

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/SE/CS/2019

9th August, 2019

The General Manager
Listing Centre
Bombay Stock Exchange Limited
P J Towers, Dalal Street,
MUMBAI- 400 001

SUB: NOTICE OF THE 37TH ANNUAL GENERAL MEETING (AGM) AND ANNUAL REPORT 2018-19.

Ref: REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

SCRIP CODE: 500058

We are pleased to inform you that the 37th Annual General Meeting of the members of the Company is scheduled to be held on Monday, 9th September, 2019 at 2:00 p.m. at Company's Guest House, Umesh Nagar, Chandil, District – Saraikela - Kharsawan, Jharkand-832401.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 37th AGM. The same are being dispatched to the members through permitted mode(s).

The Annual Report for the financial year 2018-19 and the Notice of 37th AGM are also uploaded on the Company's website i.e. www.bsilorg.in.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For BIHAR SPONGE IRON LIMITED


HIMANI MITTAL
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl: a/a

BIHAR SPONGE IRON LIMITED

CIN: L27106JH1982PLC001633

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

Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in,

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

NOTICE

NOTICE is hereby given that the 37th ANNUAL GENERAL MEETING of the members of Bihar Sponge Iron Limited will be held at "Company's Guest House, Umesh Nagar, Chandil, District- Saraikela- Kharsawan, Jharkhand-832401" on Monday, the 9th day of September, 2019 at 2:00 p.m. (IST) 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, 2019, the Report of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mrs. KumKum Modi (DIN- 00522904), who retires from office by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. B.D. Garg (DIN: 00002792) as an Independent Director for a second term of five consecutive years.

To consider and if thought fit, give your assent or dissent to 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, Mr. B.D. Garg (DIN:00002792), who was appointed as an Independent Director of the Company for a term of five years up to 28th May 2019, by the members at the 32nd Annual General Meeting, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from May 29, 2019 up to May 28, 2024, not liable to retire by rotation."

4. Re-appointment of Mr. Shyam Babu Vyas (DIN: 02025415) as an Independent Director for a second term of five consecutive years.

To consider and if thought fit, give your assent or dissent to 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, Dr. Shyam Babu Vyas (DIN: 02025415), who was appointed as an Independent Director of the Company for a term of five years up to 28th May 2019, By the members at the 32nd Annual General Meeting be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from May 29, 2019 up to May 28, 2024, not liable to retire by rotation."

5. Re-appointment of Mr. J.C. Chawla (DIN: 05316202) as an Independent Director for a second term of five consecutive years.

To consider and if thought fit, give your assent or dissent to 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, Mr. J.C. Chawla (DIN:05316202), who was appointed as an Independent Director of the Company for a term of five years up to 28th May 2019, By the members at the 32nd Annual General Meeting be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from May 29, 2019 up to May 28, 2024, not liable to retire by rotation."

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

6. Re-appointment of Mr. Madan Lal (DIN: 00272672) as an Independent Director for a second term of five consecutive years.

To consider and if thought fit, give your assent or dissent to 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, Mr. Madan Lal (DIN: 00272672), who was appointed as an Independent Director of the Company for a term of five years up to 13th November 2019, By the members at the 33rd Annual General Meeting 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, 2019 up to November 13, 2024, not liable to retire by rotation."

7. Approval of re-appointment of Mr. Satish Kumar Gupta as Whole-time Director (Director-Works) of the Company.

To consider and if thought fit to give your assent or dissent to the following resolution as Special Resolution:

“**RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Satish Kumar Gupta as Whole-time Director, designated as Director-Works of the Company for a period of 5 years with effect from 13th December, 2018 on the terms, conditions and remuneration mentioned herein below:-

- 1) **Basic Salary** : Rs. 79,800 per month
- 2) **Perquisites & Allowances:**
- House Rent : Rs. 900 per month
 - Conveyance : Company's car with actual petrol not exceeding 2500 per month and repair & maintenance.
 - Driver Allowance : Rs. 9000 per month
 - Telephone and Mobile Phone : As per actual
 - Medical Reimbursement : Expenses incurred by him and his family, Maximum 5 % of the basic salary
 - Leave Travel Allowance : One month basic salary per annum
 - Bonus/Ex-gratia : One month basic salary per annum
 - Contribution to Provident fund, Superannuation fund or Annuity fund : 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.
 - Gratuity : Gratuity payable shall not exceed half month's salary for each completed Year of service.
 - Minimum Remuneration : In the event of inadequacy or absence of profit in any financial year during his tenure, Mr. S. K. Gupta will be entitled to remuneration along with the perquisites / benefits mentioned above by way of minimum remuneration in terms of Schedule V of the Companies Act, 2013.

Note: All the perquisites will be inter-changeable 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:

- Leave: As per the rules of the Company.
- Reimbursement of entertainment expenses: Mr. S. K. Gupta will be entitled to reimbursement of entertainment and other expenses incurred in the course of legitimate business purpose of the Company."

8. Approval for entering into Related Party Transactions by the Company.

To consider and if thought fit to give your assent or dissent to the following Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with its respective related parties as defined under the Act, Rules made there under and SEBI (LODR), Regulations with effect from 1st April, 2019 and every year thereafter up to the maximum amounts per annum, as mentioned herein below:

Sr. No.	Nature of Transaction	Name of Related party	Receipt	Amount (Rs. Lacs) Payment
1	Lease/sub-lease/rent for office and others	Modi Hitech India Ltd.	30.00	10.00
		G S Pharambutor Pvt. Ltd.	1000.00	10.00
2	Purchase of stationaries and other items	Jayesh Tradex Pvt. Ltd.	Nil	2.00
		Modi Mundipharma Beauty products Pvt. Ltd (Formerly Known as Modi Revlon Pvt. Ltd.	Nil	1.00
		Win Medicare Pvt. Ltd.	Nil	2.50
		MG Mobiles India Pvt. Ltd.	Nil	1.00
3	Printing of Annual Reports	Modi Motors Pvt. Ltd	Nil	7.50
4	Support Services	Modi Line Travel Services Pvt. Ltd.	Nil	2.50
		Modi- Mundipharma Pvt. Ltd.	1.00	1.00
		Modi Hitech India Ltd.	1.00	2.50
		Dayawati Modi Public School	75.00	40.00
5	Availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, ICDs taken/given, payment of Interest on ICDs, Guarantee/ Security given or any other material related party transactions.	Any other related party/ies not mentioned her inabove and as defined under the Act	20.00	20.00

RESOLVED FURTHER THAT consent of the Company is accorded for ratification of the aforesaid related party transactions already entered into by the Company exceeding the threshold limits as specified in Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and which are material in nature in terms of Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company.”

BY ORDER OF THE BOARD

Place: New Delhi
Dated: 25.05.2019

R.K. AGARWAL
DIRECTOR
DIN : 00298252

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members up to and not exceeding Fifty (50) and holding in aggregate not more than Ten Percent (10%) of the total share capital of the Company. Further, a member holding more than Ten Percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
3. The instrument appointing proxy must be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting.
4. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September, 2019 to 9th September, 2019 (both days inclusive).
6. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
7. Members are informed that in case of joint holders attending the AGM, only such joint holder who is first in the order of names will be entitled to vote.
8. Members/Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
9. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Beetal Financial & Computer Services Ltd. for assistance in this regard.
10. Notice of the 37th AGM along with Annual Report 2018-19 of the Company, inter alia, indicating the process and manner of e-voting along with the Attendance Slip, Proxy Form and route map is being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2018-19 and the Notice of the AGM are being sent by the permitted mode.
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 Beetal in case the shares are held by them in physical form.
12. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members are advised to avail the nomination facility by filing Form SH-13 in their own interest. Blank forms will be supplied by the Company on request.
13. The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection at the meeting.
14. Members may also note that the Notice of the 37th AGM along with Attendance Slip, Proxy Form, Route Map and the Annual Report for the Financial Year 2018-19 will also be available on the Company's website. www.bsil.org.in.
15. 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.
16. The documents referred in the accompanying notice are available for inspection at the Registered Office of the Company during working hours between 9:30 A.M. to 1:00 P.M. except on holidays up to the date of AGM.

17. 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).

The Board of Directors has appointed Ms. Nupur Gupta, Practising Chartered Accountant, Citi Centre, Begum Bridge, Meerut- 250001 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 37th 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) CDSL Website and shall also be communicated to the Stock Exchanges (BSE).

The Instructions for shareholder's voting electronically are as under:

- (i) The voting period begins on Friday the 6th September 2019 at 9:00 AM and ends on Sunday the 8th September, 2019 at 5:00 PM. 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 Monday, the 2nd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

For Members 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). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
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. <ul style="list-style-type: none"> • 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "Bihar Sponge Iron Limited" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

GENERAL INSTRUCTIONS:

- i. The voting period begins on Friday, the 6th September, 2019 at 9:00 AM and ends on Sunday the 8th September, 2019 at 5:00 PM. 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 Monday the 2nd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- A. Ms. Himani Mittal, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this 37th Annual General Meeting including e-voting her mail ID is companysecretary@bsil.org.in and may be contacted on phone no. 011-42504666.
 - B. The Notice of the 37th Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i.e. through Registered Post / Courier and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company (www.bsil.org.in).
 - C. The voting rights of shareholders shall be in proportion to their shareholding of paid-up equity share capital of the Company as on the cut-off date, i.e., 2nd September, 2019 A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, voting through ballot form, as well as voting at the meeting through ballot.
 - D. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote physically. However, in case shareholder cast their vote through e-voting as well as physically, then voting done through e-voting will prevail.

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

ITEM NO. : 3

Mr. B.D. Garg was appointed as an Independent Director on the Board of the Company in line with the requirements of the Listing Agreement on May 29th, 2014. 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 32nd Annual General Meeting held on September 29, 2014 approved the appointment of Mr. B.D. Garg as an Independent Director of the Company for a period of 5 consecutive years for a term up to May 28, 2019.

Mr. B. D. Garg, aged 70 years, is B.Tech (Chemical) from BHU and having more than 40 years of experience in the area of the operations, finance, administration and management of business of the Company.

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.

Mr. B.D. 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 Listing Regulations as amended from time to time.

Based on the recommendation of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. B.D. Garg, the Board of Directors approved the continuance of office of Mr. B.D. Garg as mentioned in the resolution.

In the opinion of the Board, Mr. B.D. 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. 3 of this notice for approval of the members as special resolution.

Except Mr. B.D. 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.

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

ITEM NO. : 4

Dr. Shyam Babu Vyas was appointed as an Independent Director on the Board of the Company in line with the requirements of the Listing Agreement on May 29th, 2014. 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 32nd Annual General Meeting held on September 29, 2014 approved the appointment of Dr. Shyam Babu Vyas as an Independent Director of the Company for a period of 5 consecutive years for a term up to May 28, 2019.

Dr. Shyam Babu Vyas , aged 66 years, has experience in the area of management and administration of over 37 years .

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.

Dr. Shyam Babu Vyas, 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 Dr. Shyam Babu Vyas , the Board of Directors approved the continuance of office of Dr. Shyam Babu Vyas as mentioned in the resolution.

In the opinion of the Board, Dr. Shyam Babu Vyas 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 Dr. Shyam Babu Vyas , 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.

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

ITEM NO. : 5

Mr. J.C. Chawla was appointed as an Independent Director on the Board of the Company in line with the requirements of the Listing Agreement on May 29th, 2014. 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 32nd Annual General Meeting held on September 29, 2014 approved the appointment of Mr. J.C. Chawla as an Independent Director of the Company for a period of 5 consecutive years for a term up to May 28, 2019.

Mr. J.C. Chawla, aged 73 years, having more than 42 years of experience in the area of the operations, administration and management of business of the Company.

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.

Mr J.C. Chawla, 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.

As per regulation 17 (1A) inserted by SEBI (LODR) (Amendment) Regulations, 2018 on 9th May, 2018 no listed company shall appoint a person or continue the directorship of any non-executive director who has attained the age of 75 years unless a special resolution is passed to the effect. Mr. J. C. Chawla will attain the age of 75 years on 23rd February, 2021 and during the above term of re-appointment, the continuation of such appointment for 2 years even after attaining the age of 75 years , will be considered as requisite approval from shareholders as required in Amendment Regulations, 2018.

Based on the recommendation of the Nomination & Remuneration Committee and keeping in view the expertise of Mr. J. C. Chawla, the Board of Directors approved the continuance of office of Mr. J. C. Chawla as mentioned in the resolution.

In the opinion of the Board, Mr. J. C. Chawla 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. 5 of this notice for approval of the members as special resolution.

Except Mr. J. C. Chawla, 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. : 6

Mr. Madan Lal was appointed as an Independent Director on the Board of the Company in line with the requirements of the Listing Agreement on November 14th, 2014. 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 33rd Annual General Meeting held on August 19th 2015 approved the appointment of Mr. Madan Lal as an Independent Director of the Company for a period of 5 consecutive years for a term up to November 13th, 2019.

Mr. Madan Lal , aged 77 years, is Master of Commerce and earlier associated with IDBI and many other organization's. He is having more than 51 years of experience in the area of the Finance & Accounts `Taxation, administration and management of business of the Company.

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.

Mr. Madan Lal , 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 Mr. Madan Lal, the Board of Directors approved the continuance of office of Mr. Madan Lal as mentioned in the resolution.

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. 6 of

this notice for approval of the members as special resolution.

