

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 33rd ANNUAL GENERAL MEETING of the Members of Bihar Sponge Iron Limited will be held at "Company Guest House, Umesh Nagar, Chandil, District- Saraikela-Kharsawan, Jharkhand-832401 on Wednesday the 19th day of August, 2015 at 11.00 A.M. (IST) to transact the following businesses:

ORDINARY BUSINESS:

- To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at March 31, 2015, (ii) the statement of Audited Profit & Loss Account for the year ended on that date, (iii) the Cash Flow Statement for the financial year ended on that date, (iv) an Explanatory Note annexed to, or forming part of the documents referred to in (i) to (iii) above and the Reports of the Directors and the Auditors thereon.
- 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.
- To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 (Act) and other applicable provisions if any of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, [Firm Registration No. 000038N], the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 35th Annual General Meeting, and to fix their remuneration."

SPECIAL BUSINESS:

- Approval of appointment of Mr. Jagan Natha Khurana as an Independent Director of 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 149,150,152 and any other applicable provision of the Companies Act, 2013 (Act) and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. Jagan Nath Khurana (DIN-00003817), an Additional Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 12th May, 2015, not being liable to retire by rotation."

- Approval of appointment of Mr. Madan Lal as an Independent Director of 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 149,150,152 and any other applicable provision of the Companies Act, 2013 (Act) and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. Madan Lal (DIN- 00272672), an Additional Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 14th November, 2014, not being liable to retire by rotation."

- Approval of appointment of Mr. Rajeev Kumar Agarwal as an Independent Director of 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 149,150,152 and any other applicable provision of the Companies Act, 2013 (Act) and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. Rajeev Kumar Agarwal (DIN- 00298252), an Additional Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 12th May, 2015, not being liable to retire by rotation."

- Approval of appointment of Mr. Satish Kumar Gupta as Whole-time Director of the Company.**

To consider and if thought fit to give your assent or dissent to the following 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 Central Government and 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 3 year with effect from 13th December, 2014 on the terms, conditions and remuneration mentioned herein below:-

- | | |
|--|--|
| 1) Basic Salary : | Rs. 79,800 per month |
| 2) Perquisites & Allowances: | |
| a. House Rent : | Rs.900 per month |
| b. Conveyance: | Company's car, with actual petrol not exceeding 2500 per month and repair & maintenance. |
| c. Driver Allowance : | Rs. 9000 per month |
| d. Telephone and Mobile phone : | As per actual |
| e. Medical Reimbursement : | Expenses incurred by him and his family, Maximum 5 % of the basicsalary |
| f. Leave Travel Allowance : | One month basic salary per annum |
| g. Bonus/Ex-gratia : | One month basic salary per annum |
| h. 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 IncomeTax Act. |
| i. Gratuity : | Gratuity payable shall not exceed half month's salary for each completed year of service. |
| j. 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).

- 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."

- 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 Special 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), Clause 49 VII of the Listing Agreement, the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Nature of Transaction	Directors/KMP who is related is related and nature of relation	Related party and Nature of relation	Amount (Rs. Lacs)	
				Receipt	Payment
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.	30.00	Nil
		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 which holds 49.10 % shares of the Company.	G S Pharmbutors Pvt. Ltd.	150.00	2.00
2	Purchase of stationaries and Other item	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.	Nil	1.00
		Mr. U. K. Modi and Mrs. Kumkum Modi as common director and Mr. Abhishek Modi, Mr. Jayesh Modi as relative of directors.	Modi Revlon Pvt. Ltd.	Nil	1.00
		Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi And Mr. Jayesh Modi are common directors.	Win Medicare Pvt. Ltd.	Nil	1.50
		Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi as relative of a director.	MG Mobiles India Pvt. Ltd.	Nil	1.00
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	Nil	7.50
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.	Nil	1.20
		Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi and Mr. Jayesh Modi as common director.	SBEC Sugars Ltd.	6.00	Nil
		Mr. U. K. Modi, Mrs. KumKum Modi And Mr. Abhishek Modi are common directors.	Modi-Mundipharma Pvt. Ltd.	1.00	Nil
		Mr. U. K. Modi, Mrs. KumKum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi and Mr. B. D. Garg are common	Modi Hitech India Ltd.	Nil	2.50

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 Clause 49 of the Listing Agreement.

