

41st ANNUAL REPORT 2022-2023

**BSIL
BIHAR SPONGE IRON LIMITED**

Board of Directors

Mr. Umesh Kumar Modi Chairman & President
Mrs. Kumkum Modi
Mr. Abhishek Modi
Mr. Jayesh Modi
Mr. Vijay Kumar Modi
Mr. Aditya Kumar Modi
Mr. Anirudh Kumar Modi
Mr. Jagdish Chander Chawla
Mrs. Asha Agarwal
Mr. Salil Seth

Chief Financial Officer

CA Sachin

Company Secretary

CS Vimal Prasad Gupta

Statutory Auditors

M/s K.K. Jain & Co.
Chartered Accountants

Secretarial Auditors

M/s Soniya Gupta & Associates
Company Secretaries

Audit Committee

Mr. Vijay Kumar Modi Chairman
Mr. Aditya Kumar Modi
Mr. Anirudh Kumar Modi
Mr. Jagdish Chander Chawla

Registered Office & Plant site

Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan-832401, Jharkhand.
e-mail: 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, 3rd Floor, 99, Madangir, Behind Local Shopping Complex,
Near Dada Harsukhdas Mandir,
New Delhi – 110062. Email - beetalrta@gmail.com
Website: www.beetalfinancial.com

Internal Auditors

M/s Sarat Jain & Associates
Chartered Accountants

Cost Auditors

M/s M.K. Singhal & Co.
Cost Accountants

Content	
Directors' Report.....	1
Auditors' Report.....	31
Balance Sheet.....	40
Profit And Loss Account.....	41
Cash Flow Statement.....	42
Notes to Financial Statements.....	44



SHRI UMESH KUMAR MODI
CHAIRMAN AND PRESIDENT
 BIHAR SPONGE IRON LIMITED (BSIL)

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the 41st Annual Report of the Company along with audited accounts for the year ended 31st March, 2023.

(Rs. Lakhs)

Financial Parameters	2022-23	2021-22
Sales (Net of GST)	46337.47	8640.00
Other Income	224.94	818.02
Profit / (Loss) before Interest, Depreciation & Exceptional Items	1636.47	1119.21
Interest & Finance Charges	14.57	3.29
Depreciation	424.63	298.75
Profit/(Loss) for the year before Exceptional Items	1197.27	817.17
Exceptional Items -Net income / (Expenditure)	16.28	9.52
Provision for Tax	-	-
Profit/(Loss) for the year carried to Balance Sheet	1213.55	826.69

OUTLOOK

India is the world's second-largest producer of crude steel. Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31.

In FY 2023-24, demand for steel is expected to increase by 7.5% to 128.85 million tonnes, driven by rising construction activities. Steel companies are looking to restart expansion projects on the back of burgeoning steel processes.

Sponge Iron is the basic raw material for Steel manufacturers so it is growing up parallel with steel demand. According to National Steel Policy, 2017, the aim is to increase the DRI production from 37.14 million tons to 80 million tons by 2030-31. India has huge untapped potential for the growth in the sponge iron industry, as it has still one of the lowest steel consumptions per capita (74.3 Kg.). The industry's prospects are looking bright.

OPERATIONS

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

As reported last year, with a view to earn some revenue, the Company had entered into a Facility User Agreement dated 30.12.2020 with Vanraj Steels Private Limited, Mr. Manoj Kumar Agarwal and Parasnath Advisory Private Limited.

After complete overhauling and renovation work of the plant as well as the railway siding, the possession of the same had been handed over to M/s. Vanraj Steels Private Limited on 12th January, 2022. With the handing over of the plant, the Company has started receiving the operating income.

Now the plant is in operation, and with the restart of the plant, Company has started earning revenue and there is net profit before tax amounting to Rs. 1214 Lacs during FY 2022-23. Management is hopeful to earn good profit in future and losses suffered in past will get wiped out in due course.

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

5 MW POWER PLANTS / STEEL PLANT

The Company from the existing power plant generates 5 MW of power based on 80% Dolo Char + 20% Coal Fine, being produced in the manufacturing of sponge iron. Due to high price of coal, power generation cost is very high. To control the overhead cost, company has taken 3 MW power connection from Jharkhand State Electricity Board. Now power generation will be based on its cost.

CORPORATE SOCIAL RESPONSIBILITY

The Company has formed a Corporate Social Responsibility Committee* to contribute towards the well-being of workers/employee/nearby residents etc. The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Act and rules made thereunder. The CSR Policy along with the CSR projects approved by the Board, the composition of the Committee and other relevant details are disclosed on the website of the Company at www.bsil.org.in.

