
The Company has paid listing fee for the financial year 2021-22 to BSE Limited.

**f. Market Price Data**

High/Low of market price of the Company's shares traded on BSE during the financial year 2020-21 is furnished below:

Month	High Price	Low Price	No. of Shares
Apr 20	0.37	0.33	104938
May 20	0.46	0.33	249806
Jun 20	0.85	0.48	339050
Jul 20	0.96	0.86	249947
Aug 20	1.12	0.7	868514
Sep 20	0.78	0.49	652232
Oct 20	1.2	0.81	684907
Nov 20	1.56	1.22	344105
Dec 20	1.62	1.59	146759
Jan 21	1.71	1.59	105502
Feb 21	1.74	1.74	62231
Mar 21	2.13	1.74	194659

## Performance in comparison to broad based indices:



## g) Registrar and Transfer Agents

M/s. Beetal Financial & Computer Services Pvt. Ltd. is the Registrar and Share Transfer Agent of the Company. The physical transfer of Equity Shares and electronic connectivity for the depository mode for both NSDL and CDSL is being provided by M/s. Beetal Financial & Computer Services Pvt. Ltd. whose address given below:

M/s. Beetal Financial & Computer Services Pvt. Limited,

3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi - 110062

Telephone no(s) 011-29961281, 282, 283, Fax: 011-29961284 E-mail: beetalrta@gmail.com, beetal@beetalfinancial.com

## h) Share Transfer System

The Company, in compliance of SEBI circular no. 15/2002 dated 27th December, 2002, has appointed M/s. Beetal Financial & Computer Services Pvt. Limited, (Category-I SEBI registered Registrar & Share Transfer Agent) as Share Transfer Agent who follows the Share Transfer System as prescribed by the Securities & Exchange Board of India (SEBI). The share transfer requests in physical form sent by shareholders are manually checked. If the transfer deed and the enclosures are valid, the shares are transferred within 15 days, otherwise objection memo is sent to the Transferor with necessary advice to take the required steps. The Share Transfer Committee generally approves once in a fortnight the applications received from members. Presently SEBI has generally stopped the physical share transfer and permitted transfer only in Demat Mode.

## i) Distribution of Shareholding as on 31st March, 2021:

No. of Shares	No. of Shareholders	No. of Shares	% age to total shares
Up to 5000	50,200	7463275	8.27
5001 to 10000	2,731	2202961	2.44
10001 to 20000	1,131	1748444	1.93
20001 to 30000	328	841749	0.93
30001 to 40000	154	563118	0.62
40001 to 50000	196	946829	1.05
50001 to 100000	256	1953065	2.16
100001 and above	253	74485962	82.57
Total	55,249	90205403	100.00

## j) Shareholding pattern as on 31st March, 2021:

Particulars	No. of Shares Held	%age of Shares Held
1. Promoters	6,27,88,949	69.61
2. Mutual Funds & UTI	62,350	00.07
3. Banks, Financial Institution & Insurance Companies & Central Government/State Government	1,30,506	00.14
4. Foreign Financial Investors	4,79,899	00.53
5. Private Corporate Bodies	28,45,749	03.15
6. Indian Public	2,24,93,245	24.94
7. NRI	7,53,639	00.84
8. Any Other (Clearing Members, Foreign Bodies, Trusts & Individual HUF)	6,51,066	00.72
Total	9,02,05,403	100.00

## k) Dematerialization of shares

The equity shares of the Company are available for dematerialization. The International Securities Identification Number (ISIN) of the Company is INE819C01011. The equity shares are now tradable only in dematerialized mode.

**l) Share held in physical and dematerialized form**

As on 31st March, 2021, 56.27 % of Equity Shares were held in dematerialized form and the rest were in physical form.

**m) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has no GDRs/ADRs or any convertible instrument.

**n) Plant location of the Company:**

Umesh Nagar, Chandil, District Saraikela Kharsawan- 832401 (Jharkhand)

**o) Address for correspondence:**

All the queries of investors regarding the Company's shares may be sent at the following address:

Umesh Nagar, Chandil, District Saraikela Kharsawan-832401 (Jharkhand), Website: [www.bsil.org.in](http://www.bsil.org.in), Email: [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in)

**p) Nomination Facility:**

Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Company in prescribed Form SH-13 for this purpose.

**OTHER DISCLOSURE****a) Materially Significant Related Party Transactions & Policy for Related party Transactions**

The particulars of contract and arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 read with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately in Form No. AOC -2 as **Annexure – B** and forms part of this report. The related party transactions during the year are also mentioned in Note no III under "Notes Related to Accounting Standards" under Annexure -1 of Accounting Policies & General Notes.

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy has been uploaded in the Company's website viz. [www.bsil.org.in](http://www.bsil.org.in) The transactions with the related parties are being placed before the audit committee and the board on a quarterly basis for it to review the same in terms of Regulation 23 (3) (d) of the said Regulations.

**b) Details of Non-compliance**

The Company has complied with the requirements of Stock Exchange, Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last three years. Except, as disclosed from time to time, below are the non-compliances w.r.t. Listing Regulations for the year 2019-20. The BSE Ltd. had imposed a penalty of Rs. 5900/- (Five Thousand Nine Hundred only) for Late Submission of Financial Results under regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter ended 31st December, 2019.

The Company has paid the said penalty within the time period prescribed in the BSE Letter.

**c) Vigil Mechanism**

In compliance of Section 177 (9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has set up a whistle blower policy which can be viewed on the Company's website [www.bsil.org.in](http://www.bsil.org.in). In terms of the said policy the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrong doings. Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**d) Compliance with the Mandatory and Non-Mandatory Requirements**

The Company has complied with all the Mandatory requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the non-mandatory requirements to the extent and in the manner as stated hereinabove.

**e) The Company does not have any subsidiary company during the financial year ended 31st March, 2021****f) Details of utilization of funds through preferential allotment**

During the Financial Year ended 31st March, 2021, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

**g) Compliance Certificate from Practicing Company Secretary**

Certificate from M/s. Soniya Gupta & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority, Recommendation of any Committee.

**h) Recommendation of any Committee**

There was no instance during the financial year 2020-21, where the Board of Directors had not accepted the recommendation of any Committee of the Board which it was mandatorily required to accept.

**i) Fee paid by Company to its Statutory Auditor**

Total fees of Rs.3,20,000 for financial year 2020-21, for all services, was paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

**j) Directors with materially pecuniary or business relationship with Company**

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors for the period under report.

**k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

- a. number of complaints filed during the financial year 2020-21: Nil
- b. number of complaints disposed of during the financial year 2020-21: Nil
- c. number of complaints pending as on end of the financial year 2020-21: Nil

**l) CEO/ CFO CERTIFICATION**

Mr. Raj Kumar Sharma – Senior General Manager and Mr. A.K. Sinha, Chief financial Officer of the Company have furnished a certificate relating to financial Statement and Internal Control Systems as per the formats prescribed under SEBI (LODR) Regulations, 2015 and the Board took the same on record.

For & on behalf of the Board  
of Bihar Sponge Iron Limited

Place : New Delhi  
Date : 20.07.2021

Sd/-  
U.K. MODI  
CHAIRMAN & PRESIDENT  
DIN:00002757

**Declaration regarding Code of Conduct pursuant Clause D of Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Members,

I, Mr. Raj Kumar Sharma – Senior General Manager of the Bihar Sponge Iron Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Director and Senior Management for the year ended 31st March, 2021.

Place: New Delhi  
Dated: 20.07.2021

Sd/-  
Raj Kumar Sharma  
Senior General Manager

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Bihar Sponge Iron Limited

We, K.K. Jain & Co., Chartered Accountants, have examined the compliance of conditions of Corporate Governance by Bihar Sponge Iron Limited ("the Company"), for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and 34(3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

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

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For K. K. Jain & Co.  
Chartered Accountants  
[FRNo. 02465N]

Place: New Delhi  
Date : 20.07.2021

Sd/-  
Simmi Jain  
(Partner)  
Membership No.: 086496

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Bihar Sponge Iron Limited Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **Bihar Sponge Iron Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and except for the effect of the matter described in the Basis for Qualified Opinion section of our report, give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

As explained in the Notes to the financial statement, the company has not provided under noted liabilities:

- I. *Non recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon (as required under Indian Accounting Standard – 21) amounting to Rs. 364,771 thousands as provided in the BIFR Scheme dt. 29.07.2004 and also confirmed by AAIFR/ Single Bench of Jharkhand High Court, Ranchi. The company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi. It is pertinent to note that IFC (Washington) had filed application for withdrawal in C.A. No. 4075 of 2016 on 27.07.2018. In view of the same interest has not been provided in the books of accounts. (refer other note no. 3(iii) appearing in Annexure 1).*
- II. *Non recognition of penalty of Rs. 21,528 thousands recovered by South Eastern CoalFields Ltd. on account of short lifting of coal in terms of Fuel Supply Agreement since the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh (refer other note no 5 of Annexure I (iii)).*
- III. *No provision has been made in the books of accounts in respect of the undernoted items of expense in view of suspension of operations of plant since 10th August, 2013 as well as other reasons contented by the company:-*
  - a. *Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2021 are not provided. {refer note 6(i)(a) III of Annexure I}.*
  - b. *Interest on Soft Loan taken from the Government of Jharkhand under the Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 4,83,309 thousands from 10.08.2013 to 31.03.2021 which is subject to representation from the company for waiver thereof by the lender {refer note 6(i)(b) III of Annexure I}.*  
*Taking into consideration non provision of likely liabilities mentioned paragraph i, ii, iii (b) above*
    - a. *Loss for the year would have been higher by Rs. 8,29,994 thousands as compared to the disclosed profit of Rs. 39,614 thousands.*
    - b. *Accumulated losses would have been Rs. 32,57,257 thousands as compared to disclosed losses of Rs. 23,87,649 thousands.*
    - c. *The above losses is however subject to ascertainment of liabilities as mentioned in Para iii.*

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Material Uncertainty Related to Going Concern

We draw attention to Note No. 3 (X) of part III of Annexure I of the financial statements the management has explained its reasons for preparing financial statements on 'going concern basis'. The explanation is as under:-

With the revival of the steel industry, considering the substantial accumulated losses, full erosion of working capital and the liabilities including long term borrowings having matured fully along with interest having fallen due, the company has initiated requisite steps for making the plant ready for operation. The company encouraged with the current outlook of Steel Industry, has entered in to a Facility User Agreement with a third party which will become operative in the third quarter of 2021. The Company has taken up renovation and overhauling of complete plant (including railway siding) with a capital outlay of Rs. 4200 lac approx. (inclusive of tax). The management believes that the company shall gradually start earning surplus and losses incurred in past will get wiped out in due course and there after the company will be able to operate profitably in normal course of its business. The financial statements, as such have been prepared on going concern basis on the strength of management's plan of revival, provision of the adequate finance for the operations and reorganization of business of the company. Our opinion is not modified in respect of this matter since the company contemplates, as explained above, to run and operate the company on going concern basis.

Our opinion is not modified in respect of this matter since the company contemplates, as explained above, to run and operate the company on going concern basis.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters given in Basis for Qualified Opinion and the Material Uncertainty Related to Going Concern section of our report to be the key audit matters to be communicated in our report.

