

27th ANNUAL REPORT

2008-2009



BSIL
BIHAR SPONGE IRON LIMITED

Board of Directors

Ms. Anshuli Arya, IAS
 Mr. Umesh K. Modi
 Mr. Ashok Kumar Basu, IAS
 Mr. Abhishek Modi
 Dr. Wolfgang Janke
 Mr. K K Jain
 Mr. G W Elsenheimer
 Mr. G C Jain
 Mr. B N Nayak
 Mr. Meghendra Kumar

Chairperson
 Vice Chairman & Managing Director
 Nominee -Govt. of Jharkhand

Nominee - IFCI
 Nominee – LIC

Alternate Directors

Mr. J N Khurana
 Mr. Vijay K Modi

(To Mr. G W Elsenheimer)
 (To Dr. Wolfgang Janke)

Chief Executive

Mr. B. D. Garg

Chief Financial Officer

Mr. R.S. Rustagi

Company Secretary

Mr. Yogesh K Tyagi

Statutory Auditors

M/s Thakur, Vaidyanath Aiyar & Co
 Chartered Accountants,
 221-223, Deen Dayal Marg, New Delhi 110 002

Audit Committee

Mr. G C Jain Chairman
 Mr. K K Jain
 Mr. B N Nayak
 Mr. G W Elsenheimer

Registered Office & Plant Site

Umesh Nagar, Chandil,
 Dist. Saraikela-Kharsawan – 832 401, Jharkhand

Bankers

State Bank of Patiala, Allahabad Bank, UCO Bank

Registrars and Share Transfer Agents

M/s Beetal Financial & Computer Services Pvt. Ltd.
 Beetal House, 99, Madangir,
 Behind Local Shopping Complex, New Delhi-110 062.

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BSIL

BIHAR SPONGE IRON LTD.

Notice

Notice is hereby given that 27th Annual General Meeting of the Members of Bihar Sponge Iron Limited will be held on Saturday, 26th day of September, 2009 at 10.00 A.M. at the Registered Office of the Company at Umesh Nagar, Chandil, Dist Saraikela-Kharsawan – 832401 Jharkhand to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G.C. Jain, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. G.W. Elsenheimer, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD



[YOGESH KR. TYAGI]
COMPANY SECRETARY

Place : New Delhi

Dated: 24th August 2009

NOTES:

1. 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. Such proxies duly completed should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.
2. All documents referred to in Notice are open for inspection at the Registered Office of the Company between 11.00 A.M to 1.00 P.M on any working day prior to the date of Meeting and also at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain close from Saturday, 19th September, 2009 to Saturday, 26th September, 2009 (both days inclusive).
4. Non- Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.
5. As per the provisions of the Companies Act, 1956, as amended, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination can be made in Form-2B, which can be obtained from the Shares Department of the Company.
6. Members are requested to notify immediately the change in their address, if any, at the Registered Office of the Company.
7. 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.

BY ORDER OF THE BOARD



[YOGESH KR. TYAGI]
COMPANY SECRETARY

Place: New Delhi

Dated: 24th August 2009

DIRECTORS' REPORT**To the Members**

The Directors have pleasure in presenting the 27th Annual Report of the Company along with audited accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Rs. in lacs	
	2008-09	2007-08
Sales (Net of Excise Duty)	2,14,03.28	1,99,01.90
Other Income	1,20.34	1,42.43
Profit / (Loss) before Interest, Depreciation & Income Tax	1,88.84	20,71.77
Interest & Finance Charges	6,63.65	9,95.14
Depreciation	6,51.06	8,37.08
Profit/(Loss) for the year before Extra Ordinary Items & Provision for Tax	(11,25.87)	2,39.55
Provision for Tax		
- Fringe Benefit Tax	18.17	31.35
- Wealth Tax	.64	.66
Profit/(Loss) for the year before Extra Ordinary Items	(11,44.68)	2,07.54
Depreciation written back for earlier years on currency exchange fluctuation	-	10,43.37
Interest written back for earlier years on currency exchange fluctuation	-	1,96.54
Profit/(Loss) for the year carried to Balance Sheet	(11,44.68)	14,47.45

OPERATIONS

During the year under review, production was 1,36,372 MT of Sponge Iron as against 1,53,590 MT of Sponge Iron achieved in the previous year. The main reasons for lower production was due to unprecedented heavy rains, low availability of Iron Ore and stoppage of Coal supply by Central Coal Fields Limited (CCL), as CCL had given preference to Power Houses.

