

ANNUAL REPORT

2003 - 2004

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BSIL
BIHAR SPONGE IRON LIMITED

Board of Directors

Mr. Vijay Prakash, IAS
 Mr. Umesh K. Modi
 Mr. Ashok Kumar, IAS
 Mr. P.P. Sharma, IAS
 Mr. Abhishek Modi
 Mr. Turan Caglayan
 Mr. G.F. Grote
 Dr. Wolfgang Janke
 Mr. K.K. Jain
 Mr. P.R. Latey
 Mr. G.C. Jain
 Mr. Manoj Ralhan
 Mr. R.K. Agrawal
 Mr. G.K. Sharma

Chairman
 Vice Chairman & Managing Director

Nominee-IDBI
 Nominee-LIC
 Nominee-BIFR

Alternative Directors

Mr. P.N. Mehta
 Mr. Vijay K. Modi

(To Mr. G.F. Grote)
 (To Dr. W. Janke)

Company Secretary

Mr. Rakesh Bhatia

Statutory Auditors

M/s Thakur, Vaidyanath Aiyar & Co.
 Chartered Accountants
 212, Deen Dayal Marg, New Delhi-110002.

Audit Committee

Mr. K.K. Jain
 Mr. G.C. Jain
 Nominee of IFCI

Chairman

Registered office & Plant Site

Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan-832401 Jharkhand

Bankers

State Bank of Patiala, Allahabad Bank, UCO Bank

Registrars and Share Transfer Agents

Skyline Financial Services Pvt. Ltd.
 123, Vinobhapuri, Lajpat Nagar-II,
 New Delhi-110024.

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NOTICE

Notice is hereby given that 22nd Annual General Meeting of the Members of Bihar Sponge Iron Limited will be held on Tuesday, 28th September, 2004 at 11.00 A.M. at the Registered Office of the Company at Umesh Nagar, Chandil, Dist Saraikela-Kharsawan - 832401 Jharkhand to transact the following businesses:-

ORDINARY BUSINESS

- To receive, consider and adopt audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Ashok Kumar, IAS who retires from office by rotation, but being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. P.P. Sharma, IAS who retires from office by rotation, but being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. K.K. Jain who retires from office by rotation, but being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration. M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

- To consider and if thought fit, to pass the following resolution with or without modification, as a Special Resolution:-

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and such other provisions of law and other statutory requirements, as applicable, and in pursuance to the Scheme of Rehabilitation of the Company as sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) under Section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985, vide its order dated 29th July, 2004, consent of the Company be and is hereby accorded to the Share Transfer Committee of the Board of Directors of the Company to issue and allot 3,25,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 32.50 crores (Rupees Thirty two crores fifty lacs only) to Moderate Leasing & Capital Services Limited, an Associate Company of Mr. U.K. Modi, the promoter of the Company ranking parri passu with the existing Equity Shares in all respect except that dividend, if declared, for the current year shall be paid on pro-rata basis.

RESOLVED FURTHER THAT the Share Transfer Committee be and is hereby authorized to take necessary steps for listing of the shares allotted to Moderate Leasing & Capital Services Limited on the Stock Exchanges where the Company's existing shares are listed, as per the terms and conditions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Share Transfer Committee be and is hereby authorized to do all things necessary, expedient and requisite and to take such action as may be necessary or expedient based on the guidelines issued by Securities and Exchange Board of India or any other statutory authority, from time to time or otherwise and settle all questions and difficulties that may arise during the course of implementing the resolution.

RESOLVED FURTHER THAT the Share Transfer Committee be and is hereby authorized to delegate all or any of the powers herein conferred to give effect to the aforesaid resolution".

BY ORDER OF THE BOARD

Place : New Delhi
Date : 26.08.2004

[RAKESH BHATIA]
COMPANY SECRETARY

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 the Registered Office of the Company at least 48 hours before the time fixed for the meeting.
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
- All documents referred to in Notice are open for inspection at the Registered Office of the Company between 11.00 A.M to 1.00 P.M on any working day prior to the date of Meeting and also at the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain close from 27th September, 2004 to 30th September, 2004 (both days inclusive).