Except Mr. Madan Lal , 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. 7

Mr. Satish Kumar Gupta, 73 years , is an engineering graduate and has experience of more than 45 years and has worked at various levels. His experience is in area of sales, marketing, administration and operations of the Company's business.

The Board has subject to your approval and other approvals as may be required appointed him as the whole-time Director, designated as Director (Works) of the Company w.e.f. 13th December, 2018 for a period of five years on the remuneration and perquisites as contained in resolution No.7 of this notice.

Further considering the above facts, other relevant factors and the comparative remuneration in the industry, the Nomination and Remuneration Committee, pursuant to Schedule V of the Companies Act, 2013 approved and recommended to the Board for payment of such remuneration as mentioned under Item No.7 of this notice, to Mr. Satish Kumar Gupta for a period of five year w.e.f. 13th December, 2018. The Board in their meeting held on 14th November, 2018 had approved payment of remuneration to him subject to your approval.

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. in Thousands)

Financial Parameters	2018-19	2017-18
Total Income	864.97	704.33
Profit / (Loss) before Interest, Depreciation & Exceptional Items	557.21	402.04
Interest & Finance Charges	8.61	39.27
Depreciation	428.95	431.11
Profit/ (Loss) for the year before Exceptional Items	119.65	(68.34)
Exceptional Items- income / (expenditure)	(130.52)	56.07
Provision for Tax	-	-
Net Profit / (Loss)	(10.87)	(12.27)

I. INFORMATION ABOUT THE APPOINTEE:

Background details: Mr. Satish Kumar Gupta is an engineering Graduate with over 45 years of experience in the industry and has worked at various level. His vast and rich experience has enabled the company to survive in tough times.

Past remuneration: Mr. Satish Kumar Gupta was appointed as Executive Director (Works) w.e.f. 13th December, 2017 on Rs. 79,800/- plus perquisites and allowances, in the best interest of the Company he has waived off his salary since his last appointment.

Job profile and his suitability : Mr. Satish Kumar Gupta has vast experience in the area of sales, marketing, administration and operations of Company's business. He has been associated with the Company since last 39 years.

Remuneration proposed: Details of proposed remuneration is given in Item No. 7 of the Notice convening the 37th Annual General Meeting.

Comparative remuneration profile with respect to industry size of the company, profile of the position and person: In the similar sized sponge iron units, remuneration is ranging between Rs. 20 lacs to Rs. 35 lacs per annum.

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: He does not have pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel except drawing salary from the Company.

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, with a view to generate revenue and make the plant operational, the company has, on 01-04-2017 entered in to a Facility User Agreement with a company specializing in contract manufacturing. Under the said agreement, part of the plant and machinery shall be operated by the said company.

With the restart of the plant by them, 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.

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. Satish Kumar Gupta as the Whole-time Director, designated as the Director (works), who has attained the age of 70 year and payment of remuneration to the Whole-time Director requires approval of the shareholders by way of a special resolution. Therefore, the Board recommends this resolution to be passed as a special 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.

Brief profile of Mr. Satish Kumar Gupta is provided at the end of this Notice.

The term of appointment given in the said resolution may be treated as an abstract of the terms and conditions of appointment of the said Whole-time Director u/s 190 of the Companies Act, 2013.

None of the Directors except Mr. Satish Kumar Gupta is interested or concerned in the resolution.

ITEM NO.: 8

Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transactions which are in the ordinary course of business and/or are on arm's length basis. Transactions that do not satisfy these criteria can be carried out only with the approval of the shareholders accorded by way of a ordinary resolution. Though all the transactions with the related parties mentioned under the resolution in Item No.8 are in the ordinary course of business and are at arm's length basis, As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has made it mandatory that all material Related Party Transactions (i.e., the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company) shall require approval of the shareholders by way of a ordinary resolution. However, since these transactions, though may be on arm's length basis and also may be in the ordinary course of business, yet as an abundant caution, it is proposed to seek approval of members by passing a Ordinary Resolution, pursuant to Section 188 read with rules made thereunder and as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nature of Interest of Related of Related parties in the Company is given below:-

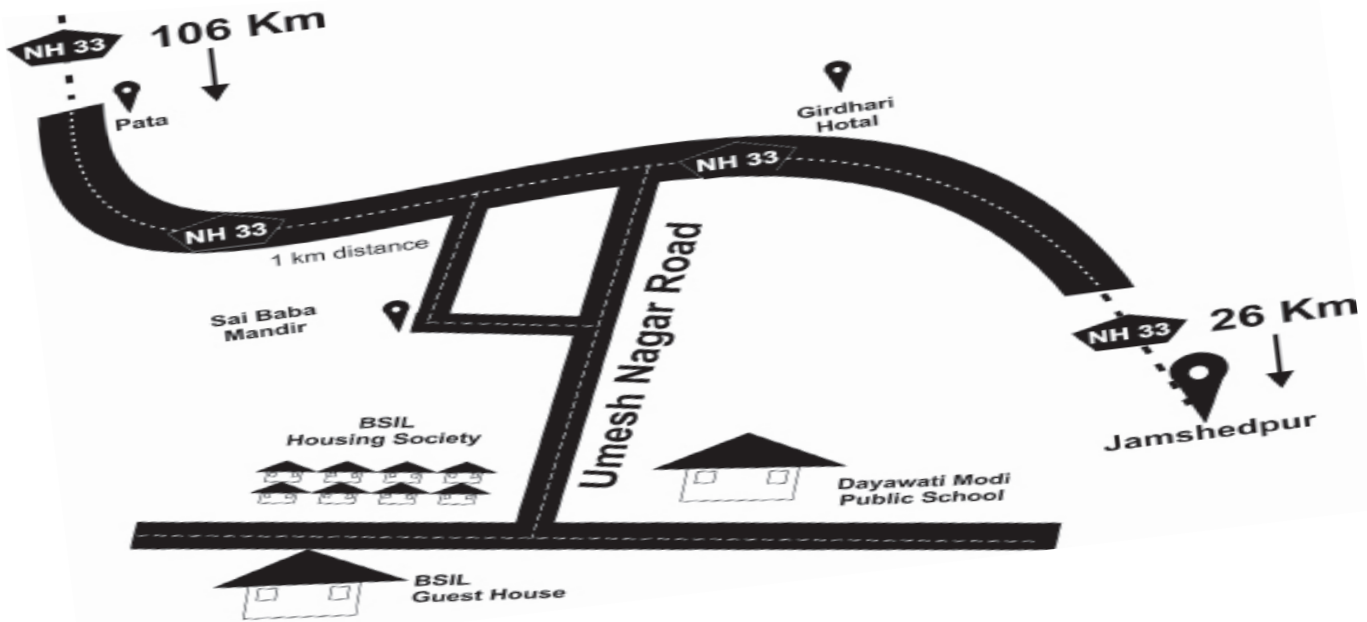
Sr. No.	Nature of Transaction	Directors/KMP who is related and nature of relation	Related party
1	Lease/sub-lease/rent for office and others	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi and Mr. B. D. Garg are common directors.	Modi Hitech India Ltd.
		G S Pharmbutors Pvt. Ltd. holds more than 20 % of shares in Moderate Leasing and Financial Services Limited which is a promoter group company and holds 49 .10 % shares of the Company.	G S Pharmbutor Pvt. Ltd.
2	Purchase of stationaries and other items	Mr. Jayesh Modi and Mrs. Kumkum Modi as common directors and Mr. U. K. Modi, Mr. Abhishek Modi, as relative of directors.	Jayesh Tradex Pvt. Ltd.
		Mr. U. K. Modi and Mrs. Kumkum Modi as common director and Abhishek Modi, Mr. Jayesh Modi as relative of directors.	Modi Mundipharma Beauty products Pvt. Ltd. (Formerly Known as Modi Revlon Pvt. Ltd.
		Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi and Mr. Jayesh Modi are common directors.	Win Medicare Pvt. Ltd.
		Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi as relative of a director.	MG Mobiles India Pvt. Ltd.
3	Printing of Annual Reports	Mrs. Kumkum Modi as common director and Mr. U. K. Modi, Mr. Abhishek Modi and Mr. Jayesh Modi as relative of directors.	Modi Motors Pvt. Ltd
4	Support Services	Mrs. Kumkum Modi, Mr. Abhishek Modi as common director and Mr. U. K. Modi, Mr. Jayesh Modi as relative of directors.	Modi Line Travel Services Pvt. Ltd.
		Mr. U. K. Modi, Mrs. Kumkum Modi and Mr. Abhishek Modi are common directors.	Modi- Mundipharma Pvt. Ltd.
		Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi and Mr. B. D. Garg are common directors.	Modi Hitech India Ltd.
		Mr. U.K. Modi, Director, also a Trustee in Daya Charitable Trust.	Dayawati Modi Public School (Runs under the aegis of Daya Charitable Trust)
5.	Availing or rendering of any service, Selling or otherwise disposing of, or buying, property of any kind, ICDs taken/ given, payment of Interest on ICDs, Guarantee/ Security given or any other material related party transactions.		Any other related party/ies not mentioned hereinabove and as defined under the Act

BY ORDER OF THE BOARD

Place: New Delhi
Dated: 25.05.2019

R.K. AGARWAL
DIRECTOR
DIN : 00298252

ROUTE MAP TO THE VENUE OF 37TH ANNUAL GENERAL MEETING



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	Mrs. KumKum Modi	Mr.B.D. Garg
1	Director Identification Number (DIN)	00522904	00002792
2	Date of Birth	19.01.1951	11.05.1949
3	Age	68 Years	70 Years
4	Date of appointment	04.06.2011	04.06.2011
5	Expertise in specific field	In the area of Administration, Business Management and Corporate Social activities.	He has a vast experience in the area of Management and Administration of over 37 years.
6	No. of equity shares held in the Company. (as on 31 st March, 2019)	5500	NIL
7	Qualifications	Post Graduate from University of Delhi	B.Tech (Chemical) From BHU
8	List of other directorships	<ol style="list-style-type: none"> 1. SBEC Sugar Ltd. 2. SBEC Bioenergy 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. 	<ol style="list-style-type: none"> 1. Modi Hitech India Ltd. 2. Meghna Autoworks Private Limited
9	Membership/ Chairman of Committees of the other Companies*	Nil	Nil
10	Relationship, if any between Directors inter se	Wife of Mr. Umesh K. Modi & Mother of Mr. Abhishek Modi & Mr. Jayesh Modi.	None

Sr. No.	Name of the Directors	Dr. Shyam Babu Vyas	Mr. J.C. Chawla
1	Director Identification Number (DIN)	02025415	05316202
2	Date of Birth	21/10/1953	23/02/1946
3	Age	66 years	73 years
4	Date of appointment	05-05-2012	22-08-2012
5	Expertise in specific field	He has a vast experience in the area of Management and Administration of over 33 years.	He has a vast experience in the area of Management and Administration of over 37 years.
6	No. of equity shares held in the Company. (as on 31 st March, 2019)	Nil	Nil
7	Qualifications	P.H.D.	M.SC(CHEMISTRY) , PHD, B.E.D.
8	List of other directorships	1. SBEC Sugar Limited 2. SBEC Systems(India) Limited 3. Shyam Vyas Marc Pvt. Ltd	1. SBEC Sugar Limited 2. SBEC Bioenergy Limited 3. SBEC Systems(India) Limited
9	Membership/ Chairman of Committees of the other Companies*	Membership of the Committee SBEC Sugar Limited-Audit Committee	Chairman of Committee SBEC Bio-energy Limited- Audit Committee Membership of the Committee SBEC Systems (India) Limited- Audit Committee SBEC Sugar Limited- Audit Committee
10	Relationship, if any between Directors inter se	None	None

Sr. No.	Name of the Directors	Mr. Madan Lal	Mr. Satish Kumar Gupta
1.	Director Identification Number (DIN)	00272672	03537417
2	Date of Birth	10/06/1942	26/05/1946
3	Age	77 Years	73 Years
4	Date of appointment	14/11/2014	13/12/2013
5	Expertise in specific field	Has experience of more than 51 years in the area of administration and finance.	Has worked at various levels in the industry and has more than 45 years of experience in the area of sales, marketing, administration and operations of the Company.
6	No. of equity shares held in the Company. (as on 31 st March, 2019)	NIL	390
7	Qualifications	FCA, M.Com	Engineering Graduate
8	List of other directorships	1. Shreyans Industries Ltd. 2. Shreyans Financial and Capital Services Ltd. 3. Technicast Engineers Ltd.	1. T C Healthcare Pvt. Ltd.
9	Membership/ Chairman of Committees of the other Companies*	Chairman of the Committee Shreyans Industries Ltd- Audit Committee Member of the Committee Shreyans Financial and Capital Services Ltd.- Audit Committee	NIL
10	Relationship, if any between Directors inter se	None	None

*Details in this regard, includes the Chairmanship/Membership of the Audit Committee and the Stakeholder Relationship Committee only of public companies whether listed or not.

Updation of PAN, Bank Account details, E-mail address and Dematerialisation of Shares

Dear Shareholder,

This is with reference to the SEBI bearing circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated: 20th April, 2018, wherein the listed company is required to obtain the copy of Pan Card and Bank account details from all shareholders holding shares of the Company in physical form. Accordingly you are requested to kindly furnish the following along with Annexure- A given below:

- a. Self attested copy of your Pan Card of all shareholders including joint holders. In case of residents of Sikkim the requirement of PAN Card be substituted with a valid Identity proof issued by Government.
- b. Original cancelled cheque bearing the name of the securities or copy of bank passbook / statement attested by the bank.