**Information other than the Financial Statements and Auditors' Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibilities for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Form the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) Except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect of the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the possible impact of pending litigations on its financial position in its Ind AS financial statements –Refer other notes III of Annexure I (1) (i) to (xii) to the financial statements;
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For K. K. JAIN & CO.  
Chartered Accountants  
FRNo.002465N

Sd/-  
(Simmi Jain)  
Partner  
M.No.086496

UDIN : 21086496AAAF58437

Place: New Delhi  
Date : 13-05-2021

**Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report of even date on the financial statements for the year ended on March 31, 2021.**

**i) Fixed Assets**

- The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- The Company has a programme of verifying all of the fixed assets over a period of three years, having regard to the size of the Company and nature of assets which in our opinion is reasonable. *However, no physical verification of Fixed Asset have been carried out by the management, as the plant is under shutdown and suspension of production, w.e.f., 10.08.2013, hence discrepancies, if any, between the physical balance and book balance and their adjustment in the books of accounts at the year end has not been dealt in the books of accounts.*
- The title deeds of immovable properties are held in the name of the company *except in respect of the freehold land having value of Rs 593 thousands (Previous year Rs 593 thousand) for which registration in favour of the company is pending for want of mutation with the competent authorities. The gross and net carry value of such fixed asset as on 31.03.2021 is Rs 3100 thousands.*

**ii) Inventories**

The stock of raw materials and stores & spare parts have not been physically verified by the management at reasonable intervals, since the plant has been under shutdown and operations suspended w.e.f. 10.08.2013. As no physical verification of inventories were carried from 10.08.2013 the discrepancies between book balance & physical balance if any, have neither been ascertained nor the same have been properly dealt in the books of accounts.

**iii) Transactions with parties u/s 189 of the Companies Act, 2013**

The company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties during the year or in earlier years covered in the register maintained under section 189 of the Companies Act, 2013 as such para (a), (b) & (c) of clause are not applicable.

**iv) Loans, Investments Guaranties & Securities etc. covered u/s 185 & 186 of the Act.**

The company has neither given any loans investments, guarantees and security covered under section 185 and 186 of the Act during the year under audit nor in earlier year and hence the clause is not applicable.

**v) Deposits**

The Company has not accepted any deposits during the year or in earlier years which are covered under the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

**vi) Cost Records**

The maintenance of cost records has been specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013. Since there have been no production since 10.08.2013 to till date, no records have been made & maintained by the company.

**Vii Statutory Dues**

- a According to the books and records, examined by us and information and explanations given to us, the company is not regular in depositing the undisputed statutory dues including Provident fund, income-tax (tax deducted at source and tax collected at source), sales-tax, service tax, cess & any other applicable statutory dues to the appropriate authorities during the year.

The arrears on account of such statutory dues as at the end of the financial year 31st March 2021 for a period of more than six months from the date they become payable are Service Tax: Rs 7,867 thousands, Income Tax (TCS) Rs. 208 thousands, Electricity Duty: 2,601 thousands (excluding unprovided Rs 2,281 thousands) and Cess Rs. 1 thousand.

- b The details of dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, etc. which have not been deposited on account of dispute are given hereunder:

	Name of the statute	Forum where Dispute pending	Nature of dues	Period of dispute	Amount (Rs. '000)
1.	JVAT Act, 2005	Commissioner of Commercial Taxes Jharkhand, Ranchi.	Tax on JVAT.	2010-11	8140
2.	JVAT Act, 2005	Commissioner of Commercial Taxes, Jharkhand Ranchi.	Central Sales Tax	2010-11	3096
3.	Income Tax Act, 1961	ITAT, Patna	Short deduction of tax at source and collection of Tax at Source with interest and penalty raised by DCIT, JSR and confirmed by the commissioner of Income Tax (Appeals), JSR on 28-03-2016.	A.Y.2004-05 A.Y.2005-06	2715 2880

- viii) The Company has not defaulted in repayment of loans to financial institutions & banks except the liability on account of currency fluctuation on foreign currency loan and interest thereon amounting to Rs 3,642,771 thousands disputed by the company and pending before the Hon'ble High Court, Jharkhand, Ranchi. The soft loan obtained under Rehabilitation Scheme, 2003 from Government of Jharkhand amounting to Rs 3,25,000 thousands principal and interest of Rs 75,7928 thousands (inclusive of unprovided interest of Rs 4,83,309 thousands) which was due after 30.09.2011 as per BIFR Scheme (also refer note 12(f)). There is no debenture in the Company.

- ix) The Company has not raised any money by way of initial public offer or further public offer (including debts instruments) and term loans and hence the application of such money for the specified purposes is not applicable.
- x) Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under audit.
- xi) No managerial remuneration has been paid or provided.
- xii) The company is not a Nidhi Company and hence the clause is not applicable.
- xiii) According to the records of the company and information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv) The company has made not any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as such the clause is not applicable to the company.
- xv) As per the records of the company and information and explanation provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause is not applicable.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For K. K. JAIN & CO.**  
Chartered Accountants  
FRNo.002465N

Sd/-  
(Simmi Jain)  
Partner

M.No.086496

UDIN : 21086496AAAAF58437

Place: New Delhi

Date : 13-05-2021

## **Annexure ‘B’ to Independent Auditors’ Report**

(Referred to in paragraph (h) under the head ‘Report on Other Legal and Regulatory Requirements’ of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, (“the Act”)**

1. We have audited the internal financial control with reference to financial statement of BIHAR SPONGE IRON LIMITED (“the Company”) as of March, 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

- a. According to the information and explanation given to us and based on our audit, the following material weakness have been identified as at March 31, 2021. The company’s internal control system with respect to physical verification of stores & spares parts and Fixed Assets have not been operated effectively since neither physical verification was carried out nor adjustment for discrepancies (including deterioration/ obsolesce for fixed assets) if any, between the physical balance and book balance at the year end 31.03.2021 have been dealt in the books of accounts. b. Confirmation of balance and reconciliation of Sundry Creditors & Suppliers, Services Providers/ Contractors, Lenders and advances etc. are pending since last 4 years at the year end.

In our opinion, because of the possible effects of the material weakness as described above on the achievements of the objectives of internal control criteria, the company has not maintained adequate internal financial control over financial reporting and such internal financial controls over financial reporting were not operating effectively with respect to inventories and fixed assets as on March 31, 2021, and

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit test applied in our audit of the year ended March 31, 2021 financial statements of the company and these material weaknesses don’t affect our opinion on the financial statements of the company.

**For K. K. JAIN & CO.**  
Chartered Accountants  
FRNo.002465N

Sd/-  
(Simmi Jain)  
Partner

M.No.086496

UDIN : 21086496AAAAF58437

Place: New Delhi  
Date : 13-05-2021

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

Rs.000'

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	417264	446052
(b) Capital Work in Progress	1A	28207	28207
(c) Other Intangible Assets	1B	53	-
(d) Deferred Tax Assets	2	-	-
(e) Other non Current Assets	3	36630	36630
		<b>482154</b>	<b>510889</b>
<b>2 Current Assets</b>			
(a) Inventories	4	29634	36580
(b) Financial Assets			
(i) Trade Receivables	5	24421	5586
(ii) Cash and Cash Equivalents	6	5196	1402
(iii) Bank balances other than (ii) above	7	4640	4640
(iv) Others	8	1508	1441
(c) Others Current assets	9	32942	20860
		<b>98341</b>	<b>70509</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)		<b>65800</b>	-
<b>Total</b>		<b>646295</b>	<b>581398</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	10	902531	902531
(b) Other Equity	11	(1738494)	(1778108)
		<b>(835963)</b>	<b>(875577)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	554466	606560
(b) Provisions	13	22091	22926
(c) Deferred Tax Liabilities	2	-	-
(d) Other non-Current Liabilities	14	68155	8155
		<b>644712</b>	<b>637641</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	15	140648	79115
(ii) Other Financial Liabilities	12	658215	698599
		<b>798863</b>	<b>777714</b>
(b) Other Current Liabilities	14	36480	38426
(c) Provisions	13	2203	3194
		<b>837546</b>	<b>819334</b>
<b>Total Equity and Liabilities</b>	<b>Total</b>	<b>646295</b>	<b>581398</b>

Notes No. 1 to 25 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

As per our report of even date attached.

For K K Jain & Co.  
Chartered Accountants  
Firm Reg.No. 02465N

sd/-  
Umesh K. Modi  
(Chairman & President)  
DIN 00002757

sd/-  
Jayesh Modi  
(Director)  
DIN 02849637

sd/-  
Vijay K. Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496  
UDIN : 21086496AAAF58437

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
A. K. Sinha  
(Chief Financial Officer)  
PAN GMAPS2353L

sd/-  
Himani Mittal  
Company Secretary  
M.N. A37715

Place : NEW DELHI  
Date : 13th May, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2021

Rs.000'

Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>I Revenue from operations</b>	<b>16</b>	<b>220,871</b>	<b>-</b>
<b>II Other Income</b>	<b>17</b>	<b>22,094</b>	<b>58,651</b>
<b>III Total Income (I +II)</b>		<b>242,965</b>	<b>58,651</b>
<b>IV Expenses:</b>			
Cost of materials consumed	18	127,759	-
Changes in inventories of finished goods,work-in-progress and Stock-in-Trade	19	-	-
Employee benefits expense	20	16,620	17,486
Finance costs	21	2,476	96
Depreciation and amortization expense	22	29,246	32,924
Other expenses	23	23,497	16,547
<b>Total Expenses (IV)</b>		<b>199,598</b>	<b>67,053</b>
<b>V Profit / (Loss) before exceptional and tax (III - IV)</b>		<b>43,367</b>	<b>(8,402)</b>
<b>VI Exceptional Items (Income)/Expenses</b>	<b>24</b>	<b>3,753</b>	<b>(142)</b>
<b>VII Profit / (Loss) after exceptional and before tax (V - VI)</b>		<b>39,614</b>	<b>(8,260)</b>
<b>VIII Profit / (Loss) before tax</b>		<b>39,614</b>	<b>(8,260)</b>
<b>IX Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>X Profit/(Loss) for the year</b>		<b>39,614</b>	<b>(8,260)</b>
<b>XI Earning per equity share:</b>	<b>25</b>		
(1) Basic		0.44	(0.09)
(2) Diluted		0.44	(0.09)

Notes No. 1 to 25 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

As per our report of even date attached.