As reported in the last year, the company has been allotted iron ore mine of 406.40 hectares at Ghatkuri Forest Reserve, Distt. Singhbhum, Jharkhand. The drilling job has been started on 27th February, 2009 and same is expected to complete by December, 2009. After completion of drilling work, the company will apply to the Government of Jharkhand for mining plan and environmental clearance. Once the iron ore mine becomes operational, the Company will be in a position to meet internally a substantial part of its iron ore requirements.

The company has also been allotted for captive use a coal block in the Macherkunda Coal Block, in the State of Jharkhand. The company has obtained the Geological report from CMPDIL for developing of mine plan and environmental plan. The company has applied to Govt. of Jharkhand for mining lease of the aforesaid coal block.

FIXED DEPOSITS:

The Company has neither invited nor accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

BOARD OF DIRECTORS:

Since the last Annual General Meeting, the following changes have taken place in the Board of Directors:

Government of Jharkhand has nominated Mr. Ashok Kumar Basu, Chief Secretary, Govt. of Jharkhand in place of Mr. Prem Prakash Sharma (Retd. IAS) w.e.f. 28th November, 2008.

Board for Industrial and Financial Reconstruction (BIFR) has withdrawn the nomination of Mr. Rishabh Jain with effect from 30th April, 2009.

BSIDC has nominated Ms. Anshuli Arya, IAS in place of Mr. Vijoy Prakash, IAS w.e.f. 3rd August, 2009.

In accordance with the provisions of Section 256 of Companies Act, 1956 and Article 128 of the Articles of Association of the Company, Mr. G.C. Jain and Mr. G.W. Elsenheimer retire by rotation and are eligible for re-appointment.

The Board places on record its deep sense of appreciation for the wise counsel, valuable guidance and Co-operation extended by Mr. Prem Prakash Sharma, Mr. Rishabh Jain and Mr. Vijoy Prakash during their tenure of the Directorship.

AUDITORS:

M/s. Thakur, Vaidyanath Aiyar and Co., Chartered Accountants. Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

ACCOUNTS AND AUDIT REPORT:

The Notes to Accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comments. However, in respect of delays in payment of Statutory Dues and Secured Loans, the Board of Directors wish to explain as under:-

Due to increase in raw material prices and non availability of Working Capital facility from Banks, the said dues could not be paid on due dates. However, all the said dues have been paid to respective accounts of Government & Secured Creditors along with the interest for the delayed period at the contractual rates except VAT and Sales Tax amounting to Rs. 75.52 lacs and Rs. 1.49 lacs respectively.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company declare as under:

- That in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- That the Company has 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 or Loss of the company for that period.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the annual accounts are prepared on a going concern basis.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance is attached as Annexure to the Annual Report. The Auditors' Certificate confirming compliance of conditions of Corporate Governance is included in the said Corporate Governance Report.

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

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, (as amended) a statement giving the required information relating to energy conservation, technology absorption, foreign exchange earnings and outgo is annexed hereto as per Annexure.

PERSONNEL:

None of the employees of the Company were in receipt of remuneration within the limits as prescribed by provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to offer their sincere thanks to various departments of Central Government, the Government of Bihar and Jharkhand, Financial Institutions and Banks for their valuable assistance. Equally your Directors 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

Place: New Delhi (UMESH K. MODI) (ABHISHEK MODI)
Date: 24th August 2009 VICE CHAIRMAN & DIRECTOR
MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT**STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****CONSERVATION OF ENERGY:**

	Current Year	Previous Year
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	11,85,480	4,89,184
Unit per liter of HSD	2.91	2.66
Cost/Unit (Rs.)	11.13	11.31
2. Through steam turbine		
Unit	2,54,48,300	2,78,99,900
Unit per M.T of fuel	1236.00	1314.00
Cost/Unit (Rs.)	1.33	1.38
2. COAL		
Quantity (M.T)	2,12,760	2,20,536
Cost (Rs.)	44,85,26,128	45,71,59,531
Average Rate (Rs./M.T)	2108.13	2072.95

