

38th ANNUAL REPORT
2019-2020

BSIL
BIHAR SPONGE IRON LIMITED

Board of Directors

Mr. Umesh Kumar Modi	Chairman & Director
Mrs. Kumkum Modi	
Mr. Abhishek Modi	
Mr. Jayesh Modi	
Mr. Satish Kumar Gupta	Director (Works)
Mr. Jagdish Chander Chawla	
Mr. Brajeshwar Dayal Garg	
Mr. Rajeev Kumar Agarwal	
Dr. Shyam Babu Vyas	
Mr. Madan Lal	
Dr. Rohit Garg	
Mr. Shiv Shankar Agarwal	
Mr. Anirudh Kumar Modi	

Chief Financial Officer

Mr. Anil Kumar Sinha

Company Secretary

CS Himani Mittal

Statutory Auditors

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

Internal Auditors

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

Audit Committee

Mr. Rajeev Kumar Agarwal	Chairman
Mr. Jagdish Chander Chawla	
Dr. Shyam Babu Vyas	
Mr. Madan Lal	

Registered Office & Plant Site

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

Bankers

UBI, SBI, HDFC Bank, ICICI Bank

Registrars and Share Transfer Agent

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

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DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 38th Annual Report of the Company along with audited accounts for the year ended 31st March, 2020.

(Rs. Lacs)

Financial Parameters	2019-20	2018-19
Sales (Net of GST)	-	-
Other Income	586.51	864.97
Profit / (Loss) before Interest, Depreciation & Exceptional Items	340.33	557.21
Interest & Finance Charges	0.96	8.61
Depreciation	329.24	428.95
Profit/(Loss) for the year before Exceptional Items	(84.02)	119.65
Exceptional Items -Net income / (Expenditure)	1.42	(130.52)
Provision for Tax	-	-
Loss for the year carried to Balance Sheet	82.60	10.87

OPERATIONS

The Plant is under shut since 9th August, 2013 on account of sudden stoppage of coal supply by Central Coalfields Limited, a Unit of Coal India Limited against long term Fuel Supply Agreement. The Coal available through on line auction by various coal companies were of lower grades and were available at a high price, it was not economically viable for the company to operate with the costlier coal.

SHORTAGE OF IRON ORE

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

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

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

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

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

5 MW POWER PLANT / STEEL PLANT

The Company from the existing power plant generates 5 MW Power based on dolo char being produced in the manufacturing of sponge iron. Since the Company is not able to consume the entire dolo char, the Company has entered into an agreement with G S Phambutor Pvt. Ltd. (GSP) to install a 5 MW Power Plant. Whenever the existing power plant goes under regular maintenance, the Company has to generate power from DG Set, which is highly uneconomical. During such time the Company will take the power from GSP and for the rest of the period GSP will consume the

power in induction furnace to produce pencil ingot. The 5 MW power plant is ready to be commissioned. The Company has been informed that once the sponge iron plant starts its operations, the said power plant will be commissioned and steps for setting up induction furnace will be initiated.

CORPORATE SOCIAL RESPONSIBILITY

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

DIVIDEND

In view of the loss incurred by the Company, no dividend has been proposed for the financial year ended 31st March, 2020.

SHARE CAPITAL

The paid up Equity Capital as on March 31, 2020 is 9020.54 lakhs. During the year under review, The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

FIXED DEPOSITS

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

SUBSIDIARY, ASSOCIATE AND JOINT VENTURES

The Company does not have any Subsidiary, Associate or Joint Venture Company as on 31st March, 2020.

MATERIAL CHANGES AND COMMITMENTS

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

DIRECTORS:

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Mr. Jayesh Modi (DIN: 02849637) retires by rotation at forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. B.D. Garg , Mr. Shyam Babu Vyas, Mr. J.C. Chawla, Mr. Madan Lal re- appointed as an Independent Director for a second term of five consecutive years in the Annual General Meeting held on 09th September, 2019.

Mr. Anirudh Kumar Modi appointed as an Additional Director on 10th September, 2019 to hold office till the conclusion of next Annual General Meeting.