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


[MANOJ KUMAR]
COMPANY SECRETARY

Place : New Delhi
Dated : 12th May, 2015

NOTES:

- 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 AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
- 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 Email : beetalrta@gmail.com is the Registrar and Share Transfer Agent for physical shares of the Company and is also the depository interface of the Company with both NSDL and CDSL. However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at the Registered Office of the Company at Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401, Ph.: +91-6591-232410/17, e-mail: companysecretary@bsil.org.in.
- 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.
- The Register of Members and Share Transfer Books of the Company will remain

closed from **Thursday, 13th August, 2015 to Wednesday, 19th August, 2015** (both days inclusive).

- The documents referred to in the proposed resolutions 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.
- Members/Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
- Members who hold 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 of the nomination facility by filling Form SH-13 in their own interest. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
- The Register of Directors and Key Managerial Personnel and their shareholding and other statutory records as required under the Companies Act, 2013 will be available for inspection at the meeting.
- Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
- In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended by Companies (Management and Administration) Amendment Rule 2015, pursuant to MCA Circular No. 20/2014 Dated 17th June 2014) and Clause 35B of the Listing Agreement (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)

Instructions for members for voting electronically are as under :

(I) In case of members receiving e-mail :

- Log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" tab.
- Now, select the Company Name "Bihar Sponge Iron Limited" from the drop down menu and click on "SUBMIT".
- Now Enter your User ID:
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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, then follow the steps given below :

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)-

- 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.

DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#

- Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
 - (viii) After entering these details appropriately, click on "SUBMIT" tab.
 - (ix) Members holding shares in physical form will then reach directly 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 relevant 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - (II) **In case of members receiving the physical copy :**
 - (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The e-voting period begins on Sunday, **the 16th day of August 2015 at 9:00 AM** and ends on **Tuesday 18th August, 2015 at 5:00 PM**. During this period Shareholders' of the Company, holding Equity Shares either in physical form or in

dematerialised (demat) form, as on the cut-off date (record date) of Wednesday, **12th August, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The Board of Directors has appointed Mrs. Simmi Jain, Chartered Accountant in Practice, 184-A, Galaxy Apartment, Mayur Vihar, Phase -I, Pocket-4, Delhi-91 [Membership No. 86496] as a Scrutinizer to process the e-voting and submit a report to the Chairman.
- (E) Mr. Manoj Kumar, Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this 33rd Annual General Meeting including e-voting his mail ID is companysecretary@bsil.org.in and may be contacted on phone no. 011-42504798.
- (F) The Notice of the 33rd 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. 17th July, 2015 through Registered Post 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).
- (G) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 17th July, 2015 and not casting their vote electronically, may only cast their vote at the 33rd Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid-up share capital of the Company as on 17th July, 2015.
- (H) 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.
- (I) The results of voting shall be declared within two (2) days of the 33rd 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).
- 12. 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.

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

ITEM NO 4.

Mr. Jagan Nath Khurana was appointed as an alternate director to Mr. G.W. Elesenhaimer w.e.f. 4th June, 2011. Mr. G.W. Elesenhaimer has ceased to be director of the Company by virtue of Section 167 (1) (b) of the Companies Act, 2013. Mr. Jagan Nath Khurana was appointed as an additional director of the Company on 12th May, 2015. He is Chartered Accountant and has experience in the area of accounts, finance, taxation and administration of over 25 years. It is proposed to appoint Mr. Jagan Nath Khurana as an Independent director for a term of five consecutive years from 12th May, 2015 to 11th May, 2020. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Jagan Nath Khurana as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. Jagan Nath Khurana satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company.

In the opinion of the Board Mr. Jagan Nath Khurana's continuation on the Board as an 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 ordinary resolution.

Except Mr. Jagan Nath Khurana none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

Brief profile of Mr. Jagan Nath Khurana is provided at the end of this Notice.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

ITEM NO. 5.

Mr. Madan Lal was appointed as an Additional Director of the Company on 14th November, 2014. He has experience in the area of Finance, Accounts, Taxation, Management and administration of over 40 years. Mr. Madan Lal is a member of the Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee and Stakeholder Relationship Committee of the Company. It is proposed to appoint him as an Independent Director for a term of five consecutive years from 14th November, 2014 to 13th November, 2019. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Madan Lal as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. Madan Lal satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. In the opinion of the Board Mr. Madan Lal's 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 ordinary resolution.