For K K Jain & Co.  
Chartered Accountants  
Firm Reg.No. 02465N

sd/-  
Umesh K. Modi  
(Chairman & President)  
DIN 00002757

sd/-  
Jayesh Modi  
(Director)  
DIN 02849637

sd/-  
Vijay K.Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496  
UDIN : 21086496AAAF58437

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
A. K. Sinha  
(Chief Financial Officer)  
PAN GMAPS2353L

sd/-  
Himani Mittal  
Company Secretary  
M.N. A37715

Place : NEW DELHI  
Date : 13th May, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2021

Rs.000'

Particulars	As at 31.03.2021	As at 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and extraordinary items	39,614	(8,260)
Adjustments for :		
Depreciation	29,246	32,924
Interest Expense	2,476	96
Interest Income	(73)	(423)
Fixed Assets Retired & Written Off	-	80
Debit /Credit balances writtenoff	(42)	(15,295)
Raw Material/Storess & Spares Written Off	1,329	600
Waive off of remuneration by Director (Works)	-	(864)
Remeasurements recognised in OCI (Gain)/Loss in Gratuity and Leave encashments	(1,535)	(4,154)
Unclaimed Amount Written Back	-	(3,964)
Loss on Sales of Fixed Assets	39	
Exceptional Items-(Expenses- Write Down in Value of Inventories)	5,288	9,145
	<b>36,728</b>	<b>18,145</b>
<b>Operating profit/(Loss) before working capital changes</b>	<b>76,342</b>	<b>9,885</b>
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and advance excluding TDS	(96,303)	984
(Increase)/Decrease in Inventories except Write Down in Value	328	-
Increase /(Decrease) in Trade Payable and Provisions	119,341	(425)
	<b>23,366</b>	<b>559</b>
<b>Cash (used in) / Generated from operations</b>	<b>99,708</b>	<b>10,444</b>
Income Tax/ TDS Paid/Refund	(415)	(819)
<b>Net Cash (used) in / generation from operating activities</b>	<b>99,293</b>	<b>9,625</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	5	38
Purchase of fixed assets (including CWIP)	(655)	-
Proceeds from Sales of fixed assets	105	-
	<b>(545)</b>	<b>38</b>
<b>Net Cash (used) in/flow from investing activities</b>	<b>(545)</b>	<b>38</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long/Short term borrowings		
Interest paid	(42,860)	(96)
Repayment of long /Short term borrowings	(52,094)	(13,899)
	<b>(94,954)</b>	<b>(13,995)</b>
<b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>	<b>(94,954)</b>	<b>(13,995)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>3,794</b>	<b>(4,332)</b>
Cash and Cash equivalents at beginning of period	6,042	10,374
<b>Cash and Cash equivalents at end of the period (Note No 6 &amp;7)</b>	<b>9,836</b>	<b>6,042</b>

\*Figures in bracket indicate cash outflow.

As per our report of even date attached.

For K K Jain & Co. sd/-  
Chartered Accountants Umesh K. Modi  
Firm Reg.No. 02465N (Chairman & President)  
DIN 00002757

sd/-  
Jayesh Modi  
(Director)  
DIN 02849637

sd/-  
Vijay K.Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496  
UDIN : 21086496AAAF58437

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
A. K. Sinha  
(Chief Financial Officer)  
PAN GMAPS2353L

sd/-  
Himani Mittal  
Company Secretary  
M.N. A37715

Place : NEW DELHI  
Date : 13th May, 2021

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

## NOTE : 1 PROPERTY, PLANT AND EQUIPMENT

Rs.000'

	Gross Block				Depreciation				Net Book Value	
Particulars	As at 01.04.2020	Additions	Deductions /Disposal	As at 31.03.2021	As at 01.04.2020	Additions	Deductions /Disposal	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Freehold land*	3,100	-	-	3,100	-	-	-	-	3,100	3,100
Leasehold land	38,883	-	-	38,883	9,017	443	-	9,460	29,423	29,866
Building	365,805	-	-	365,805	264,738	3,266	-	268,004	97,801	101,066
Plant and Equipment	2,546,640	-	-	2,546,640	2,243,904	25,460	-	2,269,364	277,276	302,736
Furniture & Fixtures	5,380	333	-	5,713	5,095	39	-	5,134	579	285
Vehicles **	10,710	-	2,890	7,820	10,175	-	2,746	7,429	391	536
Office Equipments	4,471	268	-	4,739	4,225	37	-	4,262	477	246
Railway siding	164,335	-	-	164,335	156,118	-	-	156,118	8,217	8,217
<b>Total</b>	<b>3,139,324</b>	<b>601</b>	<b>2,890</b>	<b>3,137,035</b>	<b>2,693,272</b>	<b>29,245</b>	<b>2,746</b>	<b>2,719,771</b>	<b>417,264</b>	<b>446,052</b>
(Previous Year)	3,140,949	-	1,625	3,139,324	2,661,893	32,924	1,545	2,693,272	446,052	

\* Free hold land includes at Rs.593 Thousands (Previous year Rs.593 Thousands) for which registration in favour of the company is pending for want of mutation from competent authorities.

\*\* Vehicles includes Rs. 981 Thousands(Previous Year Rs.981 Thousands)which are yet to be transferred in the name of the company.

## NOTE : 1A CAPITAL WORK IN PROGRESS

Particulars	As at 01.04.2020	Additions	Deductions /Disposal	As at 31.03.2021
Plant & Machinery	28,207	-	-	28,207
(Previous Year)	28,207	-	-	28,207

## NOTE : 1B INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation			Net Book Value		
	As at 01.04.2020	Additions	Deductions /Disposal	As at 31.03.2021	As at 01.04.2020	Additions	Deductions /Disposal	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
ERP-Software	1,527	54	-	1,581	1,527	1	-	1,528	53	-
(Previous Year)	1,527	-	-	1,527	1,527	-	-	1,527	-	-

**NOTE : 2 DEFERRED TAX ASSETS /LIABILITIES**

RS.000'

Particulars	As at 01.04.2020	For the Year	As at 31.03.2021
<u>Deferred Tax Assets</u>			
Unabsorbed tax depreciation	386,757	-	<b>386,757</b>
Unabsorbed Assessed Business Loss	132,495	(54,633)	<b>77,862</b>
Provision disallowed under Income Tax	6,471	(440)	<b>6,031</b>
Disallowed u/s 43B of Income Tax Act	3,581	(177)	<b>3,404</b>
<b>Total</b>	<b>529,304</b>	<b>(55,250)</b>	<b>474,054</b>
<u>Deferred Tax Liabilities</u>			
Difference between book & tax depreciation	(30,923)	(7,897)	<b>(38,820)</b>
<b>Net Deferred Tax Assets</b>	<b>560,227</b>	<b>(47,353)</b>	<b>512,874</b>

Deferred Tax Liability has been calculated in accordance with the Return of Income filed / assessment made. As required by the IND AS 12, on conservative basis the Deferred Tax Assets and Deferred Tax Liabilities have not been recognised in absence of virtual certainty supported by convincing evidence that future taxable income against deferred tax liabilities / assets will be available/realised.

**NOTE : 3 OTHERS NON -CURRENT ASSETS**

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, Considered Good unless otherwise stated		
Capital Advances	<b>863</b>	863
Advances Recoverable (refer note 5 of Ann. I (III)) (Other than related parties)	<b>21,528</b>	21,528
Security Deposit with Govt & Other Parties	<b>1,752</b>	1,752
Sales Tax / VAT recoverable (including Sales Tax/ VAT paid under protest & Entry Tax)	<b>12,487</b>	12,487
<b>Total</b>	<b>36,630</b>	36,630

**NOTE : 4 INVENTORIES**

(Valued at lower of cost or net realisable value)		
Raw Materials	-	1,330
Stores & Spares	<b>29,634</b>	35,250
<b>Total</b>	<b>29,634</b>	36,580

1. Write Down of inventories of Stores & Spares to net realisable value during the year ended 31st March 2021 to Rs. 5288 thousands (during the year ended 31st March, 2020 Rs.9145 thousands)
2. Mode of valuation has been stated in note no 3 in accounting policies Annexure -1

**NOTE : 5 TRADE RECEIVABLES**

<u>Unsecured, Considered Good unless otherwise stated :</u>		
Outstanding for more than six months	-	-
-Doubtful	<b>4,602</b>	5,476
Less:Provision for Doubtful receivables	<b>4,585</b>	4,585
	<b>17</b>	891
Outstanding for less than six months		
Unsecured, Considered Good from related party:		
<u>Unsecured, Considered Good</u>	<b>24,404</b>	4,695
<b>Total</b>	<b>24,421</b>	5,586

**NOTE : 6 CASH & CASH EQUIVALENTS**

Rs.000'

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Cash and Bank Balances</u>		
<u>Bank Balances</u>		
Balance with Scheduled Bank		
- in Current Account	4,913	1,356
Cash in hand	283	46
<b>Total</b>	<b>5,196</b>	<b>1,402</b>

**NOTE : 7 OTHER BANK BALANCES**

<u>Other Bank Balances</u>		
Fixed Deposits with maturity of more than 12 months*	4,640	4,640
<b>Total</b>	<b>4,640</b>	<b>4,640</b>

\* South Eastern Railway Rs.2639 Thousands (P.Y. Rs.2639 Thousands) and Rs.2001 Thousands (P.Y.Rs. 2,001 Thousands pledged with Sales Tax Authorities)

**NOTE : 8 OTHER FINANCIAL ASSETS**

Interest accrued on fixed deposit	1,508	1,441
<b>Total</b>	<b>1,508</b>	<b>1,441</b>

**NOTE : 9 OTHER CURRENT ASSETS**

<b>Unsecured, Considered Good unless otherwise stated :</b>		
<u>Others:</u>		
Advance recoverable in cash or in kind or for value to be received		
-Others	5,452	2,858
Advance to Related Parties	3,174	3,596
Balance with Revenue Authorities :		
-Excise Duty /Sales Tax deposited under protest	1,027	1,027
-GST Recoverable	9,495	-
- Sales Tax recoverable	8,476	8,476
- Tax deducted at source	5,318	4,903
<b>Total</b>	<b>32,942</b>	<b>20,860</b>

**NOTE : 10 EQUITY SHARE CAPITAL**

<u><b>AUTHORIZED CAPITAL</b></u>		
100,000,000 Equity share of Rs.10/- each (P.Y. 100,000,000)	1,000,000	1,000,000
	<b>1,000,000</b>	<b>1,000,000</b>
<u><b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b></u>		
90,205,403 Equity share of Rs.10/- each fully paid in cash (P.Y. 90,205,403)	902,054	902,054
Add: Forefeited Shares (amount originally paid up)	477	477
<b>Total</b>	<b>902,531</b>	<b>902,531</b>

<b>10.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity Shares of Rs 10 Each, Fully paid up</b>	<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>	
	<b>No.of shares</b>	<b>Rs.000'</b>	<b>No.of shares</b>	<b>Rs.000'</b>
At the beginning of the year	90,205,403	902,054	90,205,403	902,054
At the end of the year	90,205,403	902,054	90,205,403	902,054

**10.2 Terms / Rights attached to equity shares.**

The company has only one class of equity share having a par value of Rs.10/- per share each share holder of equity share is entitled to dividends approved by the shareholders.

In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution to creditors and all preferential amount. The distribution will be in proportion to the number of equity share held by each shareholder.