Mr. Satish Kumar Gupta (DIN: 03537417) Whole- time Director designated as Director- Works resigned w.e.f 31st March, 2020.

Re-appointment of Mr. Rajeev Kumar Agarwal for second term of Five Consecutive years subject to the approval of the shareholders in the ensuing Annual General Meeting.

Mr. Nitish Nautiyal , Company Secretary resigned w.e.f 30th April,2019.

Ms. Himani Mittal, Company Secretary appointed w.e.f 1st June ,2019.

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

Composition of Key Managerial Personnel

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

S.No	Name	Designation
1.	Mr.Satish Kumar Gupta*	Whole Time Director
2.	Mr. Anil Kumar Sinha	Chief Financial Officer
4.	Ms. Himani Mittal#	Company Secretary

* Resigned w.e.f 31st March, 2020.

Appointed w.e.f. 1st June, 2019.

DECLARATION BY INDEPENDENT DIRECTORS

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

FORMAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2019-20, Five Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Act, and the Listing Regulations.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) that in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis; and
- (e) that the directors, had laid down and implemented internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) Explanation—For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information; and
- (g) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS REPORT**Statutory Auditor**

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

AUDITOR QUALIFICATION

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

- a. Rs. 3,42,052 thousand against currency fluctuation of foreign currency loan has not been recognized as the Company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi and it is hopeful that the decision will be in favour of the Company.
- b. Rs. 21,528 thousands recovered by South Eastern Coal Fields Ltd as penalty on account of short lifting of coal quantity in terms of Fuel Supply Agreement as the matter has been disputed by the Company under writ petition filed before

the Hon'ble High Court of Chhattisgarh. It is hopeful that the Company would get the order in its favour.

- c. Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2020 has not been taken on accounts as the Company will apply to the lenders for the waiver of the interest on unsecured loan.
- d. Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 4,03,092 thousand from 10.08.2013 to 31.03.2020 has not been provided as the Company will make representation for waiver on re-start of the Company's operations..

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

INTERNAL AUDITORS

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

SECRETARIAL AUDITOR

M/s. R Singhal & Associates, Company Secretaries (PCS Registration No. 10699) were appointed as the Secretarial Auditor of the Company in relation to the financial year 2019-20, in terms of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for financial year 2019-20 is attached as "Annexure – A" with this report.

The observation in secretarial audit report are self-explanatory and therefore do not call for any further explanation. Further due to shutdown of the plant and suspension of operations since 09.08.2013 various dues could not be paid on due dates. Necessary steps are being taken to re-start the Company and payment of all such dues shall be made after re-start of operation of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

The Company has not given any loans, guarantees or made any investments under Section 186 of Companies Act, 2013 during the financial year 2019-20.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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

w.r.t. Auditors opinion on above it is clarified that Central Coalfields Ltd has stopped supply of linkage coal as per Fuel Supply Agreements (expired in April, 2013 & not renewed) to the Company w.e.f. 5th February 2013, Due to non-supply of Coal by CCL, the operation of the company has been shutdown and operation suspended w.e.f. 9th August 2013.

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

RISK MANAGEMENT POLICY

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

NOMINATION AND REMUNERATION POLICY

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

The aforesaid policy can be accessed on the Company's website www.bsilorg.in.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

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

During the year, your Company had entered into materially significant transactions i.e. transactions exceeding ten percent of the annual consolidated turnover with Related Parties are within the limits approved by the Shareholders in 35th Annual General Meeting of the Company. Suitable disclosures as required under IND AS - 24 have been made in the Notes to the financial statements.

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

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

The policy as approved by the Board is uploaded and can be viewed on the Company website www.bsil.org.in.

EXTRACT OF THE ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure with respect to remuneration of Directors and employees as required under section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board report for the year ended 31st March, 2020 are given in **Annexure-C** to this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION ANALYSIS REPORT

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

LISTING OF SECURITIES

The equity shares of your Company continue to be listed on BSE Ltd. and listing fee for the Financial Year 2020-21 has been paid.