Please note that Companies Act, 2013, provides for sending all documents, notices and every other documents required by law to be annexed or attached thereto etc., in electronic form to the registered e-mail address of the Shareholders. In terms of Regulation 36 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall send soft copies of full annual report to all those shareholder(s) who have registered their e-mail address(es) for the purpose. In order to receive all the documents and correspondences from us by e-mail, you may kindly mention your e-mail id, which will be registered with us as your registered e-mail id for sending all documents and correspondence by e-mail to you.

Also, on 8th June 2018, SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 had amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), which states that, "except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository." Thus, SEBI has mandated transfer of shares in dematerialised form alone. This comes into effect from April, 2019 and hence you are requested to take note of it and take necessary steps to dematerialise your shares that are held in physical form.

You are requested to send the desired details/documents to the Company's Registrar & Share Transfer Agent (RTA), M/s. Beetal Financial & Computer Services (P) Ltd at Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062.

You are requested to send the desired details/documents at any of the below given address :

We seek your co-operation in this regard.

For Bihar Sponge Iron Limited

Company Secretary

Annexure-A

Name of Shareholder(s)	:
Folio No.	:
Pan (attached Self attested copy of Pan)	:
Bank Details (attach Self attested copy of cancelled Cheque)	:
Bank Account No.	:
Name of Bank	:
Branch Address	:
IFSC No.	:
MICR No.	:
Email ID	:

(-----)
Signature of Shareholder(s)

BIHAR SPONGE IRON LIMITED

Registered Office : Umesh Nagar, Chandil, Dist Saraikela-Kharsawan, Jharkhand-832401
Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in

CIN- L27106JH1982PLC001633

37th Annual General Meeting to be held on Monday, 9th September, 2019, 2:00 P.M.

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members(s) :

Registered Address :

DPID: CLID: Reg. Folio No. : No. of Shares:.....

I / We, being the member(s) ofshares of the above named Company, hereby appoint :

1. Name : E-mail :, or failing him/her;

Address:.....

2. Name : E-mail :, or failing him/her;

Address:.....

3. Name : E-mail :

Address:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 37th Annual General Meeting of the Company, to be held on Monday, 9th September, 2019 at 2:00 P.M., at Company's Guest House, Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401 and at any adjournment thereof in respect of such resolution as are indicated below :

S. No.	Resolution	Vote [Optional (Refer Note)]		
		For	Against	Abstain
1.	Adoption of Audited Financial Statements, Auditors Report & Directors Report along with their annexures for the year ended 31 st March, 2019.			
2.	Re-appointment of Mrs. Kumkum Modi, Director who retires by rotation.			
3.	Re-appointment of Mr. B.D. Garg (DIN: 00002792) as an Independent Director for a second term of five consecutive years.			
4.	Re-appointment of Mr. Shyam Babu Vyas (DIN: 02025415) as an Independent Director for a second term of five consecutive years.			
5.	Re-appointment of Mr. J.C. Chawla (DIN: 05316202) as an Independent Director for a second term of five consecutive years.			
6.	Re-appointment of Mr. Madan Lal (DIN: 00272672) as an Independent Director for a second term of five consecutive years.			
7.	Approval of re-appointment of Mr. Satish Kumar Gupta as Whole-time Director (Director-Works) of the Company.			
8.	Approval of Related Party Transactions of the Company			

Signed thisday of2019

Signature of shareholder

Signature of first proxy



Notes :

This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.

It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

BIHAR SPONGE IRON LIMITED

Registered Office : Umesh Nagar, Chandil, Dist Saraikela-Kharsawan, Jharkhand-832401
Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in,

CIN- L27106JH1982PLC001633

ATTENDANCE SLIP

37th Annual General Meeting to be held on Monday, 9th September, 2019 at 2:00 P.M. at Company Geust House, Chandil, Dist. Saraikela-kharsawan, Jharkhand-832401

Dist. Saraikela-Kharsawan, Jharkhand -832401

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slips on request.

Name of the Members(s) :

DPID: CLID: Reg. Folio No. : No. of Shares:.....

I hereby record my presence at the 37th Annual General Meeting of the Company held at Company Geust House, Chandil, Dist. Saraikela-Kharsawan, Jharkhand-832401 held on Monday, 9th September, 2019 at 2:00 P.M.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If, Shareholder, please sign here :

If Proxy, please sign here :

37th ANNUAL REPORT
2018-2019

BSIL
BIHAR SPONGE IRON LIMITED

Board of Directors

Mr. Umesh Kumar Modi	Chairman & Director
Mr. Subbiah Siddharth	Nominee of BSIDC (ceased w.e.f - 09.08.2018)
Mrs. Kumkum Modi	
Mr. Abhishek Modi	
Mr. Jayesh Modi	
Mr. Satish Kumar Gupta	Director (Works)
Mr. Jagdish Chander Chawla	
Mr. Brajeshwar Dayal Garg	
Mr. Rajeev Kumar Agarwal	
Dr. Shyam Babu Vyas	
Mr. Madan Lal	
Dr. Rohit Garg	
Mr. Shiv Shankar Agarwal	

Chief Financial Officer

Mr. Anil Kumar Sinha

Company Secretary

CS Himani Mittal

Statutory Auditors

M/s K.K. Jain & Co.
Chartered Accountants
[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. Rajeev Kumar Agarwal	Chairman
Mr. Jagdish Chander Chawla	
Dr. Shyam Babu Vyas	
Mr. Madan Lal	

Registered Office & Plant Site

Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan-832401, Jharkhand
email: companysecretary@bsil.org.in / Web : www.bsil.org.in
CIN - L27106JH1982PLC001633

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,

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DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 37th Annual Report of the Company along with audited accounts for the year ended 31st March, 2019.

(Rs. Lacs)

Financial Parameters	2018-19	2017-18
Sales (Net of GST)	-	-
Other Income	864.97	704.33
Profit / (Loss) before Interest, Depreciation & Exceptional Items	557.21	402.04
Interest & Finance Charges	8.61	39.27
Depreciation	428.95	431.11
Profit/(Loss) for the year before Exceptional Items	119.65	(68.34)
Exceptional Items -Net income / (Expenditure)	(130.52)	56.07
Provision for Tax	-	-
Loss for the year carried to Balance Sheet	10.87	12.27

OPERATIONS

The Plant is under shut 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 on line auction by various coal companies were of lower grades and were available at a high price, it was not economically viable for the company to operate with the costlier coal.

SHORTAGE OF IRON ORE

The operations of the company continued to remain halted on account of shortage of Iron ore availability. Ghatkuri Iron ore Mine allotted to the company in April, 2007 in the State of Jharkhand with 406.40 hectares specifying estimated reserves of 35.65 million tons, proved incorrect as post survey conducted by the State Government of Jharkhand in Feb.2012, the reserve were assessed to be about 11.00 Million tons only and further in view of inferior quality of iron ore in the mine, the company surrendered the mine back to the government with a request for allotment of another mine. The company is still waiting for the allotment of new mine, essential for running smooth and viable operations.

The company's initiative of appointing an independent contract manufacturer from April 2017, are yet to yield positive results as the imposition of heavy penalties levied for illegal mining and violation of pollution control norms at the recommendations of Shah Commission appointed at the behest of the State Government, lead to the closure of many mines which further lead to the shortage of Iron ore availability.

It is expected that on improvement in supply situation for Iron ore, the company's activities will re-commence.

Resultantly, most of the mines closed down which resulted in shortage of iron ore in the market.

In view of the current market development, the Company has entered into a facility user agreement on 1st April, 2017 with a Company specialized in contract manufacturing, wherein part of the plant and machinery shall be operated by the said Company. The said contract manufacturing company is considering to re-start the operations of the Company and evaluating all the options available under present circumstances.

5 MW POWER PLANT / STEEL PLANT

The Company from the existing power plant generates 5 MW 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 has entered into an agreement with G S Pharambutor Pvt. Ltd. (GSP) to install a 5 MW Power Plant. Whenever the existing power plant goes under regular maintenance, the Company has to generate power from DG Set, which is highly uneconomical. During such time the Company will take the power from GSP and for the rest of the period GSP will consume the

power in induction furnace to produce pencil ingot. 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 and steps for setting up induction furnace will be initiated.

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 loss incurred by the Company, no dividend has been proposed for the financial year ended 31st March, 2019.

SHARE CAPITAL

The paid up Equity Capital as on March 31, 2019 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, 2019.

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:

A) 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, Mrs. KumKum Modi (DIN: 00522904) retires by rotation and is eligible for re-appointment.

Mr. Satish Kumar Gupta (DIN: 03537417) has been re-appointed as Whole- time Director designated as Director- Works in the Board Meeting held on 14th November, 2018, for a period of 5 years w.e.f. 13th December, 2018, subject to shareholder's approval.

Mr. Jagan Nath Khurana (DIN: 00003817), Independent Director of the Company has resigned w.e.f. 25th April, 2018.

Mr. Shiv Shankar Agarwal, was appointed as an Independent Director w.e.f. 11th May, 2018 .

Mr. Subbiah Siddharth ceased to hold office as a Nominee Director w.e.f 09th August, 2018, pursuant to section 167(1)(b) of the Companies Act, 2013.

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 provisions of Section 203 of the Act, The Company has the following KMPs:

S.No	Name	Designation
1.	Mr.Satish Kumar Gupta	Whole Time Director
2.	Mr. Anil Kumar Sinha	Chief Financial Officer
3.	Ms. Subhangi Varshney *	Company Secretary
4.	Mr. Nitish Nautiyal#	Company Secretary

*Resigned w.e.f 15.11.2018

Appointed w.e.f. 16.11.2018 & resigned w.e.f. 30.04.2019.

B) 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.

C) 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 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.

D) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2018-19, Four 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.

E) DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) that in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) that the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) Explanation—For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company 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; and
- (g) 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 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:

- a. Rs. 3,09,886 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.
- b. 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. It is hopeful that the Company would get the order in its favour.

- c. Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2019 has not been taken on accounts as the Company will apply to the lenders for the waiver of the interest on unsecured loan.
- d. Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 328,817 thousands from 10.08.2013 to 31.03.2019 has not been provided as the Company will make representation for waiver on re-start of the Company's operations.

Further due to shut down of the plant and suspension of operation from 9th August, 2013 the various dues could not be paid on due dates. Necessary steps are being taken to re-start the Company and payment of such dues shall be made after re-start of operation 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. R Singhal & Associates, Company Secretaries (PCS Registration No. 10699) were appointed as the Secretarial Auditor of the Company in relation to the financial year 2018-19, in terms of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for financial year 2018-19 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 dates. Necessary steps are being taken to re-start the Company and payment of all such dues shall be made after re-start of operation 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 2018-19.

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.

w.r.t. Auditors opinion on above it is clarified that Central Coalfields Ltd has 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 operation of the company has been shutdown and operation suspended w.e.f. 9th August 2013.

Since there was restriction in entry to factory premises because of labour unrest, due to which physical verification of inventories of Raw-Materials and Stores & Spare Parts and Fixed Assets could not be done.

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.bsil.org.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.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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

All the Related party Transactions entered by the Company during the year with were in the ordinary course of business and at Arm's Length Price. The Audit Committee granted omnibus approval for the 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 are within the limits approved by the Shareholders in 35th Annual General Meeting of the Company. Suitable disclosures as 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.bsil.org.in.

EXTRACT OF THE ANNUAL RETURN

The details of the extract of the Annual Return in Form MGT-9 as per the provisions of Section 92 of Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed herewith and marked as "**Annexure-F**" to this Report and also available on the website of the Company at www.bsil.org.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, 2019 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 2019-20 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.

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

U.K. Modi
Chairman
DIN:00002757

Place : New Delhi
Date : 25.05.2019

ANNEXURE-A

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2019

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members
bihar sponge iron ltd.
Umesh Nagar, Chandil
DisttSaraikela-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, 2019, 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, 2019 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 Contracts (Regulation) Act, 1956 ('SCRA) and the rules made 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,
- The Factories Act, 1948
 - The Payment of Wages Act, 1936, and rules made thereunder,
 - The Minimum Wages Act, 1948, and rules made thereunder,
 - The Payment of Gratuity Act, 1972
 - The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
 - The Payment of Bonus Act, 1965, and rules made thereunder,
 - The Industrial Dispute Act, 1947
 - The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - The Insolvency and Bankruptcy Code, 2016
 - 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:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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:

- The plant has been 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 produced for verification. Hence information / documents in relation to them were not verified.
- 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.
There are arrears on account of such unpaid statutory dues for a period of more than six months from the date on which they became payable including Service Tax: Rs. 7,867 Thousands, Income Tax (TCS) Rs. 381 thousand, Electricity duty: 2601 Thousand (excluding un-provided Rs. 2,281 Thousand) and Cess Rs. 1 thousand as at the end of the financial year 31ST March 2019
In addition to above there is old outstanding liability of Rs. 1576 Thousand towards Employees Settlement Dues that remain unpaid during the year under consideration. As informed by the management that the Plant/Factory remained in shut down since 09.08.2013.
- In accordance to the audited financial statements and the charge register maintained by the Company it has secured liability of Indian/Foreign Financial Institution and Banks. As informed by the management and on the basis of verification of the records maintained by the Company, barring the disputed liability of Rs. 3,09,886 thousand on account of currency fluctuation on Foreign currency loan and a Soft loan of Rs. 325000 thousand taken from the Government of Jharkhand under Industrial Rehabilitation Scheme, 2003 was repaid in terms of BIFR Scheme dated 29.04.2004. The same is detailed in Note 12(a), 12(b), 12(d)(i) and 12(f) of the Audited Financial Statements as at 31.03.2019.
As informed by the company, charge on above loans 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 process of getting the same updated on the MCA site.
- The Auditor's in their Report on Internal Controls U/s 143(3)(i) of The Companies Act 2013 for the year ending 31.03.2019 have given a qualification regarding weakness in the internal control system of the Company. The Company has suitably explained the same in the Board Report.
- Promoter's and promoter group's shareholding is not 100% in dematerialized form. As already detailed in Annexure 'A' of the Compliance Report attached thereon.
- The status of Mr. Rohit Garg, Independent Director of the Company is active non compliant on site of Ministry of Company Affairs.
- 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 R. Singhal & Associates
Company Secretaries

(Rahul Singhal)

Prop.