**10.3 Details of shareholders holding more than 5% Equity Shares in company.**

	As at 31.03.2021		As at 31.03.2020	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Moderate Leasing and Capital Services LTD	44,293,633	49.10	44,293,633	49.10
Bihar State Industrial Development Corpn.Ltd.	6,759,960	7.49	6,759,960	7.49

As per record of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**NOTE : 11 OTHER EQUITY**

Rs.000'

Capital Reserve:		
<b>Opening balance</b>	1,500	1,500
<b>Securities Premium Reserve</b>		
Opening balance	236,338	236,338
<b>Revaluation Reserve</b>		
Opening balance	411,317	411,317
	411,317	411,317
<b>Surplus</b>		
Loss at the beginning of the year	(2,427,263)	(2,419,003)
Loss as per Statement of Profit & Loss	39,614	(8,260)
Closing balance	(2,387,649)	(2,427,263)
<b>Total</b>	<b>(1,738,494)</b>	<b>(1,778,108)</b>

**NOTE : 12 OTHER FINANCIAL LIABILITIES**

<b>Non Current</b>		
<b>Secured:</b>		
<b>Term Loan -Foreign Currency</b>		
- Refer (a ) below	-	-
<b>Unsecured:</b>		
Loans & Advances From Related Parties		
- Body Corporates	334,486	382,785
- Directors	-	3,795
Loans & Advances from other than Related Parties		
a body corporate	219,980	219,980
<b>Total</b>	<b>554,466</b>	<b>606,560</b>
<b>Current</b>		
Current maturities of long term debts	-	-
(Refer Note 12 for nature for Securities)		
- Term Loan from Govt of Jharkhand	325,000	325,000
(under Rehabilitation Scheme 2003)		
- Interest accrued and due on borrowings	274,619	274,619
(to the extent provided for, also refer note no (f) of Note 12)		
Interest accrued and due on borrowings /acceptances	58,596	98,980
<b>Total</b>	<b>658,215</b>	<b>698,599</b>

- a) Disputed liability amounting to Rs.3,64,771 thousands (P.Y. Rs. 3,42,052 thousands) on account of currency fluctuations on Foreign currency loans obtained by the Company and interest thereon, as per BIFR scheme dated 29.07.2004 and also confirmed by AAIFR and Single Bench of Jharkhand High Court, has not been provided by the Company pending disposal of Letters Patent Appeal Jurisdiction (LPA) filed before the divisional bench of the High Court of Jharkhand, Ranchi, against the above order.
- b) The Term Loans (Rupee and Foreign Currency) from Indian and Foreign Financial Institutions and Banks are secured by first mortgage on all the Company's immovable properties, both present and future and a first charge by hypothecation of all the movable assets of the Company, save and except book debts, but including movable machinery, machinery spares, tools and accessories, both present and future, subject to the prior charges created / to be created in favour of the Company's Bankers on the Company's stocks of raw materials, semi-finished and finished goods, consumable stores, book debts and such other movables as may be agreed by the Financial Institutions and Commercial Banks for securing borrowings for working capital requirements in the ordinary course of business of the Company ranking pari-passu inter se.

- c) Working Capital Loans from Banks are secured by first charge by way of Hypothecation of all the stocks of the raw materials, semi finished and finished goods, consumable stores, spares, book debts etc. ranking pari-passu. There has been no balance of working capital loans since earlier years.
- d) Soft Loan (including interest thereon) under Jharkhand Industries Rehabilitation Scheme, 2003 from the State Government of Jharkhand are secured by:
- A mortgage of all immovable properties both present and future; and a charge by way of hypothecation in favour of the lender of all the movable, including movable machinery, machinery spares, tools and accessories, present and future, stock of raw materials, semi-finished goods, consumable stores and such other movables as may be agreed upon
  - Additionally secured by way of pledge of equity share capital of Rs.3,25,000 Thousand allotted to the private promoter (MLCSL). and Corporate guarantee by SBEC Sugar Ltd. given to Govt. of Jharkhand against such soft loan.
- The mortgage and charge referred to in (i) and (ii) mentioned above; shall be in terms of the Rehabilitation Scheme 2003 of the Government of Jharkhand Sanctioned by the BIFR and be subject and subservient to the mortgages and charges created and / or to be created in favour of the secured lenders.
- e) The amount of term loans (included foreign currency loans) of Rs.7,00,000 thousands as per BIFR scheme dated 29.04.2004 was repayable in 30 quarterly instalments of Rs.23,333 thousands each commencing from 15<sup>th</sup> July 2004 to 30<sup>th</sup> September, 2011 which has been fully repaid except the element of disputed liability on account of currency fluctuation as stated (a) above. The modification/satisfaction of the charges to this extent is still in the process of filing with ROC.
- f) As per para 8.4 of the sanctioned BIFR Scheme dated 29.07.2004, the interest on Soft loan under Rehabilitation Scheme, 2003 from Govt. of Jharkhand shall be funded over the entire rehabilitation period i.e. upto 30.09.2011. The Soft loan and the funded interest is repayable after 30.09.2011 and the defaulted amount of Principal and interest as on 31.03.2021 comes to Rs. 3,25,000 thousands and Rs. 7,57,928 thousands including unprovided interest of Rs. 4,83,309 thousands (P/Y Rs.3,25,000 thousands and Rs. 6,77,712 thousands including unprovided interest of Rs.4,03,092 thousands) respectively inclusive of unprovided interest of Rs. 4,83,309 thousands from 10<sup>th</sup> August, 2013 to 31<sup>st</sup> March, 2021 (Rs. 4,03,092 thousands upto 31.03.2020), for which the company has approached Government of Jharkhand for reschedulement proposed in the Modified Draft Rehabilitation Scheme filed before the BIFR in 2012.
- g) There has been no stipulation for repayment of unsecured loans & advances from related parties and hence no disclosure has been made.

**NOTE :13 PROVISIONS**

Rs.000'

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non- Current	Current	Non- Current
<b>Provision for Employee Benefits:</b>				
(a) Provision for Gratuity	2,055	20,490	2,963	21,226
(b) Provision for leave encasement	148	1,601	231	1,700
<b>Total</b>	<b>2,203</b>	<b>22,091</b>	<b>3,194</b>	<b>22,926</b>

**NOTE : 14 OTHERS LIABILITIES**

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non- Current	Current	Non- Current
Others				
Security Deposit from Transporters/Contractors		60,778		778
Security Deposit- Sales Tax		7,377		7,377
Advances from Customers	2,470		3,127	
Other Payables				
- Statutory Dues	1,524		1,940	
- Other Collections, pending remittance	7,867		7,867	
- Due to Employee Benefits	8,765		10,471	
- Due for expenses incurred	15,825		14,992	
- Other Deposit	29		29	
<b>Total</b>	<b>36,480</b>	<b>68,155</b>	<b>38,426</b>	<b>8,155</b>

**NOTE :15 TRADES PAYABLE**

RS.000'

Particulars	As at 31.03.2021		As at 31.03.2020	
	Current	Non- Current	Current	Non- Current
Due to units under MSME (Refer note 9 of Annexure I (III))	-	-	-	-
Others	140,648	-	79,115	-
<b>Total</b>	<b>140,648</b>	<b>-</b>	<b>79,115</b>	<b>-</b>

**NOTE : 16 REVENUE FROM OPERATIONS**

Rs.000'

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Sales</u>		
Gross Sales	260,612	-
Less: GST	39,741	-
<b>Total</b>	<b>220,871</b>	<b>-</b>

**NOTE : 17 OTHER INCOME**

Interest on Fixed Deposits & Others*	73	423
Other non-operating income		
a. Sales of Waste and Scrap (Net of Excise duty)	7,555	11,125
b. Rent recovery from Others*	1,808	1,808
c. Misc. Income*	116	-
d. User Facility Charges recovery from Others*	12,500	30,000
e. Debit/Credit balance written off (net)	42	15,295
<b>Total</b>	<b>22,094</b>	<b>58,651</b>

\*Includes Tax Deducted at source Rs. 329 Thousands (Previous year Rs. 819 Thousands)

**Note : 18 PURCHASES**

Trading Goods	127,759	-
<b>Total</b>	<b>127,759</b>	<b>-</b>

**NOTE : 19 CHANGES IN INVENTORIES OF FINISHED GOODS**

Opening Stock		
Finished Goods	-	-
Closing Stock		
Finished Goods	-	-
Net changes		
Finished Goods	-	-
Net Decrease*	-	-

**NOTE : 20 EMPLOYEE BENEFITS EXPENSE**

Salaries,Wages and Allowances	12,268	12,882
Gratuity	2,637	2,935
Leave Encashment	217	253
Contribution to Provident Fund	1,014	1,076
Inspection charges Provident Fund	82	80
Staff Welfare Expenses	402	260
<b>Total</b>	<b>16,620</b>	<b>17,486</b>

**NOTE : 21 FINANCE COST**

RS.000'

Particulars	As at 31.03.2021	As at 31.03.2020
Interest :		
a) On long term borrowings	-	-
b) Interest and Penalty :		
- Service Tax/GST/I. Tax /PF/Tax Deducted at sources	2,136	84
c) Other Interest (Security Deposit & Others)	337	-
Bank & Other Charges	3	12
<b>Total</b>	<b>2,476</b>	<b>96</b>

**NOTE : 22 DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation & Amortization	29,246	32,924
(Including on revaluation reserve Rs.10269 thousands (PY 13043 thousands))		
<b>Total</b>	<b>29,246</b>	<b>32,924</b>

**NOTE : 23 OTHER EXPENSES**

Power & Fuel	2,706	2,148
Stores & Spares Consumed	130	-
Repair & Maintenance:		
Railway Siding	3,237	502
Plant & Machinery	2,324	1,179
Building	39	-
Others	371	510
Rent	1,678	1,904
Rates & Taxes	478	251
Insurance	13	45
Director's Sitting Fee	41	77
Printing & Stationery	198	632
Telephone, Telex and Postage	1,198	1,824
Vehicle Running & Maint.	279	311
Travelling & Conveyance	784	550
Legal & Professional	2,764	1,224
Auditor's Remuneration		
- As Audit Fee	160	160
- As Tax Audit	35	35
-Certification and Company Law	80	105
Repair & Maintenance	3,400	460
Social Development Expenses	330	423
Freight & Forwarding Charges	136	-
Miscellaneous Expenses	1,675	1,684
Damages against Court Order	-	1,564
Raw Material /Stores & Spares Written Off	1,329	600
Fixed Assets Retired & Written Off	-	80
Loss on Sales of Fixed Assets	39	-
Prior Period Items (net)*	13	127
Advertisement and Sales Promotion	60	152
<b>Total</b>	<b>23,497</b>	<b>16,547</b>

\* The details of prior period items(net) are as under:

Expenditure:		
Social Development Expenses		107
Legal & Professional	67	-
Local Conveyance	(56)	-
Advertisement	2	8
Insurance		11
Service Charges to Shares	-	-
<b>TOTAL</b>	<b>13</b>	<b>127</b>

**NOTE : 24 EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)**

Rs.000'

Particulars	As at 31.03.2021	As at 31.03.2020
Waive off of remuneration by Director (Works)	-	864
Reversal of excess provisions	-	305
Remeasurements of the Leave encashments	45	347
Unclaimed Amount Wretten Back	-	3,964
Remeasurements recognised in OCI (Gain)/Loss in Gratuity	1,490	3,807
Write Down of inventoris in Raw Materials and Stores & Spares to net realisable value	(5,288)	(9,145)
<b>Total</b>	<b>(3,753)</b>	<b>142</b>

**NOTE : 25 EARNING PER SHARE (EPS)**

EPS has been computed in accordance with Accounting Standard AS-20 :		
Profit /(Loss) after tax for the year	39,614	(8,260)
Weighted Average number of equity shares of Rs.10/- each fully paid up	90,205,403	90,205,403
Basic & Diluted Earnings per share	0.44	(0.09)

**ANNEXURE 1: ACCOUNTING POLICIES & GENERAL NOTES FORMING PART OF THE FINANCIAL INFORMATION****I. Corporate Information**

1. Bihar Sponge Iron Ltd (referred to as 'BSIL' "the company" established in the year 1982 and having its registered office at Umesh Nagar, Chandil, District, Saraikela – Kharsawan, Jharkhand – 832401 is engaged in manufacture, producing, purchase, export, sale and dealing of pre-reduced form of Iron such as sponge iron.

**II. Significant Accounting Policies****1. Basis of preparation of financial information**

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

**2. Use of Estimates**

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialised.

**3. Inventories**

- a) Stocks of raw materials and stores and spares and consumables are valued at lower of weighted average cost or net realisable value. The cost being exclusive of cenvatable GST, if any.
- b) The material in transit is valued at invoice cost.
- c) Closing stock of finished goods is valued at lower of cost or estimated net realisable value. For this purpose, cost includes depreciation and direct expenses to the point of stocking but excludes interest, administrative and selling expenses.
- d) Work-in-progress is carried at the lower of cost or net realisable value; for this purpose cost does not include GST.