COMPLIANCE WITH SECRETARIAL STANDARD

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

ACKNOWLEDGEMENT:

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

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

Sd/-

U.K. Modi

Chairman

DIN:00002757

ANNEXURE-A

Place : New Delhi

Date : 28.07.2020

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 according to the provisions of undernoted Acts, Regulations and Guidelines applicable on the Company

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) OTHER APPLICABLE ACTS,

- (a) The Factories Act, 1948
- (b) The Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) The Payment of Gratuity Act, 1972
- (e) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) The Industrial Dispute Act, 1947
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (i) The Insolvency and Bankruptcy Code, 2016
- (j) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

1. The plant has been in closed position since 09.08.2013 and there was restriction in entry to factory premises because of labour unrest, due to which certain registers / records including fixed assets/stock records and register and its verification, Labour records and Factories Act, 1948 compliances could not be produced for verification. Hence information / documents in relation to them were not verified. There is no record of physical verification of the Fixed Assets/Stocks on record. Licenses required for operation and management of the factory including factory licence and no objection certificate from pollution control board has not been renewed in view of the factory being under shut down. The Management has represented that the same will be obtained as and when the operation of the plant starts.
2. The Company is not regular in depositing the undisputed statutory dues with the appropriate authorities including Provident fund, income-tax (tax deducted at source and tax collected at source), GST, cess & any other applicable statutory dues during the year.
There are arrears on account of unpaid statutory dues for a period of more than 6 months from the date on which they became payable including the Service Tax: Rs. 78.67 Lakhs, Income Tax (TCS) Rs. 3.81 Lakhs, Electricity duty: 26.01 Lakhs (excluding un-provided Rs. 22.81 Lakhs) and Cess Rs. 1000/- as at the end of the financial year 31st March 2020. Further settlement dues of co-employees amounting to Rs. 15.76 Lakhs remained unpaid. As informed by the management it was due to shut down status of Factory/Plant since 09.08.2013.
3. The Shareholding of promoters and the Promoter's Group are dematerialized only to the extent of 48.24% shares as on 31.03.2020. Management informed us that the Company has intimated the promoters to get the shares dematerialized, the same is in process.
4. As per examination of records and information available to us, the Company has not maintained the structured digital database as on the date of the signing of this report. However, the Company has maintained all requisite documents and registers manually. It is in the process of digitalization its database.
5. During the course of verification it was observed that the BSE Limited had imposed a penalty of Rs. 5900/- (Rupees Five Thousand Nine Hundred Only) on the Company for delay in filing of its Financial Results for the quarter and nine months ended 31st December 2019, as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The meeting of the Board of Director was scheduled on 14th February, 2020 to consider and approve the unaudited Financial Results for the quarter and nine months ended 31st December 2019 under intimation to BSE Ltd and was published in the newspaper. However, due to want of quorum for the Board Meeting within in the prescribed time the Board Meeting stood adjourned to 17th February, 2020. The Company has since paid the fine to BSE Ltd.
6. In accordance with the Note 12 (a) of Audited Financial Statement for the year ended on 31.03.2020, No provisions has been made for disputed liability on account of fluctuation in foreign exchange rate on Foreign Currency loans obtained by it. The company has not provided this liability in the Audited Financial Statements.
7. The Company had taken secured soft loan under Jharkhand Industries Rehabilitation Scheme, 2003 from the State Government of Jharkhand. The details of which are provided in Note 12 (d) of the Audited Financials Statements for the year ending 31.03.2020. We have been informed that charge on above loan have been registered manually by the company. However the same are not appearing in the index of charge on MCA. As informed by the management the company is in the process of getting the same updated on the MCA site.
8. The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.