M. No. 29599

PLACE: NEW DELHI

DATED: 25.05.2019

Note: This report is to be read with the note given below which forms an integral part of this report.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have relied on the audited financial statements for the year ended on 31.03.2019 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. That the details of disputed liabilities and demands raised by various authorities including Excise & Customs, Jharkhand VAT, Central Sales Tax, Asstt Commissioner for Electricity and Water Charges, Railway Authorities, SECL, Income Tax Authorities, Bank Guarantees, disputed liability on account of Currency Fluctuation that have not been acknowledged as debts by the company have been detailed in Note III being 'Other Notes Required By Part I & Part II of Schedule III' under the sub head 1. Contingent Liabilities. We have relied on the statement issued by the company and as incorporated in the audited Financial Statements for the year ending 31.03.2019.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For R. Singhal & Associates
Company Secretaries**

**(Rahul Singhal)
Prop.
M. No. 29599**

**PLACE: NEW DELHI
DATED: 25.05.2019**

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/ transactions	Salient terms of the contracts/arrangements/ transactions 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/ transactions	Salient terms of the contracts/ arrangements/ transactions in 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. R.K. Agarwal are common directors.	01-04-2018 to 31-03-2019	Rent received at arm's length basis of Rs. 21.33 Lacs and consultancy service paid Rs. 11.80 lacs	29.05.2017	Nil
2.	G S Pharmbutor Pvt. Ltd.	G S Pharmbutors Pvt. Ltd. holds more than 20 % shares in Moderate Leasing and Financial Services Limited which is a promoter group company and holds 49 .10 % shares of the Company. Mr. R.K. Agarwal is a common director.	01-04-2018 to 31-03-2019	Facility user charges, Rent and other expenses recovered of Rs. 404.72 Lacs.	29.05.2017	Nil
3.	Modi Motors Pvt. Ltd.	Mrs. Kumkum Modi is common director and Mr. U.K. Modi, Mr. Abhishek Modi and Mr. Jayesh Modi as relative of directors.	01-04-2018 to 31-03-2019	Printing of Annual Reprint at an arm's length basis of Rs. 5.42 Lacs.	29.05.2017	Nil
4.	Modiline Travel Service Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Abhishek Modi are common directors and Mr. U.K. Modi, Mr. Jayesh Modi as relative of directors.	01-04-2018 to 31-03-2019	Support services at arm's length basis of Rs. 1.17 lacs.	29.05.2017	Nil
4.	Jayesh Tradex Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Jayesh Modi are common directors and Mr. U.K. Modi, Mr. Abhishek Modi as relative of directors.	01-04-2018 to 31-03-2019	Stationery of Rs.0.06 Lacs.	29.05.2017	Nil
5.	Dayawati Modi Public School (Runs under the aegis of Daya Charitable Trust)	Mr. U.K. Modi, Director is also a Trustee in Daya Charitable Trust	01.04.2018 to 31.03.2019	Rent received at arm's length basis of Rs. 59.00 Lacs & Misc. expenses paid Rs. 6.27 lacs.	29.05.2017	Nil

For & on behalf of the Board

**Place : New Delhi
Date : 25.05.2019**

**U.K. Modi
(Chairman)
DIN: 00002757**

ANNEXURE - C

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

(i) Ratio of each director's remuneration to median remuneration of Employees.*	2018-19	2017-18	Difference	%
(ii) % increase in remuneration				
Director (Works)***	-	-	-	-
CFO	5,92,902	4,25,826	167,076	-
CS (Ms. Shubhangi Varshney) up to 15.11.2018	4,00,006	4,33,453	-	-
CS Nitish Nautiyal w.e.f. 16.11.2018 upto 30.04.2019	1,12,503	-	-	-

(iii) Percentage increase in the median remuneration of employees.**

(iv) No. of permanent employees on the rolls of Company.**

(v) Average percentile increase of employees other than managerial personnel in the last FY and its comparison with percentile increase/decrease in managerial remuneration.**

(vi) It is affirmed that the remuneration is as per the remuneration policy of the Company.

* No remuneration has been given to any director during the F. Y. 2018-19.

**The information could not be provided as the plant is under shut and the operation has been suspended since 9th August, 2013 thereby the salary, wages and allowances of the employees is unascertained.

***Director (Works) voluntarily waived off his remuneration from 1st April, 2018 to 31st March, 2019.

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules, 5(2) and 5(3) of 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

U.K. Modi
Chairman
DIN:00002757

Place : New Delhi
Date : 25.05.2019

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 (2018-19)	Previous Year (2017-18)
A. POWER AND FUEL CONSUMPTION		
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. CONSUMPTION PER M.T OF PRODUCTION (SPONGE IRON)		
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, reason Thereof, and future plans of action	N.A

FOREIGN EXCHANGE EARNINGS & OUTGO:

(Rs. Lacs)

	2018-2019	2017-2018
1 EARNING	—	—
2. EXPENDITURE	—	—
Import on CIF Basis Stores & Spares	—	—

For & on behalf of the Board

Place : New Delhi
Date : 25.05.2019

U.K. Modi
Chairman
DIN:00002757

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 be reduced significantly.

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

The 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 Hon'ble BIFR is over on 30th September, 2011 and 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 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 on re-start of Company's operations.

Currently the steel market is reviving and the same is not yet stable. In view of the current market development, the Company has entered into a facility user agreement on 1st April, 2017 with a Company specialized in contract manufacturing, wherein part of the plant and machinery shall be operated by the said Company. The Company is considering to re-start the operations of the Company and evaluating all the options available under present circumstances. The Management of the Company expects that the recession phase of the steel market will be over soon.

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, 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. In line with international trend, planning and conduct 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 Concurrent 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 under shut from 9th August, 2013 as a result of non-supply of coal by Central Coalfields Limited. The loss has been due to non- production as a result of non-availability coal.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company, at the year ended 31st March, 2019 had approximately 336 employees.

9. CAUTIONARY STATEMENT

The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied 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

Place : New Delhi
Date : 25.05.2019

U.K. Modi
Chairman
DIN:00002757

ANNEXURE - F

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L27106JH1982PLC001633
ii	Registration Date	16.04.1982
iii	Name of the Company	BIHAR SPONGE IRON LIMITED
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	UMESH NAGAR, CHANDIL, DISTT. SARAIKELA- KHARSAWAN, JHARKHAND-832401 Email: companysecretary@bsil.org.in / Web: www.bsil.org.in
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3rd Floor, Behind Local Shopping Complex, 99, Madangir, New Delhi-11006

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% of total turnover of the company
1	SPONGE IRON	27120	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiaries/ Associate	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the years				% change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	5000	20850	25850	0.03	7750	18100	25850	0.03	-
b) Central Govt. & State Govt. (s)	6759960	-	6759960	7.49	6759960	-	6759960	7.49	-
c) Bodies Corp.	19527305	32500300	52027605	57.68	19527305	32500300	52027605	57.68	0.00
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1):-	26292265	32521150	58813415	65.20	26295015	32518400	58813415	65.20	0.00
(2) Foreign									

a) NRIs- Individuals	3975534	-	3975534	4.41	3975534	-	3975534	4.41	0.00
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2):-	3975534	-	3975534	4.41	3975534	-	3975534	4.41	0.00
TOTAL SHAREHOLDING OF PROMOTER (A)= (A)(1)+(A)(2)	30262799	32511150	62788949	69.61	30270549	32518400	62788949	69.61	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	38070	24280	62350	0.07	38070	24280	62350	0.07	-
b) Banks/FI	1100	2220	3320	0.00	1100	2220	3320	0.00	-
C) Central Govt.	-	2200	2200	0.00	-	2200	2200	0.00	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	112500	-	112500	0.12	112500	-	112500	0.12	-
g) FIs	482210	-	482210	0.53	479899	-	479899	0.53	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):-	633880	28700	662580	0.73	631569	28700	660269	0.73	-
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	2475076	133950	2609026	2.89	2228069	133950	2362019	2.61	0.28
ii) Overseas	5500	-	5500	0.01	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	9687151	6597637	16284788	18.05	9794737	6488132	16282869	18.05	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	6399162	-	6399162	7.09	6685549	-	6685549	7.41	0.32
c) Others (specify)									
(i) Trust	1120	-	1120	.00	1120	-	1120	0	0.00
(ii) NRI	445087	345765	790852	0.88	449104	334015	783119	0.86	0.02
(iii) HUF	661113	-	661113	0.73	633417	-	633417	0.7	0
(iv) Clearing Members	2313	-	2313	0.00	8092	-	8092	0.00	0
SUB TOTAL (B)(2):-	19676522	7077352	26753874	29.66	19800088	6956097	26756185	29.70	0.00
TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	20310402	7106052	27416454	30.39	20431657	6984797	27416454	30.43	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	50578201	39627202	90205403	100.00	50702206	39503197	90205403	100.00	0.00

(ii) Shareholding of Promoters

S.N. Shareholder's Name		Shareholding at the beginning of the year			Shareholding at the end of the year			
S.No.	Shareholder's Name	No. of shares	% of total Shares of the Co.	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the co.	% of shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Abhishek Kumar Modi	1100	0.00	0	1100	0.00	0	NIL
2	Himani Modi	1100	0.00	0	1100	0.00	0	NIL
3	Seth Umesh Kumar Modi (HUF)	2750	0.00	0	2750	0.00	0	NIL
4	Kumkum Modi	5500	0.01	0	5500	0.01	0	NIL
5	Meghna Modi	15400	0.02	0	15400	0.02	0	NIL
6	Umesh Kumar Modi	3975534	4.41	0	3975534	4.41	0	NIL
7	Bihar State Industrial Development Corp. Ltd.	6759960	7.49	0	6759960	7.49	0	NIL
8	Abhikum Leasing and Investment Pvt Ltd.	500	0.00	0	500	0.00	0	NIL
9	A to Z Holding Pvt. Ltd.	1700500	1.89	0	1700500	1.89	0	NIL
10	Modi Industries Limited	1999960	2.22	0	1999960	2.22	0	NIL
11	Longwell Investment Pvt. Ltd.	4033012	4.47	0	4033012	4.47	0	NIL
12	Moderate Leasing and Capital Services Ltd.	44293633	49.10	36.03	44293633	49.10	36.03	NIL
	Total	62788949	69.61	36.03	62788949	69.61	36.03	NIL

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of Total Shares of the company
1	Shareholding at the beginning				
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	NO CHANGE			
3	Shareholdings at the end				

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bishwanath Prasad Agarwal	878230	0.97	-	-
2.	Modi Rubber Limited	680001	0.75	-	-
3.	Hansa Dinesh Radia	673419	0.74	-	-
4.	DB International Asia Limited	479899	0.53	-	-
5.	Khubchand T Jivnani	474999	0.53	-	-
6.	Rekha Mody	413199	0.46	-	-
7.	Mahendra Girdharilal.	238157	0.26	-	-
8.	Indian Sulphacid Industries Limited	234693	0.26	-	-
9.	Reshmi Trexim Private Limited	222599	0.25	-	-
10.	Gautam Radia	199851	0.22	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Umesh K. Modi, Director & Chairman				
	At the beginning of the year	3975534	4.41	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	3975534	4.41	-	-
2	KumKum Modi, Director				
	At the beginning of the year	5500	0.01	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	5500	0.01	-	-
3	Abhishek Modi, Director				
	At the beginning of the year	1100	0.00	-	-
	Date wise increase/ decrease in the shareholding during the year	-	-	-	-
	At the end of the year	1100	0.00	-	-
4	Satish Kumar Gupta , Director(Works)				
	At the beginning of the year	390	0.00	-	-
	Date wise increase/decrease in the shareholding during the year	-	-	-	-
	At the end of the year	390	0.00	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	325000000	616560000	NIL	941560000
ii) Interest due but not paid	274619219	91630612	NIL	366249831
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	599619219	708190612	NIL	1307809831
Change in Indebtedness during the year				
Additions	NIL	3899000	NIL	3899000
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	3899000	NIL	3899000
Indebtedness at the end of the financial year				
i) Principal Amount	325000000	620459000	NIL	945459000
ii) Interest due but not paid	274619219	91630612	NIL	366249831
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	599619219	712089612	NIL	1311708831

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Mr. Satish K. Gupta, Director- Works (Whole-Time Director & Key Managerial Personnel) :

Sl.No.	Particulars of Remuneration	Mr. Satish Kumar Gupta, Director (Works) Whole-Time Director & Key Managerial Personnel	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,98,000	7,98,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	77,273	77,273
	Total (A)	875,273	8,75,273
	Ceiling as per the Act	Rs. 60,00,000 (Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013)	

* Mr. Satish Kumar Gupta has waived off his remuneration for the period 1st April, 2018 to 31st March, 2019.