**4. Fixed Assets:**

- a) Fixed Assets are stated at cost or revalued cost, less accumulated depreciation/amortization. Costs include taxes duties (net of GST), cost of stores materials issued and expenditure incurred during construction and installation where applicable. Indirect expenses are not capitalised alongwith the fixed assets.
- b) All assets are reviewed for impairment as per Ind AS 109; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss, if any, is charged to statement of Profit and Loss in the year in which the assets are identified as impaired.

**5. Expenditure during Construction:**

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized.

In respect of substantial expansion of business, at existing locations, only direct costs are capitalized together with interest on the funds relatable to them up to the date of commercial production.

**6. Depreciation / Amortization**

- a) Depreciation on Tangible fixed assets other than land is charged on straight line method so as to write off the cost/carrying amount of assets (including revalued amount) as on 1-04-2014 over the useful life of assets as per Schedule II of the Companies Act, 2013. For assets acquired or sold during the year, the depreciation is calculated on pro-rata basis from the date of addition or upto the date of sale or discarded.
- b) Lease hold land is depreciated over the lease period.
- c) Intangible assets are being amortised over their useful life / license period.

**7. Foreign Currency Translation:**

- a) Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.
- b) Foreign Currency Loans and other Liabilities are stated at the exchange rate prevailing as on the date of the balance sheet.
- c) Exchange variation arising as a result of the translation of foreign currency loans are Capitalized / de-capitalized to related plant & machinery / assets.
- d) Exchange variations arising as a result of translation of interest on foreign currency loans accrued but not due are treated as income or expense.

**8. Revenue Recognition:**

- a) Sales are accounted for based on despatch of finished goods to the customers from various stocking points, and includes GST and is net of trade discounts.
- b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest on tax refund is accounted for on receipt basis.
- c) Other miscellaneous revenues are recognized when the amount and the collectability are certain. Accordingly insurance claims are accounted for on settlement.

**9. Miscellaneous Expenditure**

Primarily expenditure /Deferred revenue expenditure are amortised over a period of six years starting from the year subsequent to its incurrence.

- 10 Raw Material consumption is accounted for after ascertaining the year end closing stock of the raw materials by an independent Surveyor from the total of the opening stocks and purchases.
- 11. Salaries and wages on repairs and maintenance of plant & machinery, where carried out internally, are charged to salaries and wages account.
- 12. **Borrowing cost**

Borrowing cost attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period to which they relate.

**13. Employee Benefits**

Employee benefits have been recognized in accordance with Accounting Standard 15 (Revised) issued by the ICAI accordingly:-

**(a) Short Term Employee Benefits**

Short Term employee benefits are recognized in the period during which the services have been rendered.

**(b) Long Term Employee Benefits****(i) Defined Contribution Plan****Provident Fund**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both Employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary. Contribution to Provident Fund are administered and managed by a separate fund and current contributions to Provident Fund are transferred to Provident Fund authorities. Contributions to Provident Fund are expensed in the Profit and Loss account.

**(ii) Defined Benefits plan****(a) Leave encashment**

The liability on account of un-availed earned leave at the year end is fully provided for on actuarial valuation basis.

**(b) Gratuity**

The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering all eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, deaths incapacitation or termination of employment. Liabilities with regards to the Gratuity Plan are determined by actuarial valuation as of balance sheet date and are expensed in the Statement of Profit and Loss

**(iii) The actuarial valuation takes note of actuarial gains and losses.**

**14. Provisions Contingent Liabilities**

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims, not acknowledged as debt, are disclosed by way of a note. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**15. Cash and Cash Equivalent**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

**16. Earning Per Share**

The earnings considered in accounting the Company's Earning Per Share (EPS) comprise the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.

**17. Taxation**

- a) Provision for current tax is made on the basis of applicable Income Tax Act, 1961.
- b) Deferred tax assets and liabilities are accounted for in accordance with Ind AS-12.

**18. Leases**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as Operating Leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of Profit and Loss.

**19. Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

**II: Notes Related to Accounting Standards**

[ALL AMOUNTS ARE IN Rs.000']

**I EMPLOYEE BENEFITS**

The disclosure of 'Employee Benefits' as defined in IND AS-19 are as under

**a. Expenses recognised in the statement of Profit & Loss**

	CURRENT YEAR		PREVIOUS YEAR	
i) Defined Contribution Plan				
Employer's Contribution to Provident Fund		1014		1076
(Refer Note No. 20)				
ii) Defined Benefits Plans				
	GRATUITY		LEAVE ENCASHMENT	
	UNFUNDED		UNFUNDED	
	31.03.21	31.03.20	31.03.21	31.03.20
Current service cost	1,017	1,055	87	91
Interest cost	1,620	1,880	129	162
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	-	-
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	(1,490)	(3,807)	(45)	(347)
Expenses recognized in the statement of Profit & Loss	1,148	(872)	171	(94)

(a) Assumptions used to determine the benefit obligations:

	GRATUITY		LEAVE ENCASHMENT	
	31.03.21	31.03.20	31.03.21	31.03.20
Discount Rate	6.86%	6.70%	6.86%	6.70%
Expected Rate of increase in Compensation Levels	2.50%	2.50%	2.50%	2.50%
Expected Rate of Return on Plan Assets		NOT APPLICABLE		
Expected Average remaining working lives of employees (years)	10.66	11.29	10.66	11.29

(b) Reconciliation of Opening and Closing balances of benefit obligations:

	GRATUITY		LEAVE ENCASHMENT	
	31.03.21	31.03.20	31.03.21	31.03.20
Benefit obligation at beginning of the year	24,189	28,056	1,930	2,419
Current service cost	1,017	1,055	87	91
Interest Cost	1,620	1,880	129	162
Benefits paid	(2,791)	(2,995)	(352)	(395)
Curtailment and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
"Re-measurements Recognized in OCI (gain)/ loss"	(1,490)	(3,807)	-	-
Actuarial (gain)/ loss	-	-	(45)	(347)
Projected benefit obligation at end of the year	(22,545)	(24,189)	(1,749)	(1,930)
Benefit obligation at close of the year	(22,545)	(24,189)	(1,749)	(1,930)

(c) There is no plan asset at the beginning and at the closing of the year

## 2 SEGMENT REPORTING

The Management has identified two reportable Business Segments for the current year namely:

Trading of packaging goods and Sponge Iron.

Segment Information (Primary Segments) for the current year:

PARTICULARS	TRADING	SPONGE IRON	TOTAL
<b>REVENUE:</b>			
Sales/Service	260,612	-	260,612
Less- GST	39,741	-	39,741
<b>Net Sales</b>	<b>220,871</b>	<b>-</b>	<b>220,871</b>
Other Income		22,094.00	22,094
Total Sales/ Other Income	220,871	22,094.00	242,965
<b>Segment Result</b>			
<b>Profit/ (Loss) Before Tax</b>	<b>93,112</b>	<b>(53,498)</b>	<b>39,614</b>
Less:			
Provision for Tax/ Earlier Tax	-	-	-
<b>Profit/ (Loss) After Tax</b>	<b>93,112</b>	<b>(53,498)</b>	<b>39,614</b>

OTHER INFORMATION:

PARTICULARS	TRADING	SPONGE IRON	TOTAL
<b>Segment Assets</b>	<b>24,380</b>	<b>610,449</b>	<b>634,829</b>
FD with Bank & Interest Accrued	-	6,148	6,148
<b>TOTAL ASSETS</b>	<b>24,380</b>	<b>615,597</b>	<b>640,997</b>
Segment Liabilities	14,922	1,467,337	1,482,259
<b>TOTAL LIABILITIES</b>	<b>14,922</b>	<b>1,467,337</b>	<b>1,482,259</b>

### 3. Related Party Transactions

The transactions with related parties as per the Indian Accounting Standard 112 issued by ICAI and in terms of the provision of Section 2 (76) of the Companies Act, 2013 to the extent applicable are given below:

- (a) By virtue of control
- Moderate Leasing & Capital Services Ltd.
  - Shri U K Modi Chairman and Director by virtue of article 100 of Articles of Association.  
Mrs. Kum Kum Modi, Director, Shri Abhishek Modi, Director and Shri Jayesh Modi, Director are related to Shri U.K. Modi, Chairman & Director.
- (b) Key Management Personnel
- Shri Raj Kumar Sharma – Senior General Manager w.e.f. 28.07.2020
  - Mrs. Himani Mittal – Company Secretary
  - Shri Anil Kumar Sinha – Manager Accounts and Chief Financial Officer
- (c) There has been no Subsidiaries / Associates Company.
- (d) Enterprises over which (a) above have significant influence and with whom transactions have taken place.
- SBEC Sugar Limited
  - SBEC Bio- Energy Limited
  - Modi Motors Private Limited
  - Longwell Investment Private Limited
  - A to Z Holding Private Limited
  - G.S. Pharmbutors Private Limited
  - Modi Line Travel Services Private Limited
  - Modi Industries Limited
  - Modi Mundipharma Private Limited
  - Modi Hitech India Limited
  - Jayesh Tradex Private Limited
  - Modi Illava Private Limited
  - Win Medicare Private Limited
  - Modi Mundipharma Beauty Products Private Limited

Transactions with related Parties (As identified by the Management)

NATURE OF TRANSACTION	BY VIRTUE OF CONTROL		ENTPRISE WHERE INFLUENCE EXIST		KEY MANAGERIAL PERSONNEL	
	31-03-21	31-03-20	31-03-21	31-03-20	31-03-21	31-03-20
Sale of Goods(incl. GST)	-	-	260,612	-	-	-
Purchase of Goods(incl. GST)	-	-	144,787	-	-	-
Rent Recovered (incl. GST)	-	-	2,133	2,133	-	-
Facility User Charges Recovered (incl. GST)	-	-	14,750	35,400	-	-
Misc Exp. Recovered	-	-	-	8	-	-
Misc. Exp.Paid(incl. GST)	-	-	77,816	1,207	-	-
Exceptional Item *	-	-	-	-	-	864
Loan taken	-	-	-	-	-	-
Loan repaid	-	3,899	48,300	10,000	-	-
Interest repaid	12,835	-	29,686	-	-	-
Remuneration to KMP						
-General Manager	-	-	-	-	962	-
Director Works*	-	-	-	-	-	875
-Company Secretary up to 30.04.2019	-	-	-	-	-	25
-Company Secretary	-	-	-	-	515	381
-Chief Finance Officer	-	-	-	-	553	548
Director	-	-	-	-	-	-
-Sitting Fee to Non-Exec. Directors	-	-	-	-	41	77
<b>Outstanding balances as on</b>	<b>31-03-21</b>	<b>31-03-20</b>	<b>31-03-21</b>	<b>31-03-20</b>	<b>31-03-21</b>	<b>31-03-20</b>
- Receivable	-	-	3,173	3,596	-	-
-Trade Receivables	-	-	24,380	4,695	-	-
- Payable	-	-	52,136	7,015	-	-
- Unsecured Loan	334,486	334,486	219,980	268,280	-	3,795
-Intt on unsecured loan	19,759	32,594	29,351	59,037	-	-

\* Represent amount of remuneration waived by the Director-Works.

#### 4. Leases

The company's leasing arrangements are in respect of premises (for office and accommodation of company's officer). These arrangements are both cancelable and non-cancelable in nature and ranging between one to three years as at 31st March, 2021.