We further report that,

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

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

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

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

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

**(Rahul Singhal)
Prop.**

**PLACE: NEW DELHI
DATED: 13.08.2020
UDIN : A029599B000575826**

M. No. 29599

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the audited financial statements for the year ended on 31.03.2020 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. That the details of disputed liabilities and demands raised by various authorities including Excise & Customs, Jharkhand VAT, Central Sales Tax, Asstt Commissioner for Electricity and Water Charges, Railway Authorities, SECL, Income Tax Authorities, Bank Guarantees, disputed liability on account of Currency Fluctuation that have not been acknowledged as debts by the company have been detailed in Note III being 'Other Notes Required By Part I & Part II of Schedule III' under the sub head 1. Contingent Liabilities. We have relied on the statement issued by the company and as incorporated in the audited Financial Statements for the year ending 31.03.2020.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R. Singhal & Associates
Company Secretaries

(Rahul Singhal)
Prop.
M. No. 29599

PLACE: NEW DELHI
DATE: 13.08.2020

ANNEXURE - B

FORM NO. AOC - 2

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

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

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

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

S.No.	Name of Related Party	Nature of Relationship	Nature and Duration of the contracts/arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions in including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Modi Hitech India Ltd.	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi, Mr. B. D. Garg and Mr. R.K. Agarwal are common directors.	01-04-2019 to 31-03-2020	Rent received at arm's length basis of Rs. 21.33 Lacs.	29.05.2017	Nil
2.	G S Pharmbutor Pvt. Ltd.	G S Pharmbutors Pvt. Ltd. holds more than 20 % shares in Moderate Leasing and Capital Services Limited which is a promoter group company and holds 49.10 % shares of the Company. Mr. R.K. Agarwal is a common director.	01-04-2019 to 31-03-2020	Facility user charges, Rent and other expenses recovered of Rs. 354.08 Lacs. other expenses 0.30 lacs and loan repayment of Rs. 100.00 Lacs.	29.05.2017	Nil
3.	Modi Motors Pvt. Ltd.	Mrs. Kumkum Modi is common director and Mr. U.K. Modi, Mr. Abhishek Modi and Mr. Jayesh Modi as relative of directors.	01-04-2019 to 31-03-2020	Printing of Annual Reprot at an arm's length bais of Rs. 6.47 Lacs.	29.05.2017	Nil
4.	Modiline Travel Service Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Abhishek Modi are common directors and Mr. U.K. Modi, Mr. Jayesh Modi as relative of directors.	01-04-2019 to 31-03-2020	Support services at arm's length basis of Rs. 1.09 lacs.	29.05.2017	Nil
4.	Jayesh Tradex Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Jayesh Modi are common directors and Mr. U.K. Modi, Mr. Abhishek Modi as relative of directors.	01-04-2019 to 31-03-2020	Stationery of Rs.0.02 Lacs.	29.05.2017	Nil
5.	Dayawati Modi Public School (Runs under the aegis of Daya Charitable Trust)	Mr. U.K. Modi, Director is also a Trustee in Daya Charitable Trust	01-04-2019 to 31.03.2020	Misc. expenses paid Rs. 4.19 lacs.	29.05.2017	Nil

For & on behalf of the Board

Place : New Delhi
Date : 28.07.2020

Sd/-
U.K. Modi
(Chairman)
DIN: 00002757

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

(a) The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2019-20.:

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

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

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

Key Managerial Personnel's	Designation	Remuneration Of KMP In Financial Period 2019-20 (Rs.)	% increase in remuneration
Mr. Satish Kumar Gupta	Whole Time Director-Works	8,75,723	-
Mr. A.K. Sinha	Chief Financial Officer	5,48,009	
Mr. Nitish Nautiyal	Company Secretary	25,000	-
Ms. Himani Mittal	Company Secretary	3,80,523	

Mr. Satish Kumar Gupta voluntarily waived off his remuneration from 1st April 2019 to 31st March, 2020.

*Resigned w.e.f. 30.04.2019

** Appointed w.e.f. 01.06.2019.

(c) The percentage increase in the Median Remuneration of Employees : (d) The number of Permanent Employees on the Rolls of the Company.**

(d) The number of Permanent Employees on the Rolls of Company as on 31st March, 2020 . *

(e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.**

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

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

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

For & on behalf of the Board

Sd/-

U.K. Modi

Chairman

DIN:00002757

Place : New Delhi
Date : 28.07.2020

ANNEXURE-D**TO THE DIRECTORS' REPORT STATEMENT PURSUANT TO SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.****CONSERVATION OF ENERGY :**