Except Mr. Madan Lal none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

Brief profile of Mr. Madan Lal is provided at the end of this Notice.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

ITEM NO. 6.

Mr. Rajeev Kumar Agarwal was appointed as an Additional Director of the Company on 12th May, 2015. He is an engineer and has experience in the area of finance, accounts management, administration and technical aspects of the industry of over 30 years. It is proposed to appoint him as an Independent director for a term of five consecutive years from 12th May, 2015 to 11th May, 2020. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Rajeev Kumar Agarwal as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. Rajeev Kumar Agarwal satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. In the opinion of the Board Mr. Rajeev Kumar Agarwal 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 ordinary resolution.

Except Mr. Rajeev Kumar Agarwal none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

Brief profile of Mr. Rajeev Kumar Agarwal is provided at the end of this Notice.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

ITEM NO. 7

Mr. Satish Kumar Gupta is an engineering graduate and has experience of more than 41 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, 2014 for a period of three 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 three year w.e.f. 13th December, 2014. The Board in their meeting held on 14th November, 2014 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:

- | | |
|---|---|
| (1) Nature of Industry : | Sponge Iron |
| (2) Date or expected date of commencement of commercial production : | The Company commenced commercial production on 1 st July, 1989 |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : | Not Applicable |

(4) Financial performance based on given indicators: (Rs. in lacs)		
Financial Parameters	2014-15	2013-14
Sales (Net of Excise Duty)	-	1909.70
Other Income	208.66	275.60
Loss before Interest, Depreciation & Exceptional Items	121.26	938.48
Interest & Finance Charges	51.93	389.43
Depreciation	446.70	342.98
Loss for the year before Exceptional Items	619.89	1670.89
Exceptional Items expenditure/ (income)	116.25	103.41
Provision for Tax	—	—
Loss for the year carried to Balance Sheet	736.14	1774.30

I. INFORMATION ABOUT THE APPOINTEE:

Background details: Mr. Satish Kumar Gupta is an engineering Graduate with over 41 years of experience in the industry and has worked at various level.

Past remuneration: Mr. Satish Kumar Gupta was receiving Rs. 100,000 lacs as consultancy fee from the Company and was appointed as Director(Works) w.e.f. 13th December, 2013 on nearly the same salary.

Recognition or awards: None.

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 35 years.

Remuneration proposed: Details of proposed remuneration is given in Item No.7 of the Notice convening the 33rd 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. 30 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.

II. 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:

The Company was allotted Ghatkuri Iron Ore Mine in April, 2007 in the State of Jharkhand with 406.40 hectares of land and consisting of reserves estimated at 35.65 million tons and it anticipates that the commencement of production of iron ore by 2016.

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 total dolo char, the Company has entered into an agreement with G.S. Phambutor Pvt. Limited (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 at commissioning stage. 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. Efforts are also being made to source coal from CCL through Linkage.

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) and payment of remuneration to the Whole Time Director requires approval of the shareholders by way of a special resolution in terms of the provisions of Schedule V of the Companies Act, 2013 and Section 197 and Section 203 of the Companies Act, 2013 and rules made there under. 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 is available for inspection during business hours on any working day at the Registered Office of the Company. There is no financial interest of any of the director, interest

is only to the extent of their shareholding in the Company as the directors are also the shareholders in 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 are interested or concerned in the resolution.

ITEM NO. 8

The Companies Act, 2013 and Clause 49 of the Listing Agreement aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case of the Company having a paid up share capital of rupees Ten crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Clause 49 of the listing agreement requires approval of the shareholder of the Company for material related party transactions.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the resolution no. 8 of the notice.

The respective agreements / transactions are entered on arm's length basis and all factors relevant to the respective contracts/transactions have been considered by the Board. The Copies of the above mentioned existing agreements shall be available for inspection by the members at the Registered Office of the Company during the normal business hours (10 am to 6pm) on all working days (except Saturdays) upto the date of Annual General Meeting of the Company.