Disclosure related to operating lease as lessee and lessor as per the Indian Accounting Standard-17 are as under:

S.NO.	PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
A.	Total of future minimum lease payments under non-cancelable operating leases for each of the following period		
	-Not less than one year	1,904	1,904
	-Later than one year and not later than five years	3,808	3,808
	-Later than five years	Nil	Nil
B.	Lease rent recognised as expense in P & L A/c	1,678	1,904
C.	Total of future minimum lease payment expected to be received under the non-cancelable sublease at the balance sheet date	1,808	1,808
D.	Lease payment received & recognised in the statement of Profit & Loss Account	1,808	1,808

#### III: OTHER NOTES REQUIRED BY PART I & PART II OF SCHEDULE III

##### 1. Contingent Liabilities:

Claims not acknowledged as debts are as under: -

Particular	As at 31.03.21	As at 31.03.20
(i) (a) JVAT demand for FY 2010-11 for the assessed tax and penalty vide demand notice No.18872 dt.28.03.2014 (order dt.12.03.2014) raised by the Dy. Commissioner of Commercial Taxes, Adityapur, JSR (net of amount paid Rs.13489 thousands). The Company has filed appeal before the Commissioner of Commercial Taxes Jharkhand Ranchi on 29.05.2015 (Misc. Provision u/s 80(4) of JVAT Act.	8,140	8,140
(b) CST Demand for FY 2010-11 for assessed tax and penalty vide demand notice dt.28.03.2014 (vide order dt.12.03.2014) raised by the Dy. Commissioner of Commercial Taxes, Adityapur, JSR (net of amount paid Rs.3055 thousands). The Company has filed appeal before the Commissioner of Commercial Taxes, Jharkhand Ranchi (Misc. Provision u/s 80(4) of JVAT Act dt.29.05.2015.)	3,096	3,096
(c) Demand for electricity duty charges raised by the Dy. Commissioner / Asstt. Commissioner under Electricity Duty Rules (Rule 14) vide Order No.18431 dt.18.03.2014 for Rs.1271 thousands (F.Y. 2012-13) for Rs.1011 thousands (F.Y. 2011-12), the Company is seeking details for examining the merits of demand in order to consider filing of appeal with the appellant authority.	2,281	2,281
(ii) Demand for water charges and interest thereon disputed under Writ petition before Jharkhand High Court, Ranchi.	2,21,898	2,13,191
(iii) Railway Authorities has imposed penalty on the Company earlier which was dismissed by the Jharkhand High Court, Ranchi. Railway Authority has now filed a petition before Supreme Court, Delhi.	5,600	5,600
(iv) (a) Disputed liability on account of currency fluctuation on foreign currency loans and interest thereon, pending before the Hon'ble High Court, Jharkhand, Ranchi.	3,64,771	3,42,052
(b) Liability on account of currency fluctuation on upfront payment of foreign currency loan and additional 2% interest rate in lieu of guarantee of Govt. of Jharkhand. The matter is pending under SLP before the Hon'ble Supreme Court, Delhi.	49,260	46,763
(v) Disputed Income Tax Demand for short deduction/collection of tax at source based on the NSDL Report by DCIT, JSR U/s 156 raised for the Assessment Year 2004-05 & 2005-06 was under appeal before CIT (Appeal). -CIT (Appeal) vide Order dt.28.03.2016 has dismissed the appeal filed by the Company. -The Company had filled appeal before the ITAT, Patna against above order.	5,595	5,595
(vi) Liability for price difference / other claims net of counter claims, if any, arising on account of procurement of raw materials under a contract (since terminated) pending before an Arbitrator / High Court.	Not ascertained	Not ascertained
(vii) Disputed penalty recovered by SECL in FY 2011-12 for short lifting of Coal quantity as per Linkage. The matter is pending under Writ Petition filed by the Company before the Hon'ble High Court of Chattisgarh, Bilaspur.	21,528	21,528
(viii) Excise Duty (including Education Cess and SHE) demand of Rs.2353 thousands with interest and penalty of Rs.2353 thousands raised by Asstt. Commissioner, Central Excise, Div IV JSR vide order dt. 29-12-2016 for availing irregular claim of Cenvat in ER-6 in Dec 2014 on Supplementary invoices and on ineligible documents as per Rule 4(1), 9(1) and 9(2) of Cenvat Credit Rules. The matter is before CESTAT Kolkata against order of CE (Appeal) dt. 17-12-2018	4,706	4,706
(ix) Excise Duty (including Education Cess & SHE) demand of Rs. 6499 thousands raised by Addl Commissioner, Central Excise, Jamshedpur vide order No. 71/ADC/2017 dt. 22-03-2017 on dutiable sale of scrap and waste during the FY 2006-07, 2007-08 & 2008-09. The matter is under Appeal Before the Commissioner of Central Excise (Appeals), Ranchi (filed on 22-05-2017). Amount deposited on appeal Rs. 487 thousands (on 18-05-2017)	6,499	6,499
(x) Liability on account of Bank Guarantees issued to CIL, SE Railway & Sales Tax Authorities.	4,026	4,026
(xi) Claims against the Company not acknowledged as debts pertaining to services rendered under contracts between the Company and a Party under the Civil Court, Saraikela, Jharkhand (net of provision of 210.95 thousands).	7,923	7,923

**2. COMMITMENTS:****2.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (P.Y. Nil)

**2.2 Other Commitments: Rs. Nil (P.Y. Nil)****3. Rehabilitation Scheme:**

(I) The company was declared a Sick Industrial Company within the meaning of clause (0) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 by the Hon'ble BIFR vide its order dated 19.12.1996. The Hon'ble BIFR vide its order dated 29th July, 2004 had sanctioned the Rehabilitation Scheme. The total payment of Rs. 1350000 Thousands envisaged as per the scheme had been duly made.

(II) In the review hearing held on 3rd September, 2007 & 22nd September, 2010, the BIFR, by exercising powers under Section 18 (5) and 18 (9) of the SICA, clarified / directed that the Company shall make payment of the due installments to its foreign lenders in 'Euro' as per the amount reflected in Euro in the statement annexed to the sanctioned scheme along with the applicable interest i.e. LIBOR plus 1% per annum (LIBOR + 3% in case of delay/ default in payment of installments).

The Company had filed appeal before the Appellate Tribunal for Industrial and Financial Reconstruction (AAIFR) challenging the above said order. AAIFR vide its order dated 23-12-2011 had dismissed the appeal. The above order of AAIFR was challenged by the Company by filing Writ Petition in Jharkhand High Court on 06.02.2012. In the hearing held on 22nd February, 2012, the Appeal was dismissed.

The Company has not recognized Rs.3,64,771 Thousands as on 31-03-2021 (Rs. 3,42,052 Thousands as on 31-03-2020) being the liability on account of foreign currency fluctuation in Euro on foreign currency loans installments and interest thereon as per the BIFR Scheme. The Company has filed a Letters Patent Appellate Jurisdiction (LPA) on 27th July, 2012 before the higher bench in the High Court of Jharkhand, Ranchi against the order of the Single Judge which is still pending. It is pertinent to note that IFC (Washington) had filed application for withdrawal in C.A. No. 4075 of 2016 on 27.07.2018. In view of the same interest has not been provided in the books of accounts.

(III) Consequent upon repealing of SICA w.e.f. 01-12-2016, the proceedings pending before BIFR/ AAIFR have come to an end.

(IV) Central Coalfields Ltd had stopped supply of linkage coal to the Company as per Fuel Supply Agreements w.e.f. 5th February 2013. Due to non-supply of Coal by CCL, the operations of the company had been shut down and operations were suspended w.e.f. 9th August 2013.

(V) With the revival of the steel industry, considering the substantial accumulated losses, full erosion of working capital and the liabilities including long term borrowings having matured fully along with interest having fallen due, the company has initiated requisite steps for making the plant ready for operation. With a view to generate revenue and make the plant operational, the company has, on 30-12-2020 entered in to a Facility User Agreement with a company for usage right for operation of manufacturing facilities of the Company at Chandil, including railway siding. In terms of the Facility User Agreement, the company is required to make the plant ready for operations. Since the plant lying closed since 2013, it requires complete overhauling and the cost of the same is expected to be Rs. 4200 lacs (inclusive of GST) to be incurred during financial year 2020-21 and 2021-22. Since the financial position of the company is very precarious, the company has entered in to agreement with third party for repair of plant and machinery including railway siding. The management believes that the company shall gradually start earning surplus and losses incurred in past will get wiped out in due course and there after the company will be able to operate in normal course of its business. The financial statements, as such have been prepared on going concern basis on the strength of management's plan of revival including restructuring of liabilities, providing the adequate finance for the operations and reorganization of business of the company.

4. The demand of water charges Rs.221898 thousands inclusive of interest on arrear of water bills as on 31.03.2021 (net provision made by company) (P.Y. Rs.213191 thousands as on 31.3.2020) raised by Chief Engineer, Subarnarekha Multipurpose Project, Chandil had been disputed by the company under a Writ Petition with Jharkhand High Court, Ranchi. Hon'ble High Court had remanded the matter back to the Chief Engineer, Chandil Complex, Jamshedpur for passing a speaking order. However a recovery certificate, has been issued by the Executive Engineer, Chandil for recovery of Rs.235767 thousands, which is being challenged by the Company. The company based on its own estimate of liability, has made total provision for Rs. 13869 thousands up to 31st March, 2021 (Rs.13869 thousands as on 31.3.2020).

5. South Eastern Coalfield Ltd. has imposed and recovered a penalty by encashment the bank guarantee of Rs.21528 Thousands in 2011-12 on account of short lifting of coal quantity in terms of Fuel Supply Agreement (FSA) dated 02.05.2008. The Company has taken up the matter with Coal India Limited/ South Eastern Coalfield Ltd. for refund of the said amount for settlement of dispute under clause 15.3 of the FSA. No provision has been made for penalty recovered since the matter is pending under writ petition filed by the Company before the Hon'ble High Court of Chattisgarh, Bilaspur.

**6. Shut down of Plant and suspension of operations.**

(i) Central Coalfields Ltd had stopped supply of linkage coal as per Fuel Supply Agreements to the Company w.e.f. 5th February 2013. Due to non-supply of Coal by CCL, the operations of the company had been shutdown and operation suspended w.e.f. 9th August 2013.

In view of the above, provision for the undernoted items of expense have not been made in the accounts for the period from 10th August, 2013 to 31st March, 2021 since the same would be considered on resumption of operations of the plant:

(a) Interest on Unsecured Loans of Rs. 554465 thousands (P.Y. Rs. 606560 thousands) taken from Promoters and other Parties are not provided;

(b) Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 483309 Thousands (Rs. 403092 thousands upto March 31, 2020) which is subject to representations for waiver.

(ii) **Inventories**

No physical verification of inventories of Stores & Spare Parts have been conducted during the financial year, since the Plant is under shut down & suspension of production w.e.f. 09.08.2013, as such no adjustment for discrepancies, if any, between the book records and the physical verification have been made in the accounts.

The valuation of stores and spare parts inventories have been done based on the cost carried in the books of accounts in absence of any items purchase during the year instead of on the basis of lower of cost or net realizable value as contemplated in IND AS-2, however write down in the value of Stores & Spares parts have been made @20% for obsolescence amounting to Rs. 5288 thousands.

(iii) **Fixed Assets & Impairments of Assets**

(a) No physical verification of Tangible Assets have been carried out during the year or at the end of the financial Year 2020-21 in view of the shutdown accordingly neither the discrepancies between the physical stock and book balance, if any, ascertained nor carried out in the books of account as at the end of the financial year. However, in the opinion of management, this would not have material effects on the financial statements.