B. Remuneration to other directors:

2.	Independent Directors	B. D. GARG	J. C. CHAWLA	S.S. AGARWAL	SHYAM VYAS	R. K. AGARWAL	MADAN LAL	ROHIT GARG
	-Fee for attending board committee meetings	7,000	40,000	2,000	4,000	14,000	40,000	1,000
3.	Other Non-Executive Directors*							
	* No fee or commission was paid to Non-Executive Directors during the year * Company provides Rs. 1000 per meeting as a sitting fee to Independent Directors only according to their presence in the meeting.							

C. Remuneration To Key Managerial Personnel

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total
1	Gross Salary	A. K. Sinha - CFO	Shubhangi Varshney- Company Secretary*	Nitish Nautiyal ** Company Secretary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	318000	185962	56,250	374,250
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	274902	214044	56,251	331,153
	TOTAL	592902	400,006	112,501	705,403

* Ms Subhangi Varshney resigned w.e.f - 15.11.2018

**Mr. Nitish Nautiyal appointed w.e.f - 16.11.2018 & resigned w.e.f. - 30.04.19

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment compounding fees imposed	Authority (RD/NCLT Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of directors

Place : New Delhi
Date : 25.05.2019

U.K.Modi
Chairman
DIN: 00002757

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

- i. As on March 31, 2019, the Company has 12 Directors of which 11 are Non-Executive Directors. 7 of the 12 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.
- ii. 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 as on March 31, 2019 are given below:

Name of the Directors	Executive/ Independent/ Non-Executive	No. of meetings attended(+)	Attendance at previous AGM on 20 th September, 2018.	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
					Chairmanship	Membership	
Mr. Umesh K. Modi	Chairman & Non Executive Director	2	Not Present	5	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mrs. Kumkum Modi	Non Executive Director	1	Not Present	2	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Abhishek Modi	Non Executive Director	1	Not Present	4	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Jayesh Modi	Non Executive Director	1	Not Present	3	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Subbiah Siddharth(**)	Nominee Director	Nil	Not Present	-	Nil	Nil	-
Mr. S. K. Gupta(***)	Executive & Whole-time Director	1	Present	Nil	Nil	Nil	-
Mr. B. D. Garg	Independent Director	3	Not Present	1	Nil	Nil	-
Dr. S. Babu Vyas	Independent Director	1	Not Present	2	Nil	1	SBEC Sugar Limited (Independent Director) SBEC Systems (India) Ltd- (Independent Director)
Mr. J. C. Chawla	Independent Director	4	Not Present	3	1	3	SBEC Sugar Limited (Independent Director) SBEC Systems (India) Ltd- (Independent Director)
Mr. Madan Lal	Independent Director	4	Not Present	2	1	1	Shreyans Financial and Capital Services Limited- (Independent Director)
Mr. J. N. Khurana(****)	Independent Director	Nil	Not Present	-	Nil	2	-
Mr. R. K. Agarwal	Independent Director	4	Present	7	3	1	SBEC Sugar Limited (Independent Director) SBEC Systems (India) Ltd- (Independent Director)
Dr. Rohit Garg	Independent Director	1	Not Present	2	Nil	Nil	SBEC Sugar Limited (Independent Director)
Mr. S.S. Agarwal#	Independent Director	2	Not Present	4	Nil	3	SBEC Systems (India) Ltd- (Executive Director)

(+) Attendance at Board Meetings relevant to the period remained as Director of the Company.

(*) Directorship in companies registered under the Companies Act, 2013, excluding Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and Alternate Directorships.

(**) Mr. Subbiah Siddharth ceased to hold office as a Nominee Director w.e.f 09th August, 2018, pursuant to section 167(1)(b) of the Companies Act, 2013.

(***) Mr. Satish Kumar Gupta (DIN: 03537417) has been re-appointed as Whole- time Director designated as Director- Works in the Board Meeting held on 14th November, 2018 for a period of 5 years w.e.f. 13th December, 2018, subject to shareholder's approval.

(****) Resigned from the office of Independent Director, w.e.f., 25th April, 2018.

(#) Mr. S.S. Agarwal appointment as an Independent Director was regularized, w.e.f., 11th May, 2018, in 36th Annual General Meeting held on 20th September, 2018.

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.

Four Board Meetings were held during the year on 11th May, 2018; 9th August, 2018; 14th November, 2018 and 12th February, 2019.

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 of the Company as on 31st March, 2019.

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, 2019. The Code is posted on the website of the Company i.e. www.bsil.org.in

INFORMATION REGARDING REAPPOINTMENT OF DIRECTOR

Mrs. KumKum Modi, Director of the Company retires by rotation and being eligible, offers herself for re-appointment. Mrs. KumKum Modi is a Non-Executive director. She has done 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.

Skills/ expertise/ competence requirements for Board of Directors

The Board of Directors has identified core skills/expertise/ competencies to be available at all times with the Board for functioning effectively and those which are actually available. Such skills/expertise/competencies include a combination of educational qualifications in different functional areas, knowledge and work experience in the fields of manufacturing Industry, banking, finance, sales and marketing, human resource, regulatory, administration and legal etc. The Board is satisfied with the set of skills/ expertise/competencies available with it presently.

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 & 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 11th May, 2018, 9th August, 2018, 14th November, 2018 and 12th February, 2019.

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

Name of Director	Designation	Category	No. of meetings attended
Mr. R. K. Agarwal	Chairman	Independent Director	4
Dr. S. B. Vyas	Member	Independent Director	1
Mr. J. C. Chawla	Member	Independent Director	4
Mr. Madan Lal	Member	Independent Director	4

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 two meetings were held on 11th May, 2018, and 14th November, 2018.

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

Name of Director	Designation	Category	No. of meetings attended
Mr. R. K. Agarwal	Chairman	Independent Director	2
Dr. S. B. Vyas	Member	Independent Director	1
Mr. J. C. Chawla	Member	Independent Director	2
Mr. Madan Lal	Member	Independent Director	2
Mr. B. D. Garg	Member	Independent Director	1

The Company Secretary acts as a Secretary to the Committee.

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.

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, 2019 are as under:-

S. NO.	NAME	SALARY	PERQUISITES AND OTHER BENEFITS	SITTING FEES (Rs.)	TOTAL (Rs.)
Executive Directors:					
1	Mr. S. K. Gupta*	7,98,000	77,273	--	8,75,273
Non-Executive Directors:					
1	Mr. B. D. Garg	--	--	7,000	7,000
2	Mr. R. K. Agarwal	--	--	14,000	14,000
3	Dr. S. B. Vyas	--	--	4,000	,000
4	Mr. J. C. Chawla	--	--	40,000	40,000
5	Mr. Madan Lal	--	--	40,000	40,000
6	Dr. Rohit Garg	--	--	1,000	1,000
7	Mr. S.S. Agarwal	--	--	2000	2000

*Mr. S. K. Gupta has waived off his remuneration for the period 1st April, 2018 to 31st March, 2019.

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 12th February, 2019 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, i.e., 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 four times on 11th May, 2018, 9th August, 2018, 14th November, 2018 and 12th February, 2019.

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

Name of Director	Designation	Category	No. of meetings attended
Mr. R. K. Agarwal	Chairman	Independent Director	4
Dr. S. B. Vyas	Member	Independent Director	1
Mr. J. C. Chawla	Member	Independent Director	4
Mr. Madan Lal	Member	Independent Director	4
Mr. B.D. Garg	Member	Independent Director	3

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	
(2018-19)						
Received	10	Nil	Nil	Nil	Nil	10
Replied	10	Nil	Nil	Nil	Nil	10
Pending	Nil	Nil	Nil	Nil	Nil	Nil

COMPLIANCE OFFICER:

Ms. Himani Mittal, Company Secretary is the Compliance Officer of the Company.

ANNUAL GENERAL MEETING

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

Year	Date	Venue	Time	Special Resolution Passed (Yes/No)
2018	20.09.2018	Company Guest House, Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	02:30 P. M.	Yes
2017	19.09.2017	Company Guest House, Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	02:00 P. M.	Yes
2016	15.09.2016	Company Guest House, Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	03:00 P. M.	No

POSTAL BALLOT

No resolution requiring a postal ballot was proposed at the last Annual General Meeting of the Members.

No resolution which requires approval of Members by postal ballot is being proposed at the ensuing Annual General Meeting.

MEANS OF COMMUNICATIONS**Quarterly Results:**

In compliance to the provisions of 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 filled with stock exchanges and also disseminated on the Company's website: (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:**

37th Annual General Meeting is scheduled to be held on Monday, 9th day of September, 2019 at 2:00 P.M. at the Company's Guest House, Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan – 832401, Jharkhand.

b. Financial Calendar

Particulars	Date
For First Quarter UFR ended 30.06.2019:	By 14 th August, 2019
For Second Quarter UFR ended 30.09.2019:	By 14 th November, 2019
For Third Quarter UFR ended 31.12.2019:	By 14 th February, 2020
For Audited Financial results for the year ended 31.03.2020:	By 30 th May, 2020

c. Book Closure

Tuesday the 3rd September, 2019 to Monday the 9th September, 2019 (both days inclusive).

d. Dividend payment date

In view of losses incurred by the Company, no dividend has been recommended by the Board of Directors for the year ended 31st March, 2019.

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, 25 th 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.

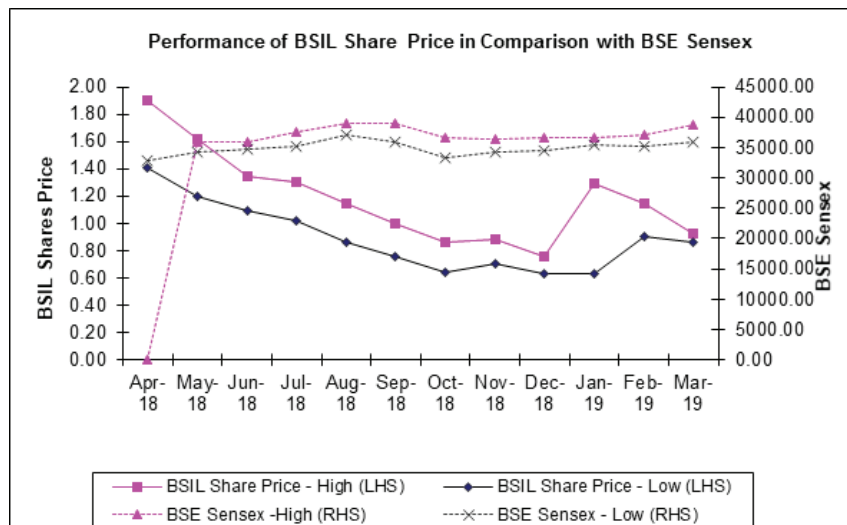
The Company has paid listing fee for the financial year 2019-2020 to BSE Limited.

f. Market Price Data

High/Low of market price of the Company's shares traded on BSE during the financial year 2018-2019 is furnished below:

Month	High Price	Low Price	No. of Shares
Apr 18	1.90	1.41	62,955
May 18	1.62	1.20	98,695
Jun 18	1.34	1.09	1,39,112
Jul 18	1.30	1.02	62,457
Aug 18	1.15	0.86	1,14,585
Sep 18	1.00	0.76	5,97,875
Oct 18	0.86	0.64	1,88,804
Nov 18	0.88	0.70	1,72,250
Dec 18	0.76	0.63	91,214
Jan 19	1.29	0.63	2,27,899
Feb 19	1.15	0.90	38,730
Mar 19	0.92	0.86	99,462

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,

99, Madangir, Behind Local Shopping Centre, New Delhi - 110062

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

i) Distribution of Shareholding as on 31st March, 2019:

No. of Shares	No. of Shareholders	No. of Shares	% age to total shares
Up to 5000	50,447	7518723	8.33
5001 to 10000	2,828	2280341	2.53
10001 to 20000	1,148	1761458	1.95
20001 to 30000	342	877364	0.97
30001 to 40000	167	606846	0.67
40001 to 50000	188	908891	1.00
50001 to 100000	262	1963357	2.17
100001 and above	262	74288423	82.35
Total	55,881	90205403	100.00

j) Shareholding pattern as on 31st March, 2019:

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	1,18,020	00.13
4. Foreign Financial Investors	4,79,899	00.53
5. Private Corporate Bodies	23,62,019	02.62
6. Indian Public	2,29,68,418	25.46
7. NRI	7,83,119	00.87
8. Any Other (Clearing Members, Foreign Bodies, Trusts & Individual HUF)	6,42,629	00.71
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, 2019, 56.20 % 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, Email: 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 Audit Committee accorded its omnibus approval for the said related party transactions at its meeting held on 29th May, 2017 in terms of Regulation 23 (3) of the said Regulations. The said policy has been uploaded in the Company's website viz. 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 had no occasions to disclose regarding non-compliance during the last three years. There were no penalties, strictures imposed by stock exchange or the board of any statutory authority on any matter related to capital markets during the last three years.