B. CONSUMPTION PER M.T. OF PRODUCTION (SPONGE IRON)

1. Electricity (Unit)	195.00	185.00
2. Furnace Oil	Nil	Nil
3. Coal (M.T)	1.56	1.44
4. Others – HSD (Liter)	2.99	1.20

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

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

(B) Technology absorption, adaptation & innovation

- Efforts in brief made towards technology absorption, adaptation & innovation.
 - Technology transfer is complete
- 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

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

FOREIGN EXCHANGE EARNINGS & OUTGO

	(Rs. In thousand)	
	2008-2009	2007-2008
1 EARNING		
Export of Goods on F.O.B	-	-
2 OUTGO		
a) Traveling	-	-
b) Other Matters	-	-
c) Interest	84,87	37,82
c) Import on CIF Basis		
Stores & Spares	1,60	-

For & on behalf of the Board

Place: New Delhi (UMESH K. MODI) (ABHISHEK MODI)
Date: 24th August 2009 VICE CHAIRMAN & DIRECTOR
MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At 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:

The Company has a Non Executive Chairman and the number of Independent Directors are more than one-third of the total number of Directors.

None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 Committees (as specified in Clause-49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name of the Director	Executive/ Independent/ Non-Executive	No. of meetings attended(+)	Attendance at previous AGM on 23rd September, 2008	No. of outside directorships held (*)	No. of membership/ chairmanship in other Board Committee
Mr. Vijay Prakash, IAS	Chairman & Non Executive Director	Nil	Not Present	4	Nil
Mr. Umesh K. Modi@	Vice Chairman & Managing Director	4	Present	6	Nil
Mr. Abhishek Modi@	Non Executive Director	2	Not Present	5	Nil
Mr. P. P. Sharma, Retd. IAS (up to 28th November, 2008)	Independent Director	1	Not Present	N.A.	N.A.
Mr. Ashok K Basu, IAS (w.e.f. 28th November, 2008)	Nominee Director	2	N.A.	3	Nil
Mr. K.K. Jain	Independent Director	4	Not Present	1	1
Mr. G.C. Jain	Independent Director	4	Present	5	4
Mr. B.N. Nayak	Nominee Director	4	Not Present	1	2
Mr. Meghendra Kumar	Nominee Director	4	Not Present	1	Nil
Mr. Rishabh Jain (up to 30th April, 2009)	Nominee Director	3	Not Present	3	Nil
Dr. Wolfgang Janke	Independent Director	Nil	Not Present	Nil	Nil
Mr. G.W. Elsenheimer	Independent Director	Nil	Not Present	Nil	Nil
Mr. Vijay K Modi	Alternate to Dr. Wolfgang Janke	3	Not Present	1	1
Mr. J.N. Khurana	Alternate to Mr. G. W. Elsenheimer	4	Not Present	2	Nil

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

(*) Directorship in companies registered under the Companies Act, 1956, excluding Directorships in Private Limited Companies, Companies under section 25 of the Companies Act and Alternate Directorships.

(@) Mr. Umesh K. Modi and Mr. Abhishek Modi are related as Father and Son.

Four Board Meetings were held during the year on 31st May, 2008, 23rd August, 2008, 28th November, 2008 and 13th March, 2009.

The Company has adopted the Code of Conduct for the Non-Executive Directors and Senior Management of the Company. The Company has received confirmations from both the Non-Executive Directors as well as Senior Management regarding compliance of the Code of Conduct for the period ended 31st March, 2009. The Code is posted on the website of the Company i.e. www.bsil.org.

INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS:

Mr. G. C. Jain, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. G. C. Jain is a Non-Executive and Independent Director. He is a fellow member of the Institute of Chartered Accountants of India and Law Graduate from Rajasthan University and has more than 29 years of experience in Accounts, Audit, Taxation and Company Law matters. He is also a Director in SBEC Sugar Limited, SBEC Systems (India) Limited, SBEC Bioenergy Limited, OWN Investment (India) Limited and Modi Gourmet Limited.

Mr. G.W. Elsenheimer, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. G.W. Elsenheimer is a Non-Executive and Independent Director. He is a Metallurgical Engineer having more than 39 years experience in the field of coal and gas based Sponge Iron Units. He had held different positions in Lurgi Chemic, Germany in Plant Engineering and Process Engineering Division. He is not a Director in any other Company.