(b) The impact of impairment between the carrying value of tangible assets including suspended capital work in progress and achievement of future projections based on reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the remaining useful life of tangible assets as contemplated under IND AS-36 have neither been ascertained at the end of the financial year 31.03.2021 nor any provision for impairment has been made in the accounts since company has started the process of maintenance of plant and machinery and is in the process of resumption of operations in F.Y. 2020-21.

7. Related Party Transactions (RPT) in respect of renting of the office of the Company is Rs.2133 thousands (P.Y. 2133 thousands including service tax) and the availing or rendering of services including sale and purchase of goods amounting to Rs.420149 thousands (P.Y. 35408 thousands) as covered under section 188 (1) (c) and (d) respectively and Rules made thereunder and is within the overall limits of Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014.

8. **Outstanding dues to Micro, Small and Medium Enterprises:**

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to extent such parties have been identified by the Company on the basis of information and record available with them.

Accordingly, the disclosure in respect of the amounts payable to such enterprises as 31st March, 2021 is Rs.Nil (Previous year Rs. Nil).

9. (a) Income Tax assessment of the Company for the Asstt. Year 2012-13 has been completed under Section 143 (3) of the Act vide order dt.24.03.2015 by the Asstt. Commissioner of Income Tax, JSR. The Assessing Officer disallowed certain expenditure and the Returned loss of Rs.202230 Thousands on the ground that the company has not furnished the required information, documents, books of accounts and records in spite of questionnaire & the various reminders / show cause notice given / issued to the assessee. Since the plant was under shut down and laborers did not allow the entry to staff / officer in the factory premises and hence the information / documents / original papers were produced to the extent possible. On being aggrieved with the said order, the Company has filed an appeal before the CIT (Appeal-3), Patna on 27.04.2015.

- (b) ACIT, Central Circle JSR vide Asstt. Order u/s 143(3) dt. 31.03.2016 for the AY 2013-14 has passed the order by reducing the returned loss from Rs.24, 2429 thousands to Rs.174015 thousands by disallowing the cost of Raw material consumption of Rs.68414 lakhs due to excess consumption as compared to average of Rs.5.2% of the sales value and issued notice of demand u/s 156 of the Act for levy of Penalty u/s 271(1) (c).

Aggrieved by the said order, the Company filed appeal u/s 246 A of the Income Tax Act before the Commissioner of Income Tax (Appeals)-3, Patna on 2.5.2016 for drop of disallowance and dismissal of Penalty proceedings.

- (c) ACIT, Central Circle JSR vide Asstt. Order U/S 143(3) dt 30-09-2016 for the AY 2014-15 has reduced the returned loss from Rs.122069 thousand to Rs.56,208 thousands by disallowing the cost of raw material Rs.1454 thousands, personnel cost Rs.36,994 thousands and depreciation of Rs.14319 thousand and issued notice of demand u/s 156 of the Act for levy of penalty u/s 271(1)(c) of the Act.

Aggrieved by the said order, the company has filed appeal u/s 246A of the Act before the Commissioner of Income Tax, (Appeal) Patna on 05-11-2016 for drop of disallowances and penalty proceedings.

- (d) As per Assessment Year 2017-18 Income Tax portal, a demand of Rs.2,062 thousands is outstanding. The Company has filed an application U/s 154 for the rectification of mistake.

- (e) For Assessment Year 2018-19, assessment order has been passed/s 143(3) accepting the return of income filed by the Company and income has been determined at NIL.

However, in the computation of income Rs.73 Thousands has been charged as Interest for Deferment of Advance Tax. Since the company is not liable to pay any tax for the said assessment year, no advance tax was payable and therefore, the said interest is not payable.

The Company needs to file application U/s 154 of the Income Tax Act, 1961 for rectification of mistake apparent on record.

Even as per assessment order a refund, including interest, of Rs.1760 thousands is due and has not been received till date.

- (f) Assessment Year 2013-14 & 2014-15

Income Tax Department has filed criminal proceedings against the company and Mr. R. K. Sharma for delay in deposit of Tax Deducted at source in the courts at Ranchi.

The Company has also filed an application for compounding of the offence before the Principal Commissioner at Patna.

10. Credit/Debit balances of the Creditors, Lenders, Debtors and Advances as well as Bank Balances in some cases are subject to reconciliation/confirmation at the year end on 31.03.2021 & in earlier years.

11. In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

## 12. Note Related to Indian Accounting Standards

### (A) Statement of Changes in Equity

Particulars	Previous 01.04.2019	Effect of Changes in Share Capital	IND As 31.03.2020	Effect of Changes in Share Capital	IND As 31.03.2021
Opening Balance	902,531	-	902,531	-	902,531
Closing Balance	902,531	-	902,531	-	902,531

### (B) Statement of changes in Other Equity

Particulars	Capital Reserve	Share Premium Reserve	Revaluation Reserve	Retained Earning	Total
Opening Balance as on 01.04.2019	1,500	236,338	411,317	(2,419,003)	(1,769,848)
Add: Addition During the year					
-Loss for the year				(8,260)	(8,260)
Closing Balance as on 31.03.2020	1,500	236,338	411,317	(2,427,263)	(1,778,108)
Opening Balance as on 01.04.2020	1,500	236,338	411,317	(2,427,263)	(1,778,108)
Add : Addition During the year					
Profit for the year	-	-	-	39,614	39,614
Closing Balance as on 31.03.2021	1,500	236,338	411,317	2,387,649	1,738,494

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
13. VALUE OF IMPORTS CALCULATED ON CIF BASIS		Nil		Nil
14. EXPENDITURE IN FOREIGN CURRENCY		Nil		Nil
15. EARNING IN FOREIGN CURRENCY		Nil		Nil
16. VALUE OF IMPORTED AND INDIGENOURS RAW MATERIALS AND COMPONENTS CONSUMED AND PERCENTAGE OF TOTAL CONSUMPTION				
	CURRENT YEAR		PREVIOUS YEAR	
	VALUE	%	VALUE	%
Indigenous	Nil	Nil	Nil	Nil
Imported	Nil	Nil	Nil	Nil

17. Previous year figures have been recast / restated.

Notes 1 to 25 and Annexure – I containing Accounting Policies and General Notes form part of the Financial Statements

#### Notes No. 1 to 25 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

As per our report of even date attached.

For K K Jain & Co.  
Chartered Accountants  
Firm Reg.No. 02465N

sd/-  
Umesh K. Modi  
(Chairman & President)  
DIN 00002757

sd/-  
Jayesh Modi  
(Director)  
DIN 02849637

sd/-  
Vijay K.Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496  
UDIN : 21086496AAAF58437

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
A. K. Sinha  
(Chief Financial Officer)  
PAN GMAPS2353L

sd/-  
Himani Mittal  
Company Secretary  
M.N. A37715

Place : NEW DELHI  
Date : 13th May, 2021

# BIHAR SPONGE IRON LTD.

CIN: L27106JH1982PLC001633

Registered Office: Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand-832401

Ph.: +91-6591-232410/17, E-mail: [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in),

Web: <http://www.bsil.org.in>

## NOTICE

NOTICE is hereby given that the 39th ANNUAL GENERAL MEETING of the members of Bihar Sponge Iron Limited will be held on Wednesday the 15<sup>th</sup> September, 2021 at 04.00 P.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2021, the Report of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Smt. KumKum Modi (DIN- 00522904), who retires from office by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

3. **Appointment of Shri Vijay Kumar Modi (Din-00004606) as an Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force and Regulations 17, 25 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Shri Vijay Kumar Modi (DIN: 00004606), who was appointed as an Additional Non-Executive Independent Director on the Board of the Company w.e.f. 28th December, 2020 and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office upto the date of next Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director on the Board of the Company, for a term of five (5) consecutive years, commencing with effect from 28th December, 2020 upto 27th December, 2025, and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of SEBI ( Listing obligations and Disclosure Requirements) Amendment Regulations, 2018, Shri Vijay Kumar Modi on attaining the age of 75 years, during the above term of appointment, the continuation of such appointment as an Independent Director of the Company for five consecutive years on the same terms & Conditions even after attaining the age of 75 years, will be considered as requisite approval from Shareholder as required in the Amendment Regulations, 2018.

**RESOLVED FURTHER THAT** all the Directors of the Company and/ or Company Secretary of the Company be and are hereby jointly and/or severally authorized to do all acts, deeds and things which are necessary to give effect to the appointment of aforesaid person".

4. **Re-appointment of Shri Rohit Garg (DIN: 03296571) as an Independent Director for a Second term of five consecutive years.**

To consider and, if thought fit, to pass the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Rohit Garg (DIN:03296571), who was appointed as an Independent Director of the Company for a term of five years up to 13th November, 2021 by the members at the 35th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 14th November, 2021 to 13th November, 2026, and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** all the Directors and/or Company Secretary of the Company, be and are hereby jointly and/or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. **Re-Appointment of Mr. Raj Kumar Sharma as Manager designated as "Senior- General Manager".**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 196, 197, 198, 203 and other applicable provisions (including any modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, the consent of the member be and is hereby accorded for the re-appointment of Mr. Raj Kumar Sharma as a Manager designated as "Senior General Manager" of the Company.

**RESOLVED FURTHER THAT** Mr. Raj Kumar Sharma shall manage the affairs of the Company as "Manager" under Companies Act, 2013 subject to the superintendence, direction and control of the Board of Directors for a period of one year with effect from 28th July, 2021 on the following terms and conditions:

1.	Basic Salary	Rs. 51,100 p.m.
2.	Perquisites and Allowances	
	(i) House Rent Allowance	Rs. 20,440 p.m.
	(ii) Special Allowance	Rs. 40,646 p.m.
	(iii) Leave Travel Concession	4257 (8.33% of the basic salary) in a year. For himself and family once in a year.
	(vi) Bonus	4257 (8.33% of the basic salary) in a year.
	(v) Contribution to Provident Fund, Superannuation fund or annuity fund	12% As per the rules of the Company which shall not be computed for the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
	(vi) Gratuity	Gratuity Payable shall not exceed half month's salary for each completed year of Service.
Addition to Salary: Car Reimbursement: Rs. 28,200 Per Month (including Car EMI, Driver Salary and Car Running Exp.) Mobile Expenses : Actual for official Health Insurance: Rs. 20,000 per annum (on submission of Bill)		
Explanation:- Provision of car allowance for use of Company's business and telephone allowance will not be considered in computing the value of perquisites.		
Note: All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisites(s).		
3.	Other Terms	
	(i) Leave	As per the rules of the Company
	(ii) Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of service of Manager, the payment of Salary, perquisites and other allowances shall be governed by the limits pre-scribed in schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** all the Directors and/or Company Secretary of the Company, be and are hereby jointly and/or severally authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

**For & on behalf of the Board  
of Bihar Sponge Iron Limited**

**Sd/-  
Umesh Kumar Modi  
Chairman & President  
DIN:00002757**

**Place : New Delhi  
Date : 20-07-2021**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
2. In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, and Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 (MCA Circulars) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
3. AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorising their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in).