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. 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, 2019.

f) Details of utilization of funds through preferential allotment:

During the Financial Year ended 31st March, 2019, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

g) A Certificate has been received from M/s. Rahul Singh & 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) There was no instance during the financial year 2018-19, where the Board of Directors had not accepted the recommendation of any Committee of the Board which it was mandatorily required to accept.

i) Total fees of Rs. 3,20,000 for financial year 2018-19, 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) 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 2018-19: Nil
 b. number of complaints disposed of during the financial year 2018-19: Nil
 c. number of complaints pending as on end of the financial year 2018-19: Nil

l) CEO/ CFO CERTIFICATION

Mr. Satish Kumar Gupta Whole Time Director –Works and Mr. A.K. Sinha, Chief Financial Officer of the Company have furnished a certificate relating to financial statement and internal controls systems as per the format prescribed under SEBI (LODR), Regulations, 2015 and the Board took the same on record.

For & on behalf of the Board

Place : New Delhi
 Date : 25.05.2019

U.K. Modi
 Chairman
 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, Satish Kumar Gupta, Director-Works 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, 2019.

Place: New Delhi
 Dated: 25th May, 2019

SatishKumarGupta
 (Director- Works)
 [DIN: 03537417]

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Bihar Sponge Iron Limited

We have examined the compliance of the conditions of Corporate Governance by **BIHAR SPONGE IRON LIMITED** in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the documents and records maintained by the Company and the report on Corporate governance as adopted by the Board of Directors.

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.

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 : 25.05.2019

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, 2019, the Statement of Profit and Loss and Statement of Cash Flows for the year then 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, 2019, 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. 3,09,886 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 (refer other note no. 3(II) appearing in Annexure (III)).
- II. Non recognition of penalty of Rs. 21,528 thousands recovered by South Eastern Coal Fields 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 31.03.2019 (amount unascertained) (refer note 7(i)(a) of Annexure I).
 - b. Interest on Soft Loan taken from the Government of Jharkhand under the Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 3,28,817 thousands from 10.08.2013 to 31.03.2019 which is subject to representation from the company for waiver thereof by the lender (refer note 7(i)(b) of Annexure I).

Taking into consideration non provision of likely liabilities mentioned paragraph i, ii and iii (b) above

- a. Loss for the year would have been higher by Rs. 6,60,231 thousands as compared to the disclosed loss of Rs. 1,087 thousands.
- b. Accumulated losses would have been Rs.30,79,234 thousands as compared to disclosed losses of Rs. 24,19,003 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 operations and has in this direction, with a view to generate revenue and make the plant operational, the company has, on 01-04-2017 entered in to a Facility User Agreement with a company specializing in contract manufacturing. Under the said agreement, part of the plant and machinery shall be operated by the said company. With the restart of the plant by them, 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.

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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 information 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
FR No. : 002465N

(Simmi Jain)
Partner
M.No. : 086496

Place : New Delhi
Date : 25.05.2019

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, 2019.

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 31.03.2019 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), GST, 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 2019 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. 381 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:

					(Rs. '000)
Name of the statute	Forum where Dispute pending	Nature of dues	Period of dispute	Amount	
1. JVAT Act, 2005	Jt. Comm. of Commercial Taxes (Appeals), Jsr. (Amt. paid on appeal Rs.5.88 lakhs).	Tax on JVAT.	2010-11	5,291	
2. JVAT Act, 2005	Commissioner of Commercial Taxes Jharkhand, Ranchi.	Tax on JVAT.	2010-11	8140	
3. JVAT Act, 2005	Commissioner of Commercial Taxes, Jharkhand Ranchi.	Central Sales Tax	2010-11	3096	
4. 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 3,09,886 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 6,03,437 thousands (inclusive of unprovided interest of Rs 3,28,817 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
FR No. : 002465N

(Simmi Jain)
Partner
M.No. : 086496

Place : New Delhi
Date : 25.05.2019

Annexure (B) to Independent Auditor's 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, 2019 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, 2019: a. 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/ obsolescence for fixed assets) if any, between the physical balance and book balance at the yearend 31.03.2019 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 6 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, 2019, 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, 2019 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
FR No. : 002465N

(Simmi Jain)
Partner
M.No. : 086496

Place : New Delhi
Date : 25.05.2019

BALANCE SHEET AS AT 31ST MARCH, 2019

Rs. 000'

PARTICULARS	Note. No.	As at 31.03.2019	As at 01.04.2018
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	1	479056	522074
(b) Capital Work in Progress	1A	28207	28207
(c) Other Tangible Assets	1B	-	-
(d) Intangible Assets under development	1C	-	4725
(e) Deferred Tax Assets	2	-	-
(f) Other non Current Assets	3	36630	37972
		<u>543893</u>	<u>592978</u>
(2) Current Assets			
(a) Inventories	4	46325	57905
(b) Financial Assets			
(i) Trade Receivables	5	4802	-
(ii) Cash and Cash Equivalents	6	5734	4452
(iii) Bank balances other than (ii) above	7	4640	4640
(iv) Others	8	1056	936
(c) Others Current assets	9	21809	22050
		<u>84366</u>	<u>89983</u>
Total		<u>628259</u>	<u>682961</u>
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	10	902531	902531
(b) Other Equity	11	(1769848)	(1768761)
		<u>(867317)</u>	<u>(866230)</u>
LIABILITIES			
(1) Non-Current Liabilities			
a) Financial Liabilities			
Other Financial Liabilities	12	620459	616560
b) Provisions	13	27807	25601
c) Deferred Tax Liabilities	2	-	-
d) Other non-Current Liabilities	14	8155	12155
		<u>656421</u>	<u>654316</u>
(2) Current Liabilities			
a) Financial Liabilities			
i) Trade Payables	15	92858	148043
ii) Other Financial Liabilities	12	698599	698599
		<u>791457</u>	<u>846642</u>
b) Other Current Liabilities	14	45030	46363
c) Provisions	13	2668	1870
		<u>839155</u>	<u>894876</u>
Total Equity and Liabilities	Total	<u>628259</u>	<u>682961</u>

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
[FRNo. 02465N]

U. K. Modi
(Chairman & Director)
[DIN00002757]

S. K. Gupta
(Director- Works)
[DIN 03537417]

Directors
Jayesh Modi - [02849637]
J. C. Chawla - [05316202]
S.S. Agarwal - [00004840]
R. K. Agarwal - [00298252]

Simmi Jain
(Partner)
Membership no. 086496
Place : New Delhi
Date : 25th May, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019

Rs. 000'

PARTICULARS	Note. No.	Year Ended 31.03.2019	Year Ended 31.03.2018
I Revenue from operations	16	-	-
II Other Income	17	86,497	70,433
III Total Income (I +II)		86,497	70,433
IV Expenses:			
Cost of materials consumed	18	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	-	240
Employee benefits expense	20	17,727	19,398
Finance costs	21	861	3,927
Depreciation and amortization expense	22	42,895	43,111
Other expenses	23	13,049	10,591
Total Expenses (IV)		74,532	77,267
V. Profit / (Loss) before exceptional and tax (III - IV)		11,965	(6,834)
VI. Exceptional Items Income/(Expenses)	24	(13,052)	5,607
VII. Profit / (Loss) before tax (V - VI)		(1,087)	(1,227)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total		-	-
IX. Profit/(Loss) for the year		(1,087)	(1,227)
X. Earning per equity share:	25		
(1) Basic		(0.01)	(0.01)
(2) Diluted		(0.01)	(0.01)

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
[FRNo. 02465N]

U. K. Modi
(Chairman & Director)
[DIN00002757]

S. K. Gupta
(Director- Works)
[DIN 03537417]

Directors
Jayesh Modi - [02849637]
J. C. Chawla - [05316202]
S.S. Agarwal - [00004840]
R. K. Agarwal - [00298252]

Simmi Jain
(Partner)
Membership no. 086496

A. K. Sinha
(Chief Financial Officer)

Place : New Delhi
Date : 25th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

Rs. 000'

	As at March 31, 2019	As at March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax	(1,087)	(1,227)
Adjustments for :		
Depreciation	42,895	43,111
Interest Expense	861	3,927
Interest Income	(133)	(92)
Fixed Assets Retired & Written Off	123	98
Reversal of excess provisions made in earlier year	-	(117)
Debit /Credit balances writtenoff	(44,619)	(26,429)
Finished Goods obsolete items Written Off	-	240
Waive off of remuneration by Director (Works)	(864)	(864)
Profit on Sales of Fixed Assets	-	(123)
Remeasurements recognised in OCI (Gain)/Loss in Gratuity and Leave encashments	743	(11,060)
Unclaimed Amount Wretten Back	(3,133)	-
Iron Ore Mine Development Charges Wrtten Off	4,725	-
Exceptional Items-(Expenses- Write Down in Value of Inventories)	11,581	6,434
	<u>12,179</u>	<u>15,125</u>
Operating profit/(Loss) before working capital changes	11,091	13,898
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(1,763)	(103)
(Increase)/Decrease in Inventories except Write Down in Value	-	-
Increase /(Decrease) in Trade Payable and Provisions	(9,642)	(8,450)
	<u>(11,405)</u>	<u>(8,553)</u>
Cash (used in) / Generated from operations	(314)	5,345
Income Tax/ TDS Paid/Refund	(1,456)	(1,608)
Net Cash (used) in / generation from operating activities	(1,770)	3,737
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	13	9
Purchase of fixed assets (including CWIP)	-	(136)
Proceeds from Sales of fixed assets	-	212
Net Cash (used) in/flow from investing activities	13	85
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long/Short term borrowings	3,899	659
Interest paid	(861)	(3,082)
Repayment of long /Short term borrowings	-	-
NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES	3,038	(2,423)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	1,282	1,399
Cash and Cash equivalents at beginning of period	9,092	7,693
Cash and Cash equivalents at end of the period (Note No 6 & 7)	10,374	9,092

* Figures in bracked indicate cash outflow.

As per our report of even date attached.

FOR K.K. Jain & Co.
Chartered Accountants
[FRNo. 02465N]U. K. Modi
(Chairman & Director)
[DIN00002757]S. K. Gupta
(Director- Works)
[DIN 03537417]Simmi Jain
(Partner)
Membership no. 086496A. K. Sinha
(Chief Financial Officer)

Directors	
Jayesh Modi	- [02849637]
J. C. Chawla	- [05316202]
S.S. Agarwal	- [00004840]
R. K. Agarwal	- [00298252]

Place : New Delhi
Date : 25th May, 2019

Notes to Financial Statements for the Year Ended on 31st March, 2019

NOTE - 1 : PROPERTY, PLANT AND EQUIPMENT

Rs.000'

Particulars	Gross Block			Depreciation				Net Book Value		
	As at 01.04.2018	Addi- tions	Deduc- tions /Disposal	As at 31.03.2019	As at 31.03.2018	Additions	Deductions/ disposal	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Freehold land*	3,100	-	-	3,100	-	-	-	-	3,100	3,100
Leasehold land	38,883	-	-	38,883	8,131	443	-	8,574	30309	30752
Building	3,65,805	-	-	3,65,805	2,40,983	16,803	-	2,57,786	108019	124822
Plant and Equipment	25,46,640	-	-	25,46,640	21,92,957	25,477	-	22,18,434	328206	353683
Furniture & Fixtures	7,128	-	1,342	5,786	6,675	56	1,286	5,445	341	453
Vehicles **	10,710	-	-	10,710	10,100	75	-	10,175	535	610
Office Equipments	7,014	-	1,324	5,690	6,577	41	1,257	5,361	329	437
Railway siding	1,64,335	-	-	1,64,335	1,56,118	-	-	1,56,118	8217	8217
Total	31,43,615	-	2,666	31,40,949	26,21,541	42,895	2,543	26,61,893	479056	522074
(Previous Year)	31,47,311	57	3,753	31,43,615	25,81,996	43,111	3,566	26,21,541	522074	565315

* 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 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019
Plant & Machinery	28,207	-	-	28,207
(Previous Year)	28,128	79	-	28,207

NOTE - 1B : INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation				Net Book Value		
	As at 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019	As at 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
EDP Software	1,527	-	-	1,527	1,527	-	-	1,527	-	1,527
(Previous Year)	1,527	-	-	1,527	1,527	-	-	1,527	-	1,527

NOTE - 1C : INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01.04.2018	Additions	Deductions /Disposal	As at 31.03.2019
Mining Development Expendi- ture - Iron Ore Block	4,725	-	4,725	-
(Previous Year)	4,725	-	-	4,725

NOTE - 2 : DEFERRED TAX ASSETS / LIABILITIES

Rs.000'

Particulars	As at 31.03.2018	For the Year	As at 31.03.2019
Deferred Tax Assets			
Unabsorbed tax depreciation	76,276	(42,554)	33,722
Unabsorbed Assessed Business Loss	2,35,410	(2,21,354)	14,056
Provision disallowed under Income Tax	8,642	(1,823)	6,819
Disallowed u/s 43B of Income Tax Act	4,712	(969)	3,742
Total	3,25,040	(2,66,700)	58,339
Deferred Tax Liabilities			
Difference between book & tax depreciation	(13,497)	(8,652)	(22,149)
Net Deferred Tax Assets	3,38,536	(258,048)	80,488

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 31.03.2019	As at 01.04.2018
Unsecured, Considered Good unless otherwise stated		
Capital Advances	863	1,805
Advances Recoverable (refer note 5 of Ann. I(III)) (Other than related parties)	21,528	21,528
Security Deposit with Govt a& Other Parties	1,752	2,152
Sales Tax/VAT recoverable (including Sales Tax/VAT paid under protest & Entry Tax)	12,487	12,487
Total	36,630	37,972

NOTE - 4 : INVENTORIES

(Valued at lower of cost or net realisable value)		
Raw Materials	1,662	2,077
Stores & Spares	44,663	55,828
Total	46,325	57,905

Note :

- Write Down of inventories in Raw Materials and Stores & Spares to net realisable value during the year ended 31st March 2019 to Rs. 11581 thousands(during the year ended 31st March, 2018 Rs. 6434 thousands)
- Mode of valuation has been stated in note no. 3 in accounting policies Annexure - 1.