AUDIT COMMITTEE:

Composition of Audit Committee is in accordance with the revised requirements prescribed by the Code of Corporate Governance. The Committee consists of the following directors:

- Mr. G.C. Jain, Chairman
- Mr. K.K. Jain
- Mr. B.N. Nayak
- Mr. G.W. Elsenheimer
- Mr. Rishabh Jain (up to 30th April, 2009)

All the Members of the Audit Committee are non-executive & Independent directors and also financially literate.

Mr. Yogesh Kumar Tyagi, Company Secretary acts as a Secretary to the Committee. Chief Executive, Chief Financial Officer, a representative of Thakur, Vaidyanath Aiyer & Co; the Statutory Auditors and a representative of Thakur & Co; Concurrent Auditors are permanent invitees to the Audit Committee meetings.

Five meetings of Audit Committee were held during the year on 30.04.2008, 29.07.2008, 31.10.2008, 30.01.2009 and 13.03.2009. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. G.C. Jain	5
Mr. K.K. Jain	5
Mr. B.N. Nayak	3
Mr. G.W. Elsenheimer	Nil
Mr. Rishabh Jain	5

The terms of reference of the Audit Committee are in conformity with the revised requirements of Clause 49 of the Listing Agreement read in conjunction with section 292A of the Companies Act, 1956.

The functions of the Audit Committee broadly cover the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers it so necessary;
- e) to oversee the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- f) to recommend the appointment and removal of the external auditor, fixation of audit fees and also approval for payment of any other services;
- g) reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements concerning financial statements;
 - any related party transactions, i.e transactions of the company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large;
- h) reviewing with the management, external and internal auditors, the adequacy of internal control system;
- i) reviewing with the management the quarterly financial statements before submission to the Board;
- j) reviewing the adequacy of internal audit function, reporting coverage and frequency of internal audit;
- k) discussion with internal auditors on any significant findings and follow up thereon;
- l) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- m) discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- n) reviewing the company's financial and risk management policies;
- o) to look into the reasons for substantial defaults, if any, in the payment to creditors etc.

The Audit Committee shall also mandatory review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee) submitted by management;
- c) Management letters/letters of internal control weakness issued by the statutory auditors;
- d) Internal audit report relating to internal control weakness;
- e) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

INVESTORS' GRIEVANCE COMMITTEE:

The Investors' Grievance Redressal Committee was constituted on 11th September, 2001. The committee comprises of 3 members, Mr. K.K. Jain, Mr. G.C. Jain and Mr. Rishabh Jain. Due to withdrawal of nomination of Mr. Rishabh Jain by Board for Industrial and Financial Reconstruction (BIFR), the Investors' Grievance Committee has been reconstituted on 2nd June, 2009. After the reconstitution, the Investors' Grievance Committee has following independent directors, Mr. K.K. Jain with Mr. G.C. Jain and Mr. B.N. Nayak, Nominee Director of IFCI. Mr. Yogesh Kumar Tyagi, Company Secretary acts as a Secretary to the Committee.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

The functioning and terms of reference of the Committee is as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer, dematerialization, rematerialization, complaints of shareholders etc. During the year under review, the Committee met four times on 30.04.2008, 29.07.2008, 31.10.2008 and 30.01.2009.

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

	Direct	Number of complaints received				Number of total complaints (Share transfers/ Annual Reports etc.,)
		Stock Exchanges	Investor Associations	SEBI	Deptt. of Company Affairs	
2008-09						
1. Received	27	Nil	Nil	Nil	Nil	27
2. Replied	27	Nil	Nil	Nil	Nil	27
3. Pending	Nil	Nil	Nil	Nil	Nil	Nil

REMUNERATION COMMITTEE:

The Remuneration Committee was constituted by the Board in March, 2006. The committee comprises of 3 members, Mr. G.C. Jain Chairman, Mr. B.N. Nayak and Mr. Rishabh Jain. Due to withdrawal of nomination of Mr. Rishabh Jain by Board for Industrial and Financial Reconstruction (BIFR), the Remuneration Committee has been reconstituted on 2nd June, 2009. After the reconstitution, the following persons are the Members of the Committee:

- i). Mr. G.C. Jain, Chairman
- ii). Mr. K.K. Jain
- iii). Mr. B. N. Nayak

One meeting of Remuneration Committee was held during the year ended 31st March, 2009 in which the remuneration payable to the Managing Director was approved by the Committee. The Committee is also empowered to decide on an Employees' Stock Option Scheme as and when such Scheme is considered for introduction in the company.