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 8 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No.8 for approval of the Members. Except Promoter Directors and their relatives (to the extent of their shareholding interest in the Company) and other Director mentioned in the resolution No. 8, no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

BY ORDER OF THE BOARD



**[MANOJ KUMAR]
COMPANY SECRETARY**

**Place : New Delhi
Dated : 12th may, 2015**

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.

Sr. No.	Name of the Directors	Mrs. Kumkum Modi	Mr. Jagan Nath Khurana
1.	Director Identification Number (DIN)	00522904	00003817
2.	Date of Birth	19/01/1951	13/03/1945
3.	Age	64	70
4.	Permanent Account Number (PAN)	AAAPM4518P	AAYPK9412A
5.	Date of appointment	04/06/2011	30/06/2006
6.	Expertise in specific field	Has vast experience in the area of Administration, Business Management and Corporate Social Activities	More than 25 years of experience in the area of accounts, finance, taxation and administration.
7.	No. of equity shares held in the Company. (as on 31 st March, 2015)	5,500	710
8.	Qualifications	Post Graduate from Delhi University	Chartered Accountant
9.	List of other directorships	<ol style="list-style-type: none"> 1. A to Z holdings Pvt. Ltd. 2. Modi Revlon Pvt. Ltd. 3. Jayesh Tradex Pvt. Ltd. 4. Modiline Travel Services Pvt. Ltd. 5. Jai Abhishek Investments Pvt. Ltd. 6. Longwell Investment Pvt. Ltd. 7. Modi Hitech India Limited 8. Modi Motors Pvt. Ltd. 9. Modi-Mundipharma Pvt. Ltd. 10. Umesh Modi Corp Pvt. Ltd 11. SBEC Sugar Limited 12. Swasth Investment Pvt Limited 13. Win-Medicare Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Modi Santa Fe India P Ltd. 2. SBEC Bioenergy Ltd. 3. SBEC Stockholding & Investment Pvt. Ltd. 4. Apogee Pte Ltd. 5. Modi Iliva India Pvt. Ltd. 6. Modi-Mundipharma Pvt. Ltd. 7. SBEC Systems (India) Ltd. 8. Moderate Services UK Pvt. Ltd. 9. MI Spirits India Limited
10.	Membership/ Chairman of Committees of the other Companies	NIL	<ol style="list-style-type: none"> 1. SBEC Bioenergy Ltd.- Audit Committee- Member 2. SBEC Systems (India) Ltd.- Stakeholder Relationship Committee- Member
11.	Relationship, if any between Directors inter se	Wife of Mr. Umesh K. Modi & Mother of Mr. Abhishek Modi and Mr. Jayesh Modi.	NIL

Sr. No.	Name of the Directors	Mr. Madan Lal	Mr. Rajeev Kumar Agarwal
1.	Director Identification Number (DIN)	00272672	00298252
2.	Date of Birth	10/06/1942	03/01/1949
3.	Age	73	66
4.	Permanent Account Number (PAN)	ABGPL5680A	AANPA4619G
5.	Date of appointment	14/11/2014	12/05/2015
6.	Expertise in specific field	Formerly he was associated with IDBI and many other renowned institutions. Has experience in the area of Finance & Accounts, Taxation management and administration of over 40 years.	Has experience in the area of Finance, Accounts management and administration and technical aspects of the industry of over 30 years.
7.	No. of equity shares held in the Company. (as on 31 st March, 2015)	Nil	Nil
8.	Qualifications	Masters of Commerce	Engineering Graduate
9.	List of other directorships	1. Raunaq Automotive Components Limited 2. Shreyans Industries Limited 3. Technicast Engineers Limited	1. SBEC Bioenergy Ltd. 2. SBEC Sugar Ltd.
10.	Membership/ Chairman of Committees of the other Companies		1. SBEC Bioenergy Ltd. - Audit Committee 2. SBEC Sugar Ltd. Audit Committee - Member & Chairman in Stakeholder Relationship Committee.
11.	Relationship, if any between Directors inter se	NIL	NIL
Sr. No.	Name of the Directors	Mr. Satish Kumar. Gupta	
1.	Director Identification Number (DIN)	03537417	
2.	Date of Birth	26/05/1946	
3.	Age	69	
4.	Permanent Account Number (PAN)	ABIPG9089L	
5.	Date of appointment	13/12/2013	
6.	Expertise in specific field	Has worked at various levels in the industry and has more than 41 years of experience in the area of sales, marketing, administration and operations of the Company.	
7.	No. of equity shares held in the Company. (as on 31 st March, 2015)	400	
8.	Qualifications	Engineering Graduate	
9.	List of other directorships	1. TC Healthcare Pvt. Ltd.	
10.	Membership/ Chairman of Committees of the other Companies	Nil	
11.	Relationship, if any between Directors inter se	Nil	