NOTE - 5 : TRADE RECEIVABLES

Unsecured, Considered Good unless otherwise stated :		
Outstanding for more than six months	-	-
- Doubtful	4,585	4,585
Less : Provision for Doubtful receivables	4,585	4,585
Outstanding for less than six months		
Unsecured, Considered Good from related party:		
Unsecured, Considered Good	4,802	-
Total	4,802	-

NOTE - 6 : CASH & CASH EQUIVALENTS

Cash and Bank Balances		
Bank Balances		
Balance with Scheduled Bank		
- in Current Account	5,665	4,440
Cash in hand	69	12
Total	5,734	4,452

NOTE - 7 : OTHER BANK BALANCES

Other Bank Balances		
Fixed Deposits with maturity of more than 12 months*	4,640	4,640
Total	4,640	4,640

* 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.

Rs. 000

Particulars	As at 31.03.2019	As at 01.04.2018
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NOTE - 8 : OTHER FINANCIAL ASSETS

Interest accrued on fixed deposit	1,056	936
Total	1,056	936

NOTE - 9 : OTHER CURRENT ASSETS**Unsecured, Considered Good unless otherwise stated:****Others:**

Advance recoverable in cash or in kind or for value to be received		
-Others	5,334	7,553
Advance to Related Parties	2,888	2,366
Balance with Revenue Authorities :		
'-Excise Duty /Sales Tax deposited under protest	1,027	1,027
- Sales Tax recoverable	8,476	8,476
- Tax deducted at source	4,084	2,628
Total	21,809	22,050

NOTE - 10 : EQUITY SHARE CAPITAL

AUTHORIZED CAPITAL		
100,000,000 Equity share of Rs. 10/- each (P.Y. 100,000,000)	10,00,000	10,00,000
	10,00,000	10,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
90,205,403 Equity share of Rs. 10/- each fully paid in cash (P.Y. 90,205,403)	9,02,054	9,02,054
Add : Forefeited shares (amount originally paid up)	477	477
Total	9,02,531	9,02,531

10.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of Rs. 10 Each, Fully paid up	As at 31.03.2019		As at 01.04.2018	
	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	9,02,05,403	90,20,54,030	90,02,05,403	90,20,54,030
At the end of the year	9,02,05,403	90,20,54,030	9,02,05,403	90,20,54,030

10.2 Term/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.

Equity Shares	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Moderate Leasing and Capital Services Ltd.	4,42,93,633	49.10	4,42,93,633	49.10
Bihar State Industrial Development Corp. Ltd.	67,59,960	7.49	67,59,960	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.

RS. 000

Particulars	As at 31.03.2019	As at 01.04.2018
NOTE - 11 : OTHER EQUITY		
Capital Reserve :		
Opening Balance	1,500	1,500
Securities Premium Reserve		
Opening Balance	2,36,338	2,36,338
Revaluation Reserve		
Opening Balance	4,11,317	4,11,317
Surplus		
Loss at the beginning of the year	(24,17,916)	(24,16,689)
Loss as per statement of Profit & Loss	(1,087)	(1,227)
Closing Balance	(24,19,003)	(24,17,916)
Total	(17,69,848)	(17,68,761)

NOTE - 12 : OTHER FINANCIAL LIABILITIES

Non Current		
Secured		
Term Loan-Foreign Currency		
- Refer (a) below	-	-
Unsecured :		
Loans & Advances From Related Parties		
- Body Corporates	3,86,684	3,82,785
- Directors	3,795	3,795
Loans & Advances from other than Related Parties		
- Body corporate	2,29,980	2,29,980
Total	6,20,459	6,16,560
Current		
Current maturities of long term debts		
(Refer Note 12 for nature for Securities)		
- Soft Loan from Govt of Jharkhand	3,25,000	3,25,000
(under Rehabilitation Scheme 2003)		
- Interest accrued and due on borrowing	2,74,619	2,74,619
(to the extent provided for, also refer note no (f) of Note 12)		
Interest accrued and due on borrowing / acceptances	98,980	98,980
Total	6,98,599	6,98,599

- a) Disputed liability amounting to Rs.3,09,886 thousands (P.Y. Rs. 3,08,439 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 Applent 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:
- (i) 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
- (ii) 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 th July 2004 to 30th Spetember ,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 31.03.2019 comes to Rs. 3,25,000 thousands and Rs. 6,03,436 thousands including unprovided interest of Rs. 3,28,817 thousands (P/Y Rs.3,25,000 thousands and Rs. 5,34,663 thousands including unprovided interest of Rs.2,60,044 thousands) respectively inclusive of unprovided interest of Rs. 3,28,817 thousands from 10th August, 2013 to 31st March, 2019 (Rs. 2,60,044 thousands upto 31.03.2018), for which the company has approached Government of

Particulars	As at 31.03.2019		As at 31.03.2018	
	Current	Non-Current	Current	Non-Current

NOTE - 13 : PROVISIONS

Provision for Employee Benefits :				
(a) Provision for Gratuity	2,466	25,590	1,715	23,534
(b) Provision for leave encasement	202	2,217	155	2,067
Total	2,668	27,807	1,870	25,601

NOTE - 14 : OTHERS LIABILITIES

Others				
Security Deposit from Transporters/Contractors	-	778	-	4,778
Security Deposit-Sales Tax	-	7,377	-	7,377
Advances from Customers			4,887	-
Other Payables	5,828	-		
- Statutory Dues			1,311	-
- Other Collections, pending remittance	2,933	-	7,867	-
- Due to Employee Benefits	13,111	-	16,885	-
- Due for Expenses incurred	15,262	-	15,384	-
- Other Deposit	29	-	29	-
Total	45,030	8,155	46,363	12,155

NOTE - 15 : TRADES PAYABLE

Due to units under MSME (Refer note 9 of Annexure I(III))	-	-	759	-
Others	92,858	-	1,47,284	-
Total	92,858	-	1,48,043	-

NOTES TO STATEMENT OF PROFIT & LOSS

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
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NOTE - 16 : REVENUE FROM OPERATIONS

Sales		
Gross Sales	-	-
Less : GST	-	-
Total	-	-

NOTE - 17 : OTHER INCOME

Interest on fixed Deposits & Others*	133	92
Other non-operating income		
a. Sales of Waste and Scrap (Net of GST)	639	152
b. Rent recovery from Others*	8,756	7,997
c. Profit on Sales of Fixed Assets	-	123
d. Misc. Income*	2,350	5,640
e. User Facility Charges recovery from Others*	30,000	30,000
f. Debit/Credit balance written off(net)	44,619	26,429
Total	86,497	70,433

* Includes Tax Deducted at source Rs. 1456 Thousands (Previous year Rs. 1608 Thousands)

NOTE - 18 : COST OF MATERIALS CONSUMED

<u>Raw Materials :</u>		
Iron ore	-	-
Coal	-	-
Dolomite	-	-
Total	-	-

NOTE - 19 : CHANGES IN INVENTORIES OF FINISHED GOODS

<u>Opening Stock</u>		
Finished Goods	-	240
<u>Closing Stock</u>		
Finished Goods	-	-
<u>Net Changes</u>		
Finished Goods	-	240
Net Decrease	-	240

* The loss on obsolescence relating to finished Goods recognised as an expenses.

Rs. 000

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
NOTE - 20 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and allowances	12,583	13,462
Gratuity	3,303	3,979
Leave Encashment	303	433
Contribution to Provident Fund	1,102	1,123
Inspection Charges Provident Fund	93	85
Staff Welfare Expenses	343	316
Total	17,727	19,398
NOTE - 21 : FINANCE COST		
Interest :		
a) On long term borrowing	-	-
b) Interest and Penalty		
- Excise duty/S.Tax/I.Tax/Sales Tax/PF/Tax Deducted at sources	817	3,433
	-	493
c) Other Interest (Security Deposit & Others)	-	-
Bank & Other Charge	44	1
Total	861	3,927
NOTE - 22 : DEPRECIATION & AMORTIZATION EXPENSES		
Depreciation & Amortization (Including on revaluation reserve Rs. 21364 thousands (PY 21364 thousand))	42,895	43,111
Total	42,895	43,111
NOTE - 23 : OTHER EXPENSES		
<u>Repair & Maintenance :</u>		
Railway Siding	453	196
Plant & Machinery	796	-
Others	586	292
Increase /(Decrease)in Excise Duty	-	(30)
Rent	1,904	1,906
Rates & Taxes incl. wealth tax	359	413
Insurance	495	747
Director's Sitting Fee	108	111
Printing & Stationery	609	456
Telephone, Telex and Postage	2,303	1,322
Vehicle Running & Maint.	211	108
Travelling & Conveyance	651	598
Legal & Professional	1,844	897
Auditor's Remuneration		
- As Audit Fee	160	160
- As Tax Audit	35	35
-Certification and Company Law	125	140
-Expenses Reimbursement	-	52
Repair & Maintenance	516	222
Social Development Expenses	332	389
Miscellaneous Expenses	1,379	2,342
Fixed Assets Retired & Written Off	123	98
Prior Period Items (net)*	-	26
Advertisement and Sales Promotion	60	111
Total	13,049	10,591
*The details of prior period items(net) are as under :		
Expenditure :		
Rent	-	13
Insurance	-	5
Stipend to Trainee	-	9
Total	-	26

Particulars	Rs. 000"	
	Year ended 31.03.2019	Year ended 31.03.2018
NOTE :24 EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)		
Waive off of remuneration by Director (Works)	864	864
Reversal of excess provisions	-	117
Remeasurements of the Leave encashments	(80)	1,533
Unclaimed Amount Wretten Back	3,133	
Remeasurements recognised in OCI (Gain)/Loss in Gratuity	(663)	9,527
Iron Ore Mine Development Charges Wrtten Off	(4,725)	-
Write Down of inventoris in Raw Materials and Stores & Spares to net realisable value	(11,581)	(6,434)
Total	<u>(13,052)</u>	<u>5,607</u>

NOTE 25 : EARNING PER SHARE (EPS)

EPS has been computed in accordance with Accounting Standard AS-33 :

Profit /(Loss) after tax for the year	(1,087)	(1,227)
Weighted Average number of equity shares of Rs.10/- each fully paid up	9,02,05,403	9,02,05,403
Basic & Diluted Earnings per share	(0.01)	(0.01)

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 deal 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.
- b. The financial statements have been prepared under the historical convention on accrual basis (except for revaluation of certain Fixed Assets)

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 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) The valuation of stores and spare parts & raw materials 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 as contemplated in IND AS-2, however write down in the value of Stores & Spares parts & Raw Materials have been made @20% for obsolescence.
- 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 and GST 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 CENVAT / 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 / licenses 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 relating 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 excise duty but exclusive of 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. 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.

10. Salaries and wages on repairs and maintenance of plant & machinery, where carried out internally, are charged to salaries and wages account.

11. Borrowing cost

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

12. Employee Benefits

Employee benefits have been recognized in accordance with IND AS-19 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. 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.**13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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

1. **Employee Benefits.**

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

Expenses recognized in the statement of Profit & Loss

	Rs. 000'	
	Current Year	Previous Year
i) Defined Contribution Plan Employer's Contribution to Provident Fund (Refer Note No. 20)	1102	1123

	Rs. 000'			
	Gratuity Unfunded		Leave Encashment Unfunded	
	Current Year	Previous year	Current Year	Previous Year
Current service cost	1372	1216	132	119
Interest cost	1931	2763	171	314
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	-	-
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	663	9527	80	(1533)
Expenses recognized in the statement of Profit & Loss	(3966)	(5548)	383	(1100)

(a) The assumptions used to determine the benefit obligations: Rs. 000'

	Rs. 000'			
	Gratuity Unfunded		Leave Encashment Unfunded	
	Current Year	Previous year	Current Year	Previous Year
Discount Rate	7.65%	7.84%	7.65%	7.84%
Expected Rate of increase in Compensation Levels	4.50%	4.50%	4.50%	4.50%
Expected Rate of Return on Plan Assets	NA	NA	NA	NA
Expected Average remaining working lives of employees (years)	14.15 years	14.27 years	14.15 years	14.27 years

(b) Reconciliation of Opening and Closing balances of benefit obligations: Rs. 000'

	Rs. 000'			
	Gratuity Unfunded		Leave Encashment Unfunded	
	Current Year	Previous year	Current Year	Previous Year
Benefit obligation at beginning of the year	25249	35248	2222	4005
Current service cost	1372	1216	132	119
Interest Cost	1931	2763	171	314
Benefits paid	(1159)	(4451)	(186)	(683)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Re-measurements Recognized in OCI (gain)/ loss	663	(9527)	80	(1533)
Actuarial (gain)/ loss	-	-	-	-
Projected benefit obligation at end of the year	(28056)	(25249)	(2419)	(2222)
Net amount recognized in the balance sheet as at 31.3.2019	(28056)	(25249)	(2419)	(2222)

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

2. **Segment Reporting**

The company is a single location single product company and hence the requirements of IND AS -108 on Segment Reporting are not relevant.