- Non- Resident Shareholders are requested to inform immediately the change in the residential status on return for permanent settlement.
- As per the provisions of the Companies Act, 1956, as amended, facility for making nominations is available to INDIVIDUALS holding shares in the Company. The Nomination can be made in Form-2B, which can be obtained from the Share Department of the Company.
- Members are requested to notify immediately the change in their address, if any, at the Registered Office of the Company.
- 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 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO.6**

Based on the scheme circulated by IFCI (OA), BIFR had vide its order dated 29.07.2004 sanctioned the Draft Rehabilitation Scheme which is as under:

	(Rs. in crores)
Total settlement amount under OTS	135.00
Upfront payment:	
Government of Jharkhand (Soft Loan)	32.50
Private Promoters (Equity contribution)	32.50
	65.00

Payment by the company over
10 years from the cut off date of 30.09.2001
with interest @ LIBOR + 1% for
Foreign Currency Loan and 9% per annum
For Rupee Loan.

70.00

135.00

Pursuant to the aforesaid Scheme, Mr. U.K. Modi through his Associate Company namely Moderate Leasing & Capital Services Limited has already inducted Rs. 32.50 crores towards his share of promoter contribution for rehabilitation of the Company for which 3,25,00,000 Equity Shares of Rs. 10/- each for cash at par are to be allotted. The said amount of Rs. 32.50 crores under the Hon'ble Supreme Court directions was deposited with the Operating Agency (IFCI Limited) who disbursed the amount among the secured creditors.

The Shareholding pattern before and after the allotment shall be as follows:

Sl. No.	Particulars	Before the Allotment		After the Allotment	
		No. of shares held	%age	No. of shares held	%age
1	Promoters, Associates & Persons acting in concert with them	2,24,57,396	48.91	5,49,57,396	70.09
2	General Public	2,34,54,674	51.09	2,34,54,674	29.91
	TOTAL	4,59,12,070	100.00	7,84,12,070	100.00

The allotment of said Equity Shares to Moderate Leasing & Capital Services Limited is proposed to be completed within 90 days from the passing of the special resolution in this regard.

Moderate Leasing & Capital Services Limited, an Associate Company of Mr. U.K. Modi, the private promoter of the Company shall be holding 3,25,00,000 Equity Shares which is 41.45% of the post issued capital of the Company.

The proposed allotment to Moderate Leasing & Capital Services Limited will neither result in any change in the Board of Directors nor in the control over the Company.

The shareholders consent is sought to authorize the Share Transfer Committee of the Board of Directors to issue Equity Shares to Associate Company of Mr. U.K. Modi, Private Promoter of the Company in the manner set out in the resolution. The Board of Directors recommends this resolution for approval by the shareholders.

None of Directors except Mr. U.K. Modi, and Mr. Abhishek Modi being relative of Mr. U.K. Modi are concerned or interested in the passing of the resolution.

BY ORDER OF THE BOARD

Place : New Delhi
Date : 26.08.2004

[RAKESH BHATIA]
COMPANY SECRETARY

DIRECTORS' REPORT**To the Members**

The Directors have pleasure in presenting the 22nd Annual Report of the Company along with audited accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

	Rs. In lacs	
	2003-2004	2002-2003
Sales and Other Income	14,995.98	11,195.23
Profit / (Loss) before Interest, Depreciation & Income Tax	1,912.52	502.83
Interest		
– Simple	1,943.67	2,430.36
– Compound	3,873.85	5,817.52
Depreciation	1,382.50	1,295.42
(Loss) for the year before Extra Ordinary Items & Tax	(5,287.50)	(6,738.34)
Provision for Wealth Tax	0.29	—
(Loss) for the year before Extra Ordinary Items	(5,287.79)	(6,738.34)
– Expenditure		
Coal Premium	—	129.38
Service Tax	28.07	28.07
(Loss) for the year carried to Balance Sheet	(5,315.86)	(6,867.72)

OPERATIONS

Yours Company has recorded production of 1,53,677 MT of Sponge Iron during the year under review as compared to 1,53,523 MT during the previous year. The operating profit for the year has shown considerable improvement during the year.

The Directors are confident that the Plant Operation will be optimum in the current financial year i.e. 2004-2005.

Your Directors are pleased to inform that the Draft Rehabilitation Scheme (DRS) pending before the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has since been sanctioned by the Hon'ble Board on 29th July, 2004. Under the sanctioned scheme the total debt of the secured creditors has been settled at Rs. 135.00 crores. Thus for the debt over and above this amount, the company in the current year will take necessary credit in its books.