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

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

33rd Annual General Meeting to be held on Wednesday, the 19th August, 2015 at 11.00 A.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 :of.....having an E-mail ID:....., failing him/her;

2. Name :of.....having an E-mail ID:....., failing him/her;

3. Name :of.....having an E-mail ID:....., failing him/her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company, to be held on Wednesday, the 19th August, 2015, at 11.00 a.m. Company 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, Autitors Report & Directors Report along with their annexures for the year ended 31 st March, 2015.			
2	Re-appointment of Mrs. Kumkum Modi, as director who retires by rotation.			
3	Appointment of M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants from the conclusion of 33 rd Annual General meeting till the conclusion of the 35 th Annual General Meeting.			
Special Business:				
4	Appointment of Mr. Jagan Nath Khurana as an independent director for five years u/s 149 w.e.f 12 th May, 2015.			
5	Appointment of Mr. Madan Lal as an independent director for five years u/s 149 w.e.f. 14 th November, 2015.			
6	Appointment of Mr. Rajeev Kumar Agarwal as an independent director for five years u/s 149 w.e.f. 12 th May, 2015.			
7	Special Resolution for appointment of Mr. Satish Kumar Gupta as whole-time director of the Company pursuant to Section 197 and 203 of the Companies Act, 2013 for three years w.e.f. 13 th December, 2014.			
8	Special Resolution for approval of Related Party Transactions u/s 188 of the Companies Act, 2013 and Clause 49 of the listing agreement.			

Signed thisday of2015

Signature of shareholder

Signature of first proxy

Affix
Revenue
Stamp

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

33rd Annual General Meeting to be held on Wednesday, the 19th August, 2015 at 11.00 A.M. at Company Geust House, Chandil,

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 33rd Annual General Meeting of the Company held at Company Geust House, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401on Wednesday, the 19th August, 2015 at 11.00 A.M.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If, Shareholder, please sign here :

If Proxy, please sign here :

GREEN INITIATIVE FOR THE KIND ATTENTION OF MEMBERS

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs (MCA), Government of India, vide its Circular No. 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011.

The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of Annual Reports and other documents of your Company.

In terms of enabling provisions of these Circulars, the Company will henceforth effect electronic delivery of documents including Annual Report, Notice of Meeting/ Postal Ballot, other shareholder communications, etc. to the members at their e-mail addresses available / registered with the Company.

For supporting this green initiative, if you hold the shares in:

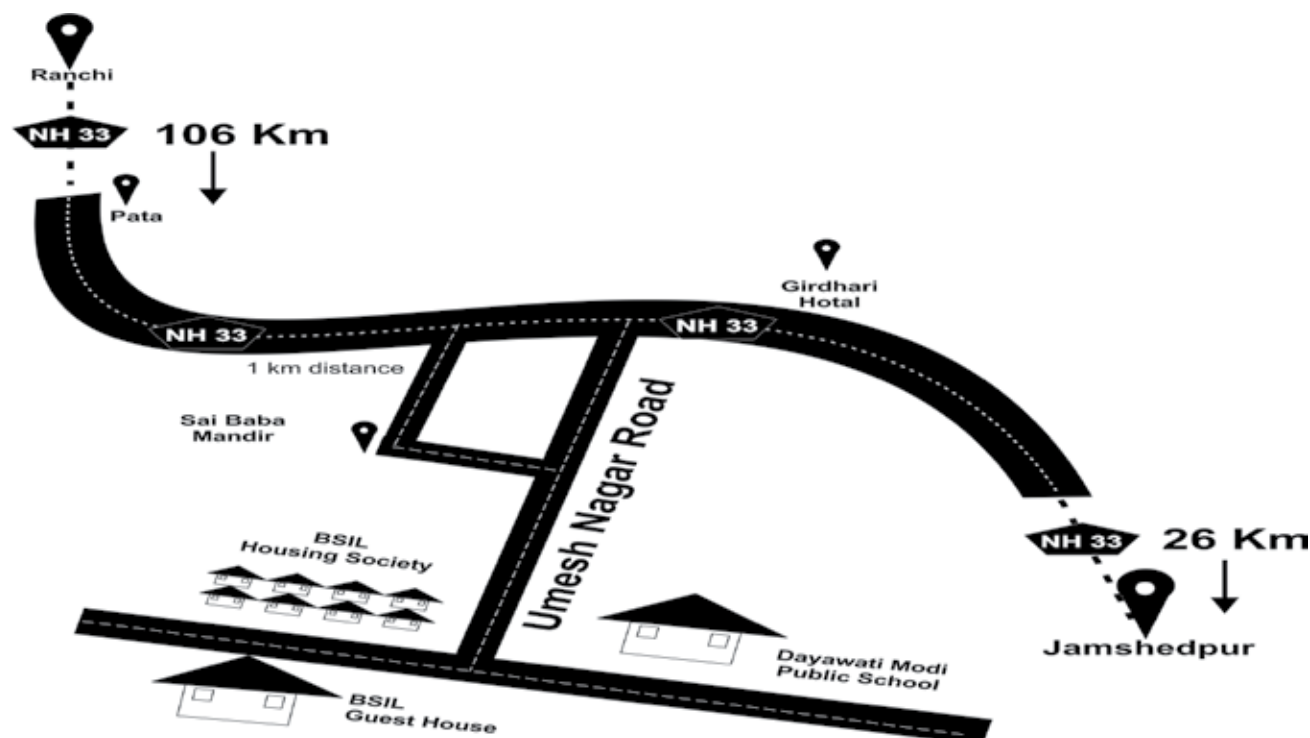
- Electronic form**, please intimate your e-mail address to your Depository Participant (DP). The same will be deemed to be your registered e-mail address for serving notices/ documents including those covered under Section 136 of the Companies Act, 2013.
- Physical form**, please send a duly signed letter quoting the name of First / sole holder and Registered Folio addressed to the Company Secretary of the Company or the Registrar & Share Transfer Agent at :

Company Secretary Bihar Sponge Iron Ltd. Umesh Nagar, Chandil Distt. Saraikela Kharsawan - 832401 Jharkhand.	M/s Beetal Financial & Computer Services Ltd. Beetal House, 3rd Floor, Behind Local Shopping Complex 99, Madangir, New Delhi-110062
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Kindly note that if you desire, a physical copy of the Annual Report and other communication/ documents will be sent to you free of cost, as per the current practices. Such documents will also be displayed on the Company's website : www.bsil.org.in

We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live.

In case, your shares are in physical form, we urge you to have your shares dematerialized by approaching Depository Participant (DP) of your choice.



DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 33rd Annual Report of the Company along with audited accounts for the year ended 31st March, 2015.

	(Rs. Lacs)	
Financial Parameters	2014-15	2013-14
Sales (Net of Excise Duty)	-	1909.70
Other Income	208.66	275.60
Loss before Interest, Depreciation & Exceptional Items	121.26	938.48
Interest & Finance Charges	51.93	389.43
Depreciation	446.70	342.98
Loss for the year before Exceptional Items	619.89	1670.89
Exceptional Items expenditure/(income)	116.25	103.41
Provision for Tax	—	—
Loss for the year carried to Balance Sheet	736.14	1774.30

OPERATIONS :

During the year under review there was no production of sponge iron due to Plant being shut from 9th August, 2013 on account of sudden stoppage of coal supply by Central Coalfields Limited, Ranchi, a Unit of Coal India Limited against our long term Fuel Supply Agreement. The reason for stoppage of coal supply was that Ministry of Coal had allocated a Captive Coal Mine – Macherkunda Coal Block in the year 2008 and as per terms & conditions the Mine was to be operative by February, 2013. The Mine could not be developed due to various reasons beyond our control i.e. depending upon the Govt. of India for clearance. The Coal Block was later cancelled on 20th November, 2012 by Ministry of Coal, Govt. of India. The Company challenged this by filing a Writ Petition No. W.P.(C) 1660 in the year 2013 in the Hon'ble Jharkhand High Court.