3. **Related Party Transactions**

The transactions with related parties as per the IND AS-24 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**

- (i) Moderate Leasing & Capital Services Ltd.
- (ii) 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**

- (i) Shri Satish Kumar Gupta- Whole time Director- Works
- (ii) Ms. Shubhangi Varshney- Company Secretary up to 15.11.2018.
- (iii) Mr. Nitish Nautiyal - Company Secretary w.e.f 16.11.2018 up to 30.04.2019.
- (iv) 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.

- (i) SBEC Sugar Ltd.
 - (ii) SBEC Bio-Energy Ltd.
 - (iii) Modi Industries Limited
 - (iv) Modi Mundipharma Pvt. Ltd.
 - (v) Modi Mundipharma Beauty Products Pvt. Ltd.
 - (vi) Modi Line Travel Services Pvt. Ltd.
 - (vii) Win Medicare Pvt. Ltd.
 - (viii) Modi Motors Pvt. Ltd.
 - (ix) Modi Hitech India Ltd.
 - (x) M.G. Mobiles India Pvt. Ltd.
 - (xi) Longwell Investment Pvt Ltd.
 - (xiii) A to Z Holdings Pvt Ltd.
 - (xiv) Jayesh Tradex Pvt Ltd.
 - (xv) G.S. Pharmbutor Pvt. Ltd.
 - (xvi) Dayawati Modi Public School
- (i) Transactions with related Parties (As identified by the Management)

Rs.000'

Nature of Transactions	By virtue of control		Enterprises where Influence exist		Key Managerial Personnel	
	Current Year	Previous Year	Current Year	Previous year	Current year	Previous Year
Rent Recovered (incl. Service Tax & GST)	-	-	10332	9377	-	-
Facility User Charges Recovered	-	-	35400	35175	-	-
Misc Exp. Recovered	-	-	2773	6613	-	-
Misc. Exp. Reimbursed/ Paid	-	-	2472	566	-	-
Purchase of Stores/Fixed Assets	-	-	-	57	-	-
Exceptional Item *	-	-	-	-	864	864
Loan taken	3899	659	-	-	-	-
Loan repaid	-	-	-	-	-	-
Remuneration to KMP						
Director						
-Works	-	-	-	-	875	875
-Company Secretary up to 15.11.2018	-	-	-	-	400	433
Company Secretary w.e.f.16.11.2018	-	-	-	-	113	-
-Chief Finance Officer	-	-	-	-	593	426
Director						
-Sitting Fee to Non-Exec. Directors	-	-	-	-	108	111
Outstanding balances as on	31.3.19	31.3.18	31.3.19	31.3.18	31.3.19	31.3.18
-Receivable	-	-	2888	2366	-	-
- Trade Receivables	-	-	4802	-	-	-
-Payable	-	-	7822	12427	-	-
- Unsecured Loan	338384	334485	278280	278280	3795	3795
-Intt on unsecured loan	32594	32594	59036	59036	-	-

* 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, 2019.

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

Rs. 000'

Sl.No. Particulars	As at 31.03.19	As at 31.03.18
A Total of future minimum lease payments under non-cancelable operating leases for each of the following periods		
- Not later than one year	1904	1906
- Later than one year and not later than five years	3808	3616
- Later than five years	-	-
B Lease rent recognized as expense in P&L A/c	1904	1906
C Total of future minimum lease payment expected to be received under the non-cancelable sublease at the balance sheet data.	8756	7997
D Lease payments received & recognized in the statement of profit & loss account.	8756	7997

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

1. **Contingent Liabilities:**

Claims not acknowledged as debts are as under: -

		(Rs. 000')	
Sl. No.	Particulars	As at 31.3.19	As at 31.03.18
(i)(a)	Disputed demand for JVAT for the F.Y. 2010-11 u/s 70(5)(b) under appeal before the Jt. Commissioner of Commercial Taxes (Appeals), Jsr. However stay has been granted on 20.01.2012 (Amount paid as advance on appeal Rs. 587 thousands (P.Y. Rs. 587 thousands).Matter is pending before High Court Ranchi.	5291	5879
(b)	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.	8140	8140
(c)	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.)	3096	3096
(d)	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 appellat authority.	2281	2281
(ii)	Demand for water charges and interest thereon disputed under Writ petition before Jharkhand High Court, Ranchi.	213191	213191
(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.	5600	5600
(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.	309886	308439
(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.	43082	43572
(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.	5595	5595
(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.	21528	21528
(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 Kolkatta against order of CE(Appeal) dt 17-12-2018	4706	4706
(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)	6499	12998
(x)	Liability on account of Bank Guarantees issued to CIL, SE Railway & Sales Tax Authorities.	4026	4026

(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).	7923	7923
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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 said scheme envisaged a total payment of Rs. 1350000 Thousands, Rs.650000 Thousands was to be paid as upfront payment and the balance Rs. 700000 Thousands was to be paid in 30 quarterly installments effective from 15th July, 2004.
- (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 has 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.3,09,886 Thousands as on 31-03-2019 (Rs. 3,08,439 Thousands as on 31-03-2018) 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.
- (III) The Net worth of the Company could not become positive during the implementation of BIFR Scheme till 30-09-2011. As per Order dated 5th May 2012, BIFR directed the company to submit Modified Draft Rehabilitation Scheme (MDRS) within four months for the rehabilitation of the Company.
- (IV) The Modified Draft Rehabilitation Scheme of the company was filed before the Hon'ble BIFR on 3rd December 2012. In the last review hearing held on 20th January 2014, the Hon'ble Bench of BIFR issued directions to the Ministry of Coal, Central Coal Field Ltd and Coal India Ltd to extend regular supply of coal as coal linkage with CCL and submit report within a month and the company was directed to update the position of Writ Petition filed before the Hon'ble Jharkhand, High Court Ranchi, is withdrawn.
- (V) The company's Fuel Supply Agreement (FSA) with the existing terms and conditions with CCI has expired on 30th April 2013 and CCI has refused to enter fresh FSA with existing terms & conditions and proposed to enter into FSA under tapering basis coal linkage which the company refused to sign since its coal block was already de-allocated and rationale of tapering coal linkage did not exist. This has resulted into shut down of plant and suspension of production w.e.f. 10.08.2013.
- (VI) Ministry of Coal, Government of India vide Notification No. 23011/51/2015-CPD dated 04-06-2015 has circulated Draft Paper for Auction of Coal linkages for non-regulated sector.
- (VII) The company was pursuing with Jharkhand State Mineral Development Corporation Ltd (JSMDC) for supply of coal to the company. JSMDC vide letter no. 1194 dated 15-10-2014 had approved the supply of 30,000 ton of coal per month from Sikni Coal Mine to the company. However vide another letter no. 1088 dated 20-07-2015 has reduced the proposed supply to 10,000 ton of coal per month initially. The company is pursuing the matter for supply of sufficient coal quantity to run the plant smoothly at the desired operational level.
- (VIII) The steel market had been facing a very challenging phase for quite some time as the market rate of sponge iron had been fluctuating. Of late there has been change in the market scenario and the prices of sponge iron have started looking up. The management expects that the recession phase of the steel market would be soon over.
- (IX) Consequent upon repealing of SICA w.e.f. 01-12-2016, the proceedings pending before BIFR/ AAIFR have come to an end.
- (X) 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, with a view to generate revenue and make the plant operational, the company has, on 01-04-2017 entered into a Facility User Agreement with a company specializing in contract manufacturing. Under the said agreement, part of the plant and machinery shall be operated by the said company. With the restart of the plant by them, 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.213191 thousands (inclusive of interest on arrear of water bills of Rs.50293 thousands) as on 31.03.2019 (P.Y. Rs.213191 thousands inclusive of interest of Rs.50293 thousands as on 31.3.2018) raised by Chief Engineer, Subernarekha Multipurpose Project, Chandil has been disputed by the company under a Writ Petition with Jharkhand High Court, Ranchi. However, pending disposal of Writ Petition, the company based on its own estimate of liability has made total provision for Rs. 13869 thousands up to 31st March, 2019, (Rs.13869 thousands as on 31.3.2018).
5. South Eastern Coalfield Ltd. has imposed and recovered a penalty by encashment of 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 as 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. During the financial year 2018-19 Rs.864 thousands is due for remuneration to Shri S K Gupta Director-Works. However, Shri S. K. Gupta vide letter dated 08-02-2019 has voluntarily waived off his entire remuneration for the F.Y. 2018-19 and accordingly no provision for remuneration of Rs.864 thousands has been made in the accounts.
- 7. Shut down of Plant and suspension of operations.**
- (i) Central Coalfields Ltd has 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 for reason stated at para 7 above. Due to non-supply of Coal by CCL, the operations of the company has been shutdown and operation suspended w.e.f. 9th

August 2013. The aforesaid action of Coal India Ltd, Central Coalfields Ltd and the Ministry of Coal, GOI. has been challenged by the company by way of Writ Petition (C) vide No. 1660 of 2013 before the Hon'ble Jharkhand High Court.

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, 2019 since the same would be considered on resumption of operations of the plant:

- (a) Interest on Unsecured Loans of Rs. 620459 thousands (P.Y. Rs. 616560 thousands) taken from Promoters and other Parties (amounts unascertained),
- (b) Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 328817 Thousands (Rs. 260044 thousands upto March 31, 2018) which is subject to representations for waiver, and

(ii) **Inventories**

No physical verification of inventories of Raw-Materials and Stores & Spare Parts have been conducted during the financial year or as at the end of the 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 & raw materials 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 as contemplated in IND AS-2, however write down in the value of Stores & Spares parts & Raw Materials have been made @20% for obsolescence amounting to Rs. 11581 thousands (including for Raw Materials Rs.415 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 2018-19 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 31.03.2019 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. 2018-19.

(c) **Iron Ore Mine**

The Company was allotted Ghotkuri Iron Ore Mine in April, 2007 in the state of Jharkhand with 406.40 hectares of land having estimated reserves of 35.65 million tons. However, the Department of Geology, Ministry of Mines, GOJ has conducted the survey and assessed the reserve to be about 11.00 Million tons in its report of February, 2012.

The terms of reference (TOR) for Ghatkuri Iron Ore Mine has expired on 13th May, 2016. The company has made an online application for extension of TOR for one year (i.e. 13th May, 2017) on MOEFCC'S Portal.

Ministry of Environment, Forest and Climate Change Impact Assessment Division (MOEFCC) called a meeting on 21-02-2016. The Company has made a representation through MECON to explain the necessity of TOR extension. MOEFCC vide letter dt. 12-04-2016 intimated that the proposal is deferred and be considered after carrying capacity study is completed by ICFRE.

In view of the above, the mining development expenditure has been considered for impairment/ write off amounting to Rs 4725 Thousands.

- 8. Related Party Transactions (RPT) in respect of renting of the office of the Company is Rs.10332 thousands (P.Y. 9377 thousands including GST) and the availing or rendering of services amounting to Rs.38173 thousands (P.Y. 41788 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.
- 9. Outstanding dues to Micro, Small and Medium Enterprises:

The disclosure of dues details relating to enterprises covered under Micro, Small and Medium Enterprises Development Act 2006, to the extent the information are available with the Company, are as under:

		Rs.000'
		<u>As at 31.3.2019</u>
		<u>As at 31.3.2018</u>
a)	(i)Principal amount remaining unpaid to any supplier as at the end of the accounting year.	759
	(ii)Interest due thereon.	1293
b)	(i)The amount of interest paid in terms of Sec.16 of MSMED Act, 2006 beyond the respective due date during the year.	-
	(ii)The amount of principal paid beyond the due date during the year.	-
c)	The amount of interest due and payable for delay period (where principal has already been paid after due date).	-
d)	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act,2006.	492
e)	The amount of interest accrued and remaining unpaid as at the end of the accounting year.	1785

- 10.(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 lakhs on the ground that the company has not furnished the required information, documents, books of accounts and records inspite of questionnaire & the various reminders / show cause notice given / issued to the assessee. Since the plant was under shut down of plant 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 ITax 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.

11. 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 31.03.2019 & in earlier years.
12. In the opinion of the Board, any 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.

(Rs. 000')

	Current Year	Previous Year
13. Value of Imports calculated on CIF basis :		
Component & Spare Parts	Nil	Nil
14. Expenditure in Foreign currency		
Interest	Nil	Nil

15. Value of imported and indigenous raw materials and components consumed and percentage of each to total Consumption :
(Rs. 000')

Particulars	Current year		Previous year	
	Value	%	Value	%
Raw Material:				
- Indigenous	Nil	-	Nil	-
- Imported	Nil	-	Nil	-
Stores & Spare Parts :				
- Indigenous	Nil	-	Nil	-
- Imported	Nil	-	Nil	-
Total	Nil	-	Nil	-
16. Repairs & Maintenance to Plant include stores and spare parts consumed	Nil	-	Nil	-
17. Earning in Foreign Currency	Nil	-	Nil	-
18. 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.

As per our report of even date attached.

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

U. K. Modi
(Chairman & Director)
[DIN00002757]

S. K. Gupta
(Director- Works)
[DIN 03537417]

Directors
Jayesh Modi - [02849637]
J. C. Chawla - [05316202]
S.S. Agarwal - [00004840]
R. K. Agarwal - [00298252]

Simmi Jain
(Partner)
Membership no. 086496

A. K. Sinha
(Chief Financial Officer)

Place : New Delhi
Date : 25th May, 2019

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