Of the settled amount of Rs. 135.00 crores, out of up front contribution of Rs. 65.00 crores, Mr. U.K. Modi & his Associates have brought in Rs. 32.50 crores as preferential equity and Rs. 32.50 crores by Government of Jharkhand (GOJ) as soft loan and disbursed the same to the secured creditors. The balance debt of Rs. 70.00 crores the company is required to service by 30th September, 2011. The company has already commenced payment and has paid one installment.

The outlook of the steel industry at present is very strong which is likely to continue for more time. With the completion of the restructuring of the company and with the present scenario, the future outlook of the Company is optimistic.

MANAGEMENT DISCUSSION & DEVELOPMENT:**INDUSTRY STRUCTURE & DEVELOPMENT:**

Sponge Iron is a high quality ferrous material and is preferred to other materials by secondary steel producers. During the year, the company also supplied sponge iron to consumers using it in blast furnace.

OPPORTUNITIES:

Coal and Iron Ore are the two major costs in producing sponge iron. The price of both are often increased by the suppliers, which have a major impact on the company's margin. To have a better control over input cost, the company is exploring opportunities for obtaining mining rights for iron ore.

THREATS:

The rising cost of iron ore and coal, imported scrap and competition from new mini sponge iron plants are the main threats to the company.

OUTLOOK:

To ensure profitable operations within the challenging environment, the Company's primary focus is to reduce cost and increase in production. Optimising of costs of key inputs and better logistics management is an ongoing priority.

RISKS AND CONCERNS:

The price of sponge iron is very sensitive to the demand – supply position of steel scrap and to the price of long products. Any slowdown in economic activities can adversely affect the demand- supply equation prevailing in the sponge iron industry.

FIXED DEPOSITS:

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

BOARD OF DIRECTORS:

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

Bihar State Industrial Development Corporation Limited (BSIDC) has withdrawn its nomination of Dr. Gore Lal Yadav, IAS as Director & Chairman w.e.f. 10th December, 2003 and nominated Mr. Vijoy Prakash, IAS as Director & Chairman of the Company.

Mr. H.G. Hannsmann ceased to be Alternate Director to Mr. Turan Caglayan w.e.f. 23rd December, 2003.

IFCI Limited has withdrawn the nomination of Dr. S.S. Jha as Director w.e.f. 8th June, 2004.

The Board of Directors in their meeting held on 26th August, 2004 appointed Mr. Vijay K. Modi as Alternate Director to Dr. Wolfgang Janke.

In accordance with the provisions of Section 256 of Companies Act, 1956 and Article 128 of the Articles of Association of the Company, Mr. Ashok Kumar, IAS, Mr. P.P. Sharma, IAS and Mr. K.K. Jain retire by rotation and are eligible for re-appointment.

The Board places on record its deep sense of appreciation for the wise counsel, valuable guidance and Co-operation extended by Mr. H.G. Hannsmann, Dr. Gore Lal Yadav, IAS, and Dr. S.S. Jha during their tenure of the Directorship.

AUDITORS:

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

ACCOUNTS AND AUDIT REPORT:

The Notes to Accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comments.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- That in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.

- (ii) That the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the company for that period.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts are prepared on a going concern basis.

CORPORATE GOVERNANCE:

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

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

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

PERSONNEL:

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

ACKNOWLEDGEMENT:

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

The Directors also wish to place on record their appreciation for the all round support and cooperation received from the employees at all levels.

For & on behalf of the Board

Place: New Delhi
Date: 26.08.2004

(VIJOY PRAKASH, IAS)
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

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

CONSERVATION OF ENERGY:**A. POWER AND FUEL CONSUMPTION**

	CURRENT YEAR	PREVIOUS YEAR
1. ELECTRICITY		
A) PURCHASED		
Unit	—	58,95,900
Amount (Rs.)	—	3,17,38,026
Rate/Unit (Rs.)	—	5.38

B) OWN GENERATION

1. Through Diesel generator		
Unit	5,93,083	6,49,839
Unit per liter of HSD	3.00	3.00
Cost/Unit (Rs.)	6.55	5.78
2. Through steam turbine		
Unit	2,16,30,400	1,31,19,600
Unit per M.T of fuel	1,228.00	1,038.00
Cost/Unit (Rs.)	1.69	2.13