Further, all Coal Blocks were also cancelled by Hon'ble Supreme Court of India vide its Order dated 25th September, 2014 and our Macherkunda Coal Block was also amongst these Coal Blocks. Since the Policy about renewal of Fuel Supply Agreement (FSA) after de-allocation of Captive Coal Blocks was not clear, hence they stopped the coal supply. Later on in a Special Meeting of Standing Linkage Committee (Long Term) held on 3rd December, 2014 under the Chairmanship of Additional Secretary (Coal), Ministry of Coal decided that all EUP which were already having long term linkage should get coal from the respective Coal companies. Accordingly, we approached the Chairman-CCL, Ranchi and he advised to withdraw our Writ Petition No. W.P.(C) No. 1660 of 2013. He further suggested that once the said writ petition is withdrawn, CCL would proceed in the matter for renewal of Fuel Supply Agreement. The Company has made an interlocutory application for withdrawal of the said writ petition before Hon'ble Jharkhand High Court. We hope that the matter would be resolved with the withdrawal of the said Writ Petition by the said High Court.

IRON ORE MINE:

The Company was allotted Ghatkuri Iron Ore Mine in April, 2007 in the State of Jharkhand with 406.40 hectares of land and consisting of reserves estimated at 35.65 million tons. However, the Geological Survey was conducted by Department of Geology, Ministry of Mines, Govt. of Jharkhand and report was released in February, 2012 wherein they have assessed the Ore reserve to be about 11.00 Million Tons.

The Company has requested for the allocation for an additional Iron Ore Mine to compensate the difference in allocated quantity and for revised geological reserves.

The draft Mining Plan prepared by MECON was submitted with Ministry of Mines on 3rd September, 2012 based on the revised reserves of 11.00 million tons.

The Indian Bureau of Mines, Ministry of Mines, Govt. of India vide its letter dated 06-02-2014 have communicated the mining plan is not approved. The Company expects a total capital investment of around Rs.45.00 Crores for the development and anticipates the commencement of production of iron ore by 2016.

COAL MINE:

As already reported the Macherkunda Coal Block allocated to the Company for captive mining of coal has been de-allocated by the Ministry of Coal, Government of India. The Government of India has filed a number of transfer petitions in the Hon'ble Supreme Court for transfer of the coal block cases which were pending in various high courts. The Supreme Court has expressed its view that all coal block allocations on and after 2003 are illegal. The Supreme Court has vide its order dated 25th September, 2014 has cancelled allocation of all but 4 coal blocks allocated from 2003. The Macherkunda Coal Block was among the all cancelled coal blocks. The Company has made an application to Ministry of Coal, Govt. of India for return of Bank Guarantee of Rs. 2.81 cr. Vide its letter dated 15th October, 2014.

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 total dolo char, the Company has entered into an agreement with G.S. Phambutor Pvt. Limited (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 at commissioning stage. Once the sponge iron plant starts its operations to said power plant will be commissioned and steps for setting up induction furnace will initiated.

DIVIDEND

In view of the loss incurred by the Company, no dividend has been proposed for the financial year ended 31st March, 2015

FIXED DEPOSITS:

During the year under review, your Company did not accept 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.

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 2014-15.

INTERNAL CONTROL SYSTEM

The Company has a well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal control system comprises audit and supplemented by internal audit checks from the Internal Auditor M/s. Sarat Jain & Co. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

The Board of the Company in its meeting held on 12th May, 2015 has approved and adopted the Company's Nomination and Remuneration policy. Any member interested in hard copy of the said policy may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy. The same is also disclosed in the Company's website www.bsil.org.in. Details of the Committee is provided in the corporate governance report annexed with this report.

WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of director of the Company in its meeting held on 6th February, 2015 has approved and adopted vigilance mechanism – Whistle Blower Policy. This Policy *inter-alia* provides a direct access to the Chairman of the Audit Committee. 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. The said policy is available in the Company website, www.bsil.org.in. Any member interested in hard copy of the said policy may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. 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.