The Annual Report on the CSR activities undertaken by the Company during the Financial Year under review, in the prescribed format, is annexed to this Report as Annexure –F.

*Pursuant to Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under section 135 (5) does not exceed fifty lakh rupees, the requirement under section 135 (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of the company. Therefore, the Corporate Social Responsibility Committee of the Company was dissolved w.e.f., 26th May 2023 and the functions of the said Committee shall now be discharged by the Board.

DIVIDEND

In view of the losses incurred by the Company in the past, no dividend has been proposed for the financial year ended 31st March, 2023.

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2023 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, 2023.

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 and Key Managerial Personnel:

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. Your directors recommend his re-appointment.

Your directors also recommend the regularization of Mr. Ajay Kumar Aggarwal (DIN: 00632288) as a Non- Executive Independent Director of the Company for the first term of 5 years w.e.f., 1st September 2023 to 31st August, 2028.

Mr. Shyam Babu Vyas, Non-Executive Independent Director of the Company has ceased/vacated his office w.e.f. 20th July, 2022, pursuant to the provision of section 167 (1) (b) of the Companies Act, 2013.

Mr. Raj Kumar Sharma was re-appointed for a term of one year w.e.f. 28th July, 2021 as Manager designated as “Senior General Manager” and he has completed his one year term on 27th July, 2022.

Mr. Salil Seth was appointed as a Non-Executive Independent Director of the Company w.e.f. 16th August, 2022.

Mr. Shiv Shankar Agarwal, Independent Director of the Company, has completed his 1st term of 5 years as an Independent Director on 10th May, 2023. Accordingly, he has ceased as an Independent Director of the Company, w.e.f. 11th May, 2023.

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

Composition of Key Managerial Personnel

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

S.No	Name	Designation
1.	Mr. Aditya Kumar Modi	Whole Time Director (Designated as Director – Operations)
2.	Mr. Sachin	Chief Financial Officer
3.	Mr. Vimal Prasad Gupta	Company Secretary & Compliance Officer

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 have at their meeting (without participation of the Non-Independent Directors and Management) considered/evaluated the Boards' performance, Performance of the Chairman and other Non-Independent Directors.

The Board subsequently evaluated the performance of the Independent Directors as per the criteria laid down and has recommended their continuation on the Board of the Company. The working of its Committees (Audit, Nomination and Remuneration, Stakeholders Relationship and Corporate Social Responsibility 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 2022-23, four (4) Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Act, and the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (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 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;
- (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; and
- (f) 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.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTOR APPOINTED DURING THE YEAR

During the Year Mr. Salil Seth was appointed as Non-Executive Independent Director of the Company w.e.f. 16th August 2022. In the

opinion of Board Mr. Salil Seth is a Lawyer, with high moral values, having rich experience in the matter of Corporate Laws.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals that could impact the going concern status of the Company and its future operations.

AUDITORS AND AUDITORS REPORT

STATUTORY AUDITOR

M/s. K. K. Jain and Co., Chartered Accountants (Firm Registration No.002465N), were re-appointed as the Statutory Auditors of the Company in the 40th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting.

AUDITOR'S QUALIFICATION

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:

- a. Rs. 4,065.68 Lakhs 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. 215.28 Lakhs recovered by South Eastern Coal Fields Ltd as penalty on account of short lifting of coal quantity in terms of Fuel Supply Agreement as the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh. The Company is hopeful that it would get an order in its favour in the said proceedings.
- c. Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2023 has not been taken into account as the Company will approach 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. 6576.83 Lakhs from 10.08.2013 to 31.03.2023 has not been provided and is subject to representation for waiver.

INTERNAL AUDITORS

M/s. Sarat Jain & Associates, Chartered Accountants (Firm Registration No.014793C), Noida, conducted Internal Audit periodically and submitted their reports to Audit Committee. Their Reports have been reviewed by the Audit Committee.

COST AUDITORS

The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. M.K. Singhal & Co., Cost Accountants (Firm Registration No.00074), as the Cost Auditors to audit the cost

accounting records maintained by the Company for the financial year 2023-24 at a remuneration of Rs.1,00,000/- plus taxes as applicable and reimbursement of out-of-pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval of the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General Meeting.