2. COAL		
Quantity (M.T)	1,87,969.00	1,86,810.00
Cost (Rs.)	39,31,60,238	36,88,15,592
Average Rate (Rs./M.T)	2,091.62	1,974.28

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

1. Electricity (Unit)	145.00	128.00
2. Furnace Oil	—	—
3. Coal (M.T)	1.22	1.22
4. Others – HSD (Liter)	1.22	1.27

TECHNOLOGY ABSORPTION:

- (A) Research and Development
- Specific areas in which R & D is carried out by the company : Nil
 - Benefits derived as a result of the above R & D : Does not arise
 - Future plan of action : Not yet decided
 - Expenditure on R & D : Nil
- (B) Technology absorption, adaptation & innovation

- Efforts in brief made towards technology absorption, adaptation & innovation.
 - Technology transfer is complete
- Benefits derived as a result of above efforts
 - The company achieves the metallisation 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.

3. 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, reasons thereof, and future plans of action N.A

FOREIGN EXCHANGE EARNINGS & OUTGO

	2003-2004 (Rs.)	2002- 2003 (Rs.)
1 OUTGO		
a) Travelling	5,31,866	—
b) Other Matters	58,024	8,095
c) Interest	2,24,41,651	—
c) Import on CIF Basis Stores & Spares	5,65,072	46,289

For & on behalf of the Board

Place: New Delhi
Date: 26.08.2004

(VIJOY PRAKASH, IAS)
CHAIRMAN

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Bihar Sponge Iron Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the Company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the Corporate Governance.

BOARD OF DIRECTORS:

Composition of the Board of Directors and other details as on 31st March, 2004 is as under:

Name of the Director	Executive/Independent/ Non-Executive	No. of meetings attended (+)	Attendance at previous AGM on 24th December, 2003	No. of outside directorships held (*)	No. of membership/ chairmanship in other Board Committee
Dr. Gore Lal Yadav, IAS (up to 10.12.03)	Chairman & Non Executive Director	1	Not Present	9	1
Mr. Vijoy Prakash, IAS (from 10.12.03)	Chairman & Non Executive Director	1	Not Present	3	1
Mr. Umesh K. Modi@	Vice Chairman & Managing Director	3	Present	5	2
Mr. Ashok Kumar, IAS	Non Executive Director	3	Not Present	4	Nil
Mr. Abhishek Modi@	Non Executive Director	3	Not Present	6	Nil
Mr. K.K. Jain	Independent Director	2	Not Present	Nil	4
Mr. G.C. Jain	Independent Director	3	Present	2	2
Dr. Wolfgang Janke	Independent Director	3	Not Present	Nil	Nil
Mr. P.R. Latey	Independent Director	1	Not Present	2	Nil
Mr. P.P. Sharma, IAS	Independent Director	Nil	Not Present	Nil	Nil
Dr. S.S. Jha	Nominee Director	3	Not Present	2	2
Mr. R.K. Agrawal	Nominee Director	1	Not Present	Nil	Nil
Mr. G.K. Sharma	Nominee Director	Nil	Not Present	N.A.	N.A.
Mr. Madan Lal (up to 20.10.03)	Nominee Director	1	Not Present	1	Nil
Mr. Manoj Ralhan (from 20.10.03)	Nominee Director	2	Not Present	1	Nil
Mr. G.F. Grote	Non Executive Director	Nil	Not Present	Nil	Nil
Mr. Turan Caglayan	Non Executive Director	Nil	Not Present	Nil	Nil
Mr. P.N. Mehta	Alternate to Mr. G.F. Grote	3	Not Present	2	1
Mr H G Hansmann (up to 23.12.03)	Alternate to Mr Turan Caglayan	Nil	Not Present	Nil	Nil

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

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

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

Board Meetings held during the year on 19th July, 2003, 21st November, 2003 and 24th February, 2004.

Information regarding Re-appointment of Director

Mr. Ashok Kumar, Director retires by rotations and being eligible offers himself for re-appointment. Mr. Ashok Kumar is nominee of BSIDC. He is an IAS officer and possesses extensive experience in Administration and presently posted as Industrial Development Commissioner, Govt. of Bihar.