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

The Board had approved policies on Related Party Transactions. The policies have been uploaded on the Company's website: www.bsil.org.in. Any member interested in hard copy of the said policy may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

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 clause 49 of the Listing Agreement is disclosed separately in Form No. AOC -2 as **Annexure-D** and forms part of this report.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return for 2014-15 in Form No. MGT – 9 is given separately as **Annexure - E**, which form part of the Board's report.

SECRETARIAL AUDIT

The Board of Directors of the Company have appointed M/s. R Singhal & Associates, Company Secretaries (PCS Registration No. 10699) as the Secretarial Auditor of the Company in relation to the financial year 2014-15, in terms of Section 204 of the Companies Act, 2013. The Secretarial Audit Report for financial year 2014-15 done is separately annexed as **Annexure-F** with this report and is available on the Company's website www.bsil.org.in.

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 operation from 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.

MANAGERIAL REMUNERATION:

Disclosures required u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 relating to ratio of the remuneration of each director to the median employee's remuneration and other details shall be provided on request, in accordance with the provisions of Section 136 of the Act. The relevant information could not be provided as the plant is under shut and the operations has been suspended from 09.08.2013, thereby the salary, wages and allowances of the employees is unascertained.

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, none of the employee is drawing remuneration in excess of the limits set out in the said Rules.

DIRECTORS :**A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Mr. Satish Kumar Gupta, Whole Time Director designated as Director (Works) of the Company is re-appointed as Whole Time Director designated as Director (Works) w.e.f. 13-12-2014 for a period of 3 years.

In accordance with the provisions of Section 160 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Mrs. Kumkum Modi retires by rotation and are eligible for re-appointment.

Mr. G. W. Elsenheimer ceased to be the director of the Company under Section 167 of the Companies Act, 2013.

Mr. G. C. Jain has resigned as director of the Company w.e.f. 15th April, 2015.

Mr. R. K. Agarwal, Mr. Jagan Nath Khurana, and Mr. Madan Lal the independent directors of the Company pursuant to section 149 (10) of the Companies Act, 2013 shall hold the office as directors for a term of 5 years w.e.f. 12th May, 2015, 12th May, 2015 and 14th November, 2014 respectively, subject to the approval of shareholders.

Mr. B. K. Goel is appointed as Chief Financial Officer of the Company w.e.f. 6th February, 2015.

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.

B) DECLARATION BY AN INDEPENDENT DIRECTORS

The Company has received declaration by all Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The declaration received from the independent directors were placed at the meeting of the Board of directors of the Company held on 12th May, 2015. Any member interested in hard copy of the said policy may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

C) FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the 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 its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director). The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as **Annexure- B** to this Report.

D) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of the Company met for the four times, i.e. on 29th May, 2014, 19th September, 2014, 14th November, 2014 and 6th February, 2015 during financial year 2014-15.

E) DIRECTORS RESPONSIBILITY STATEMENT:

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

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

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;

- 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.

AUDIT COMMITTEE

The composition of an Audit Committee is disclosed in the corporate governance report annexed with this report and forms part of it. Further there has not been any instance where the Board had not accepted any recommendation of the Audit Committee.

AUDITORS:

M/s. Thakur Vaidyanath Aiyar and Co., Chartered Accountants (Firm Registration No.000038N), Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made would be within the prescribed limits under Section 139 of the Companies Act, 2013 and the Audit Committee of the Company has recommended their appointment as statutory Auditors for two consecutive years starting from the conclusion of 33rd AGM to the conclusion of 35th AGM of the Company.

ACCOUNTS AND AUDIT:

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

- Rs. 2,32,381 thousand against currency fluctuation of foreign currency loan has not been recognized as the Company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi and it is hopeful that the decision will be in favour of the Company.
- Rs. 21,528 thousands recovered by South Eastern Coal Fields Ltd as penalty on account of short lifting of coal quantity in terms of Fuel Supply Agreement as the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh. It is hopeful that the Company would get the order in its favour.
- Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2015 has not been taken on accounts as the Company has applied to the lenders for the waiver of the interest on unsecured loan.
- Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 81,331 thousands has not been provided as the Company will make representation for waiver on re-start of the Company operation.