SECRETARIAL AUDITOR

M/s. Soniya Gupta & Associates, Company Secretaries (PCS COP No. 8136) were appointed as the Secretarial Auditor of the Company in relation to the financial year 2022-23, in terms of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for financial year 2022-23 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.

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 2022-23.

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, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

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 to risks wherever possible. The Company's Risk management policies are based on the philosophy of 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, criteria for determining qualifications, positive attributes, independence of a Director and remuneration of Directors, Key Managerial Personnel, other employees and senior Management of the Company. Details of Composition of Committee are given in the Corporate Governance Report.

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance of Section 177 (9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has set up a

whistle blower policy which can be viewed on the Company's website www.bsil.org.in. In terms of the said policy, the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrong doings.

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

The 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, is uploaded and can be viewed on the Company website www.bsil.org.in.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return as per the provisions of Section 92 of Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 will be made 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, 2023 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 the listing fee for the Financial Year 2023-24 has been paid.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

During FY 2022-23, no complaint was received from any employee and hence no complaint is outstanding as on March 31, 2023 for redressal.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE

During the year under review, no application is made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year under review, no one time settlement was made by the Company with any Banks or Financial Institutions.

ACKNOWLEDGEMENT

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

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

Sd/-

**Umesh Kumar Modi
Chairman & President
DIN:00002757**

**Place : New Delhi
Date: 11-08-2023**

Annexure-A

Form MR-3
Secretarial Audit Report
of
BIHAR SPONGE IRON LIMITED

(For the year ended on 31.03.2023)

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, 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 Company for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The **Companies Act, 2013 (the Act)** and the Rules made thereunder;
- ii. The Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) **Regulations, 2015** thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The Management has identified and confirmed the following laws as specifically applicable to the Company:

- (a) The Factories Act, 1948
- (b) The Industrial Relations Act, 1969
- (c) The Payment of Bonus Act, 1965, and rules made thereunder,
- (d) The Industrial Dispute Act, 1947
- (e) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975.
- (f) The Air (Prevention & Control of Pollution) Act, 1981 read with the Air (Prevention & Control of Pollution) Rules, 1982
- (g) The Contract Labour (Regulation and Abolition) Act, 1970
- (h) The Industrial Employment (Standing Orders) Act, 1946
- (i) Indian Boilers Act, 1923
- (j) The Electricity Act, 2003 and other acts related to power generation.
- (k) The Insolvency and Bankruptcy Code, 2016
- (l) 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 shareholding of promoters and group of promoters which needs to be 100% in demat form is dematerialized only to the extent of 47.95% share as on 31.03.2023. The Company has intimated the promoters to get the shares dematerialised, the same is in process. 32500300 shares held in the name of Moderate Leasing and Capital Services Limited are pledged.*
2. *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 13 (c) of the Audited Financial Statements for the year ending 31.03.2023. 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.*

Further Interest on above said soft loan has not been provided and is subject to representations for waiver.

The company has approached its promoters for one time settlement of their loans. The settlement will be subsequent to and on the line as per settlement arrived at with Government of Jharkhand for soft loans.
3. *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, Company has informed us that there is no female employee on the Company's role as on 31-03-2023 and taken note in its Board Report that no complaint of sexual harassment of women at workplace was received during the year under review.*
4. *During the financial year, there was a cyber-attack/ virus attack at the data server of the Company including structural digital database software's server, in which all the data was encrypted by ransomware attacked. Due to this all the data captured on structured digital database (SDD) software maintained was lost and could not be recovered, which was duly intimated to stock exchange.*
5. *There was clerical mistake in the Item no.4 and 6 of the Notice of 40th Annual general Meeting dated 6th August 2022 which was later rectified by giving the Corrigendum to Notice of AGM in the Newspapers on dated 24th September 2022.*

We further report that,

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

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

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

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

**For Soniya Gupta & Associates
Company Secretaries**

Sd/-
(Soniya Gupta)
Proprietor
M. No. 7493
COP No. 8136
PRFCN: 1548/2021
UDIN: F007493E000764766

Place : New Delhi
Date : 11.08.2023

{This report is to be read with our letter of even date which is annexed as Annexure "I" and forms an integral part of this report.}

Annexure “I”

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

Our report of even date is to be read alongwith this letter.

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 not verified 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. 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 Soniya Gupta & Associates
Company Secretaries

Sd/-
(Soniya Gupta)
Proprietor
M. No. 7493
COP No. 8136
PRFCN: 1548/2021
UDIN: F007493E000764766

Place : New Delhi
Date : 11.08.2023