Mr. P.P. Sharma, Director retires by rotations and being eligible offers himself for re-appointment. Mr. P.P. Sharma is an Independent non-executive Director. He is an IAS officer and possesses extensive experience in Administration and presently posted as Health Secretary, Govt. of Jharkhand.

Mr. K.K. Jain, Director retires by rotations and being eligible offers himself for re-appointment. Mr. K.K. Jain is an Independent non-executive Director. He is a fellow member of The Institute of Chartered Accountants of India and has over 40 years of experience.

AUDIT COMMITTEE:

The Company has an Audit Committee in place since 1987 comprising of 3 members all of whom are independent Directors. The Chairman of the Committee is Mr. K.K. Jain with Mr. G.C. Jain and Dr. S.S. Jha as its members. Mr. Rakesh Bhatia, Company Secretary acts as a Secretary to the Committee. Chief Executive, Vice President (Finance & Accounts), a representative of Thakur, Vaidyanath Aiyer & Co; the Statutory Auditors and a representative of Thakur & Co; Concurrent Auditors are permanent invitees to the Audit Committee meetings.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges including their role, powers and duties, quorum for meeting and frequency of meetings. The

Committee is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures. Audit Committee also determines adequacy of internal control and ensures its effectiveness. It identifies, defines and categorises all the risks that the Company faces. The internal control system is comprehensively reviewed, evaluated and updated on going basis. It facilitates imbedding of the self audit process in the work flow along with supporting the business objectives. The financial results for each quarter are reviewed by the Audit Committee before being placed to the Board of Directors for approval.

Seven meetings of Audit Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. K.K. Jain	7
Mr. G.C. Jain	5
Dr. S.S. Jha	6

SHAREHOLDER'S/INVESTOR GRIEVANCE COMMITTEE:

The Investor Grievance Committee was constituted on 11th September, 2001 and comprises of 3 members. The Chairman of the Committee is Mr. K.K. Jain with Mr. G.C. Jain and Mr. Manoj Ralhan as its member. Mr. Rakesh Bhatia, Company Secretary acts as a Secretary to the Committee.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

The functioning and terms of reference of the Committee is as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer, dematerialisation, complaints of shareholders etc.

During the year under review, the Committee met four times on 19.07.03, 13.10.03, 28.01.04 & 23.02.04.

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

	Number of complaints received					Number of total complaints (Share Transfers/ Annual Reports etc.)
	Direct	Stock Exchanges	Investor Associations	SEBI	Deptt. of Company Affairs	
2003-04						
1. Received	34	05	Nil	Nil	Nil	39
2. Replied	34	05	Nil	Nil	Nil	39
3. Pending	Nil	Nil	Nil	Nil	Nil	Nil

REMUNERATION COMMITTEE :

At present, the Company does not pay any remuneration to Non-Executive Directors except sitting fee for attending the Board Meeting including Committee thereof.

Mr. U.K. Modi, Managing Director of the Company is also Managing Director of Modi Industries Limited. Since he is drawing salary from such Company, he has stopped drawing any salary from the Company with effect from 1st April, 2001.

As such Remuneration Committee will be constituted whenever need for the same is arisen.

The details of Remuneration to Non-Executive Directors during the year ended 31st March, 2004 are as under:-

S. NO.	NAME	PARTICULARS	SITTING FEES (Rs.)
1	Mr. K.K. Jain	Independent Director	27,000
2	Mr. G.C. Jain	Independent Director	12,000
3	Mr. P.R. Latey	Independent Director	1,000
4	Dr. S.S. Jha*	Nominee Director	11,000
5	Mr. Madan Lal	Nominee Director	1,000
6	Mr. Manoj Ralhan*	Nominee Director	2,000
7	Mr. R.K. Agrawal	Nominee Director	1,000
8	Mr. P.N. Mehta	Alternate Director	5,000

* Sitting Fee was paid to the Institution who has nominated the Director.

ANNUAL GENERAL MEETING :

Location and time for the last three AGMs:

Year	Date	Venue	Time
2001	27.12.2001	Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	9.00 A.M
2002	30.11.2002	Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	9.00 A.M
2003	24.12.2003	Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	10.00 A.M

No postal ballots resolutions were passed.