The remuneration paid to the Managing Director during the year is in accordance with provisions of Schedule XIII para 1(B) of section II of part II of the Companies Act, 1956 and as approved by the Members in their Annual General Meeting held on 29.09.2006 (from 01.04.2008 to 28.02.2009) and 23.09.2008 (for the month of March, 2009).

The detail of remuneration paid to Managing Director during the financial year is as under:

Basic Salary Rs. 11,35,000/-

Company's contribution to Provident Fund Rs. 1,36,000/-

Perquisites & Allowances Rs. 8,45,000/-

The 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 paid to Non-Executive Directors during the year ended 31st March, 2009 are as under:-

S. NO.	NAME	PARTICULARS	SITTING FEES (Rs.)
1	Mr. Ashok Kumar Basu, IAS	Nominee Director	2,000
2	Mr. K.K. Jain	Independent Director	35,000
3	Mr. G.C. Jain	Independent Director	14,000
4	Mr. B.N. Nayak	Nominee Director	12,000
5	Mr. Rishabh Jain	Nominee Director	34,000
6	Mr. Vijay K Modi	Alternate Director	3,000
7	Mr. J.N. Khurana	Alternate Director	4,000
8	Mr. Meghendra Kumar	Nominee Director	4,000
9	Mr. P.P. Sharma	Independent Director	1,000
Total			1,09,000

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BIHAR SPONGE IRON LTD.

ANNUAL GENERAL MEETING:

Location and time for the last three Annual General Meetings:

Year	Date	Venue	Time
2008	23.09.2008	Umesh Nagar, Chandil, District Saraikela Kharsawan 832401 (Jharkhand)	10.00 A.M.
2007	22.08.2007	Umesh Nagar, Chandil, District Saraikela Kharsawan 832401 (Jharkhand)	10.00 A.M.
2006	29.09.2006	Umesh Nagar, Chandil, District Saraikela Kharsawan 832401 (Jharkhand)	4.00 P.M.

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.

DISCLOSURE:

During the year under review, the Company had no materially significant related party transactions as is envisaged under the Corporate Governance code that may have potential conflict with the interest of the Company at large. However, related party transactions during the year are mentioned in Note no. 13 of Schedule 17 "Notes to Accounts".

There has not been any non compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets during the last three years.

MEANS OF COMMUNICATIONS:**Half yearly Report to each household of shareholders:**

The Company has not yet started sending the half yearly report to each household of shareholders but if any shareholder seeks any information then the same is provided by the Company.

Quarterly Results:

Wide publicity is accorded to publication of Quarterly Results which are published in widely circulated English daily and a Hindi daily as is required under the Listing Agreement with the Stock Exchanges. The same are also faxed to the Stock Exchanges where the Company is listed and also displayed on the website of the company.

MANAGEMENT DISCUSSION AND ANALYSIS IS REPORTED IN THIS ANNUAL REPORT.**CEO/CFO CERTIFICATION ON THE FINANCIAL STATEMENT:**

Pursuant to Clause 49 of the Listing Agreement, the Chief Executive Officer and the Chief Financial Officer have submitted the desired certificate to the Board of Directors and the same has been taken on record by the Board of Directors in their meeting held on 24th August, 2009.

GENERAL SHAREHOLDER INFORMATION:

wenty Seventh Annual General Meeting is scheduled to be held on Saturday, 26th day of September, 2009 at 10 A.M. at Registered Office of the Company at Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand) as per notice enclosed with the Annual Report.

Financial Calendar

Particulars	Date	Particulars	Date
1. Quarter ending 30.06.2009	End July, 09	3. Quarter ending 31.12.2009	End Jan, 10
2. Quarter ending 30.09.2009	End Oct, 09	4. Quarter ending 31.03.2010	End Apr, 10

Book Closure:

Saturday, 19th September, 2009 to Saturday, 26th September, 2009 (both days inclusive)

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, 2009.

Listing on Stock Exchanges:

Your Company is listed at Bombay Stock Exchange Limited, the address of which is as given below:

Stock Exchange	Stock Code
Bombay Stock Exchanges Limited, Phiroz Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai-400 001	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.