	Current Year (2019-20)	Previous Year (2018-19)
A. POWER AND FUEL CONSUMPTION		
1. ELECTRICITY		
A) PURCHASED		
Unit	Nil	Nil
Amount(Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
B) OWN GENERATION		
1. Through Diesel Generator		
Unit	Nil	Nil
Unit per liter of HSD	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
2. Through steam turbine		
Unit	Nil	Nil
Unit per M.T of fuel	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
3. COAL		
Quantity (M.T)	Nil	Nil
Cost (Rs.)	Nil	Nil
Average Rate (Rs./M.T)	Nil	Nil
B. CONSUMPTION PER M.T OF PRODUCTION (SPONGE IRON)		
1. Electricity (Unit)	Nil	Nil
2. Furnace Oil	Nil	Nil
3. Coal (M.T)	Nil	Nil
4. Others – HSD (Liter)	Nil	Nil

TECHNOLOGY ABSORPTION :

(A) Research and Development.		
1. Specific areas in which R & D is carried out by the Company	:	Nil
2. Benefits derived as a result of the above R & D	:	Does not arise
3. Future plan of action	:	Not yet decided
4. Expenditure on R & D	:	Nil
(B) Technology absorption, adaptation & innovation.		
1. Efforts in brief made towards technology absorption, adaptation & innovation:		
— Technology transfer is complete.		
2. Benefits derived as a result of above efforts: The Company achieves the metallization acceptable to the user industry. Sponge Iron produced by the Company has helped the country in saving outgo of scarce foreign exchange resources by way of import substitution.		

TECHNOLOGY IMPORTED

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

FOREIGN EXCHANGE EARNINGS & OUTGO: (Rs. Lacs)

	2019-2020	2018-2019
1 EARNING	—	—
2. EXPENDITURE	—	—
Import on CIF Basis Stores & Spares	—	—

For & on behalf of the Board

Place : New Delhi
Date : 28.07.2020

U.K. Modi
Chairman
DIN:00002757

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

2. OPPORTUNITIES AND THREATS

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

3. SEGMENT WISE/ PRODUCT WISE PERFORMANCE

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

4. OUTLOOK

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

5. RISKS AND CONCERNS

The Management periodically carries out risk assessment exercises. Risk factors are also discussed in Audit Committee Meetings. Wherever possible and necessary, insurance cover is taken for risk mitigation. However, an economic slowdown can adversely affect the demand-supply equation in the sponge iron industry. The price of sponge iron is sensitive to the demand-supply position of steel scrap in the country and also to the selling prices of long products. On the financial front, the Company's debt had been restructured pursuant to the rehabilitation scheme sanctioned by Hon'ble BIFR is over on 30th September, 2011 and the net worth of the Company has not turned positive. All the installments of principal and interest thereon has already been paid under the scheme, except for the exchange fluctuation on foreign currency loan and interest thereon in respect of which LPA has been filed with High Court of Jharkhand, Ranchi. In addition the entire rehabilitation loan along with the interest is due for payment to Government of Jharkhand, for which the Company will make representation for waiver of interest on re-start of Company's operations.

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

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

7. FINANCIAL PERFORMANCE

The Plant has been under shut from 9th August, 2013 as a result of non-supply of coal by Central Coalfields Limited. The loss has been due to non- production as a result of non-availability coal.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company, at the year ended 31st March, 2020 had approximately 238 employees.

9. CAUTIONARY STATEMENT

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

For & on behalf of the Board

Place : New Delhi
Date : 28.07.2020

U.K. Modi
Chairman
DIN:00002757

ANNEXURE - F

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Shareholding

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

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	7750	18100	25850	0.03	24750	1100	25850	0.03	-
b) Central Govt. & State Govt. (s)	6759960	-	6759960	7.49	6759960	-	6759960	7.49	-
c) Bodies Corp.	19527305	32500300	52027605	57.68	19527305	32500300	52027605	57.68	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1):-	26295015	32518400	58813415	65.20	26312015	32501400	58813415	65.20	0.00
(2) Foreign									
a) NRIs- Individuals	3975534	-	3975534	4.41	3975534	-	3975534	4.41	0.00
b) Other- Individuals	-	-	-	-	-	-	-	-	-