6. In conformity with the applicable regulatory requirements, the Notice of this AGM and Annual Report 2021 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories. The Members may also download a copy of the Notice from the Website of the Company ([www.bsil.org.in](http://www.bsil.org.in)).
7. Members who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the aforesaid documents are required to register their e-mail addresses online on the Company's corporate website under the section 'Investor Relations'. Alternatively, Members may send an e-mail to [investor@beetalfinancial.com](mailto:investor@beetalfinancial.com) or write to the company for registering their e-mail addresses.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from on 9<sup>th</sup> September, 2021 to 15<sup>th</sup> September, 2021 both days inclusive).
10. Members will be provided with a facility of electronic voting (e-voting) and for attending the AGM through VC/OAVM by the Central Depository Services Limited (CDSL) e-Voting system i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
12. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested will remain available for inspection during the AGM.
13. Members desiring any information as regards to accounts are requested to address their questions to the Secretary of the Company at least 7 days before the date of the Meeting so that the required information is made available at the Meeting.
14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company's email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **VOTING THROUGH ELECTRONIC MEANS:**

1. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (mandatory for all listed companies), the Company is pleased to provide its Members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).
2. The Board of Directors has appointed M/s. Soniya Gupta, Practicing Company Secretaries (FRN: 8136), as a Scrutinizer to process the e-voting and submit a report to the Chairman. The results of voting shall be declared within two (2) days of the 39th Annual General Meeting convened for the purpose. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website ([www.bsil.org.in](http://www.bsil.org.in)) CDSL Website and shall also be communicated to the Stock Exchanges (BSE).
3. Mr. Vimal Prasad Gupta, Company Secretary and Compliance Officer of the Company (w.e.f. 01st August, 2021) shall be responsible for addressing all the grievances in relation to this 39th Annual General Meeting including e-voting & his mail ID is [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in).

#### **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

1. The voting period begins on., 12<sup>th</sup> September, 2021 at 9.00 A.M. and ends on 14<sup>th</sup> September, 2021 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 08<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.
4. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
5. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
6. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on “Shareholders” module.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on “**SUBMIT**” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Bihar Sponge Iron Limited> on which you choose to vote.
- (xi) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xiv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store-. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at (022- 23058738) or (022-23058542/43).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@beetalfinancial.com](mailto:investor@beetalfinancial.com).
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM No. 3**

Sh. Vijay Kumar Modi was appointed as Additional Non-Executive Independent Director on the Board of the Company with effect from 28th December, 2020. In terms of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, who shall holds office up to the date of ensuing General Meeting.

Sh. Vijay Kumar Modi, aged 71 years, is a Chemical Engineer and has experience in the area of finance, accounts, management, administration and technical aspects of the industry of over 35 years.

Sh. Vijay Kumar Modi, has given consent and intimation in writing to act as a Director in Form DIR-2 and intimation in form DIR-8, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013, and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 & Regulation 16(1)(b) of the SEBI (LODR) Regulations as amended from time to time.

In the opinion of the Board, Sh. Vijay Kumar Modi satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. His continuation on the board as independent director will be beneficial to the Company on the recommendation of Nomination and remuneration Committee and the Board recommends the resolution set out under Item No. 3 of this notice for approval of the members as special resolution.

Except Sh. Vijay Kumar Modi, being an appointee, none of the other Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

Disclosures under regulation 36(3) of the Listing Regulations are set out in the annexure to the Explanatory Statement.

**ITEM NO.4**

Sh. Rohit Garg was appointed as an Independent Director on the Board of the Company in line with the requirements of the SEBI LODR Regulations, 2015 on 12th May, 2015. In terms of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, members of the Company at the 35th Annual General Meeting held on 19th September, 2017 approved the appointment of Sh. Rohit Garg as an Independent Director of the Company for a period of 5 consecutive years for a term up to 13th November, 2021.

Sh. Rohit Garg, aged 42 years, He is MBBS and M.D and has expertise in the areas of administration and management.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing a special resolution by shareholders.

Sh. Rohit Garg, has given consent and intimation in writing to act as a Director in Form DIR-2 and intimation in form DIR-8, he is not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013, and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 & Regulation 16(1)(b) of the SEBI (LODR) Regulations as amended from time to time.

Based on the recommendation of the Nomination & Remuneration Committee and keeping in view the expertise of Sh. Rohit Garg, the Board of Directors at its meeting held on 20<sup>th</sup> July, 2021 approved the continuance of office of Sh. Rohit Garg as mentioned in the resolution.

In the opinion of the Board, Sh. Rohit Garg satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. His continuation on the board as independent director will be beneficial to the Company and the Board recommends the resolution set out under Item No. 4 of this notice for approval of the members as special resolution.

Except Sh. Rohit Garg, being an appointee, none of the other Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

Disclosures under regulation 36(3) of the Listing Regulations are set out in the annexure to the Explanatory Statement.

**ITEM No: 5**

Shri Raj Kumar Sharma has completed his Master in Social work from Lucknow University. He has a rich experience in the field of Human Resource & Development for more than 36 Years. His experience is in area of sales, marketing, administration and operations of the Company's business.

The Board of Directors ("the Board") of the Company in their meeting held on July 20, 2021 has, subject to the approval of the shareholders at ensuing General Meeting re-appointed Shri. Raj Kumar Sharma as the Manager designated as "Senior General Manager" of the Company for a period of one year from July 28, 2021 to July 27, 2022.

The Nomination and Remuneration Committee of the Company in its meeting held on July 20, 2021 has also approved the re-appointment and terms of remuneration of Shri. Raj Kumar Sharma as Manager of the Company designated as "Senior General Manager" for a period of one year.

The information as required under Schedule V of the Companies Act, 2013 is given herein under:

**I. GENERAL INFORMATION:**

Nature of Industry is Sponge Iron. The Company commenced commercial production on 1st July, 1989.

Financial performance based on given indicators:

(Rs. Lacs)

Financial Parameters	2020-21	2019-20
Total Income	2429.65	586.51
Profit / (Loss) before Interest, Depreciation & Exceptional Items	750.89	246.18
Interest & Finance Charges	24.76	0.96
Depreciation	292.46	329.24
Profit/ (Loss) for the year before Exceptional Items	433.67	(84.02)
Exceptional Items- income / (expenditure)	(37.53)	1.42
Provision for Tax	-	-
Net Profit / (Loss)	396.14	(82.60)

**I. INFORMATION ABOUT THE APPOINTEE:**

Background details: Shri. Raj Kumar Sharma has completed his Master in Social work from Lucknow University. He has a rich experience in the field of Human Resource & Development for more than 36 Years. His vast and rich experience has enabled the company to survive in tough times.

Past remuneration: He is drawing a Basic Salary of Rs. 51,100 and perquisites from the Company.

Job profile and his suitability: Shri. Raj Kumar Sharma has completed his Master in Social work from Lucknow University. He has a rich experience in the field of Human Resource & Development for more than 36 Years.

**Remuneration proposed:** Details of proposed remuneration is given in Item No. 5 of the Notice convening the 39th Annual General Meeting.

Comparative remuneration profile with respect to industry size of the company, profile of the position and person: The remuneration paid to Shri. Raj Kumar Sharma is in line with the similar sized sponge iron units and even on lower side when compared with similar profile in the industry.

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: NIL.

**III. OTHER INFORMATION:** Due to non-availability of Coal from Central Coalfields Limited the plant has been shut and operation is suspended from 9th August, 2013.

**Steps taken or proposed to be taken for improvement:**

With the revival of the steel industry, considering the substantial accumulated losses, full erosion of working capital and the liabilities including long term borrowings having matured fully along with interest having fallen due. The company has initiated requisite steps for making the plant ready for operations and has in this direction,

Keeping in mind the intention of re-starting the operations, the Company has entered into a Facility User Agreement dated 30th December, 2020 with M/s. Vanraj Steels Private Limited along with two parties for usage rights of manufacturing facilities of the Company at Chandil including its Railway Siding.

With the restart of the plant by them, the management believes that the company shall gradually start earning surplus and losses incurred in the past will get wiped out in due course and thereafter the company will be able to operate profitably in normal course of its business.

The financial statements, as such have been prepared on going concern basis on the strength of management's plan of revival including restructuring of liabilities, operation of the plant through a third party ensuring generation of revenue.

The above measures being taken by the Company will definitely improve the performance of the Company in terms of profitability.

Pursuant to section 197 and Section 203 of the Companies Act, 2013 and rules made there under the present proposal is to seek the member's approval for appointment of Mr. Raj Kumar Sharma as the Manager, designated as the Senior General Manager and payment of remuneration to the manager requires approval of the shareholders by way of ordinary resolution. Therefore, on the recommendation of Nomination & Remuneration Committee, the Board recommends this resolution to be passed as an ordinary resolution.

There is no financial interest of any of the director interest is only to the extent of their shareholding in the Company as some of the directors are also the shareholders in the Company. No Key Managerial persons (KMP) or their relatives are concerned or interested in the resolution except to the extent of being KMP. No relatives of the directors are concerned or interested in the resolution except to the extent of their shareholding in the Company. The related registers, records and documents are available for inspection during business hours on any working day at the Registered Office of the Company.

None of the Directors except Mr. Raj Kumar Sharma is interested or concerned in the resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER THE PROVISIONS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

Sr. No.	Name of the Directors	Smt. KumKum Modi	Sh. Vijay Kumar Modi	Sh. Rohit Garg
1)	Director Identification Number (DIN)	00522904	00004606	03296571
2)	Date of Birth	19/01/1951	01/12/1950	16-12-1979
3)	Age	70 Years	71 Years	41 Years
4)	Date of appointment	04-06-2011	28-12-2020	14-11-2016
5)	Expertise in specific field	In the area of adminis-tration, business Management & Corporate Social Activities.	Expertise in the areas of operations, administration and management.	Expertise in the areas of administration and management.
6)	No. of equity shares held in the Company. (as on 31st March, 2021)	5,500	69,225	Nil
7)	Qualifications	Post graduate	B.Sc - Chemical Engineer	M.B.B.S & M.D
8)	List of directorships	1. SBEC Sugar Ltd. 2. Modi Industries Ltd. 3. Modi Hitech India Ltd. 4. Win-Medicare Pvt. Ltd. 5. Longwell Investment Pvt. Ltd. 6. Jayesh Tradex Pvt. Ltd. 7. A to Z Holdings Pvt. Ltd. 8. Modi-Mundipharma Pvt. Ltd. 9. Bihar Sponge Iron Ltd. 10. Umesh Modi Corp. Private Ltd. 11. Jai Abhishek Investments private Ltd. 12. Modiline Travel Service Pvt Ltd. 13. Swasth Investment Pvt Ltd.	1. SBEC Sugar Ltd. 2. Bihar Sponge Iron Ltd. 3. SBEC Systems India Ltd. 4. Chandil Power Ltd. 5. MultiBox Private Ltd. 6. Technicast Engineers Ltd. 7. SBEC Bioenergy Ltd. 8. ABR Finlease & Holding Pvt Ltd. 9. SBEC Stockholding and Investment Ltd. 10. G S Pharmbutor Private Limited 11. Modi Diagnostics Private Limited	1. SBEC Sugar Ltd. 2. SBEC Systems (India) Limited 3. Chandil Power Limited 4. Bihar Sponge Iron Ltd. 5. Elpis Pharmaceutical Pvt. Ltd. 6. Eazy Healthcare Solutions Pvt. Ltd. 7. GG Wellness Retreat Pvt. Ltd.
9)	Membership/ Chairman of Committees of the other Companies including BSIL.	NIL	6/5	NIL
10)	Relationship, if any between Directors inter se	Wife of Mr. Umesh K. Modi & Mother of Mr. Abhishek Modi and Mr. Jayesh Modi.	None	None



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