

## NOTICE

Notice is hereby given that 29<sup>th</sup> Annual General Meeting of the Members of Bihar Sponge Iron Limited will be held on Friday, 30<sup>th</sup> day of September, 2011 at 10:00 A.M. at the Registered Office of the Company at Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan – 832401, Jharkhand to transact the following businesses:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G.C.Jain, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. G.W. Elsenheimer, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, [Firm Registration No. 000038N] the retiring Auditors, being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution with or without modification, as an Ordinary Resolution:-

“RESOLVED THAT Mrs. Kum Kum Modi who was appointed as an additional director by the Board of Directors on June 4<sup>th</sup> 2011 and whose term of office pursuant to the provisions of Section 260 of the Companies Act, 1956 expires at this Annual General Meeting and in respect of whom a notice has been received from a member under Section 257 of the Companies Act, 1956 proposing her candidature as a Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation.”

6. To consider and if thought fit, to pass the following resolution with or without modification, as an Ordinary Resolution:-

“RESOLVED THAT Mr. B.D.Garg, who was appointed as an additional director by the Board of Directors on June 4<sup>th</sup> 2011 and whose term of office pursuant to the provisions of Section 260 of the Companies Act, 1956 expires at this Annual General Meeting and in respect of whom a notice has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company be and is hereby appointed as Director of the Company.”

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

“RESOLVED THAT pursuant to Section 198, 269 and 309 read with Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Financial Institutions, Central Government and such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Bindu Kumar Luthra as Whole Time Director designated as Executive Director (Works) of the Company for a period of one year with effect from 18<sup>th</sup> June, 2011.

RESOLVED FURTHER THAT in accordance with the provisions of Section 198, 309 and 310 read with Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956, Mr. Bindu Kumar Luthra Executive Director (Works) be paid the following remuneration for a period of one years with effect from 18<sup>th</sup> June, 2011.

- Basic Salary:** Rs. 1,34,200/- per month
- Perquisites & Allowances:**
  - Housing :** Company Lease Accommodation (lease rent not to exceed 60% of the Basic Salary)
  - Conveyance :**
    - Company's car, with actual petrol and repair & maintenance.
    - Driver's salary Rs. 8000/- per month to a maximum.
  - Telephone :** One telephone at residence (Rs. 5000/-per month to a maximum)
  - Medical Reimbursement :** Expenses incurred for him and his family subject to a maximum of five percent of the basic salary per month.
  - Leave Travel Allowance :** One month basic salary per annum.
  - Bonus/Ex-gratia :** One month basic salary per Annum.
  - Contribution to Provident Fund, Superannuation Fund or Annuity Fund :** As per the rules of the Company which shall not be computed for the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
  - Gratuity :** Gratuity payable shall not exceed half month's salary for each completed year of service.
  - Sitting Fee :** Mr. Bindu Kumar Luthra will not be entitled for sitting fees for attending the meetings of the Board or Committees thereof.

- Minimum Remuneration :** In the event of inadequacy or absence of profit in any financial year during his tenure, Mr. Bindu Kumar Luthra will be entitled to remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in terms of Para 1 (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**Explanation:** Provision of car for use of Company's business and telephone at residence will not be considered in computing the value of perquisites.

**Note :** All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s)

- Other Terms:**

i. **Leave:** As per the rules of the Company.

ii. **Reimbursement of entertainment expenses:** Mr. Bindu Kumar Luthra will be entitled to reimbursement of entertainment and other expenses incurred in the course of legitimate business purpose of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. 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 198, 269 and 309 read with Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Financial Institutions, Central Government and such other approvals as may be necessary, Mr. Umesh K. Modi, Chairman & Managing Director be paid the following remuneration for a period of two years with effect from 1<sup>st</sup> March, 2012:

1. **Basic Salary** Rs. 2,00,000/- per month
2. **Perquisites & Allowance:**
  - Housing:**
    - 60% of the Salary, if no accommodation is provided by the Company; or
    - In case, the accommodation is provided by the Company, the Company will pay the hiring charges of unfurnished accommodation subject to maximum of 60% of the Salary; or
    - In case, the accommodation is owned by Mr. Umesh K. Modi, the expenses incurred by him on repair, maintenance and upkeep of the house shall be reimbursed subject to maximum of 60% of the salary.
  - Medical Reimbursement:** Expenses incurred for him and the family subject to maximum of five percent of basic salary in a year.
  - Leave Travel Concession:** For himself and family once in a year in accordance with rules of the Company.
  - Personal Accident Insurance:** The annual premium not to exceed Rs.7,500/-
  - Club Membership:** Payment of Annual Membership of 2 Clubs not to exceed Rs. 39,000/-
  - Gas, Electricity & Water charges:** Gas, Electricity & Water charges not to exceed Rs.1,93,500/- on annual basis.
  - Contribution to Provident Fund, Superannuation Fund or Annuity Fund:** Contribution to provident fund, superannuation fund or annuity fund as per the rules of the Company which shall not be computed for the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
  - Gratuity:** Gratuity payable shall not exceed half month's salary for each completed year of service will not be included in the computation of the ceiling on perquisites.
  - Encashment of Leave:** Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
  - Conveyance:** One Company Car with driver use on actual basis.
  - Telephone:** One Telephone at residence on actual basis. However, long distance personal calls will be billed on actual basis.
  - Sitting Fees:** Mr. Umesh K. Modi will not be entitled for sitting fees for attending the Meetings of the Board or Committee thereof.
  - Minimum Remuneration:** In the event of inadequacy or absence of profit in any financial year during his tenure, Mr. Umesh K Modi will be entitled to remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in terms of Para 1 (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**Explanation:** Provision of car for use of Company's business and telephone at residence will not be considered in computing the value of perquisites.

**Note:** All the perquisites will be interchangeable i.e. any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s).


(3) **Other Terms:**

- i. **Leave** : As per the rules of the Company.
- ii. **Reimbursement of entertainment and other expenses** :Mr. Umesh K. Modi will be entitled to reimbursement of entertainment and other expenses incurred in the course of legitimate business purpose of the company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**BY ORDER OF THE BOARD**

Place New Delhi  
Dated: 25th August, 2011

  
[ MANOJ KUMAR ]  
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.**
- 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 **Friday, 23<sup>rd</sup> day of September, 2011 to Friday, 30<sup>th</sup> day of September, 2011** (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 Shares 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. 5**

The Board of Directors at their meeting held on June 4<sup>th</sup>, 2011 appointed Mrs. Kum Kum Modi as an additional director of the Company. As per the provisions of Section 260 of the Companies Act, 1956. Mrs. Kum Kum Modi holds the office of director only up to the date of this Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 along with deposit of Rs. 500, proposing the candidature of Mrs. Kum Kum Modi as a Director of the Company liable to retire by rotation. Mrs. Kum Kum Modi holds masters degree in Arts from University of Delhi and has varied experience of the industry of more than 22 years in the area of general management and corporate advisory services. She is also director in other group companies. The Company will be benefited if she continues to be the director of the Company. The Board recommends this resolution to be passed as an ordinary resolution. Mrs. Kum Kum Modi is concerned and interested to the extent of her appointment. Mr. U.K.Modi, Chairman & Managing Director and Mr. Abhishek Modi & Mr. Jayesh Modi Directors of the Company are deemed to be concerned or interested as Husband and sons respectively in her appointment.

**ITEM NO. 6**

The Board of Directors at their meeting held on June 4<sup>th</sup>, 2011 appointed Mr. B.D.Garg as an additional director of the Company. As per the provisions of Section 260 of the Companies Act, 1956. Mr. B.D. Garg holds the office of director only up to the date of this Annual General Meeting. Mr. B.D.Garg is an Engineering Graduate (Electronics) from BHU and has experience of more than 30 years and has worked at various levels of management. His experience is in the area of administration, operations and technical aspects of Company's business. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 along with deposit of Rs. 500, proposing the candidature of Mr. B. D. Garg as Director of the Company. The Board recommends this resolution to be passed as an ordinary resolution.

None of the Directors are interested or concerned in the resolution except Mr. B.D.Garg.

**ITEM NO. 7**

Mr. Bindu Kumar Luthra is an Engineering Graduate from BHU and has experience of more than 31 years and has worked at various levels of management. His experience is in area of administration, operations and technical aspects of Company's business.

Considering the above facts, other relevant factors and the comparative remuneration in the industry, the Remuneration Committee, pursuant to Schedule XIII of the Companies Act, 1956 approved and recommended to the Board for payment of such remuneration as mentioned in Item No. 7 of this notice, to Mr. Bindu Kumar Luthra for a period of one year w.e.f. 18<sup>th</sup> June, 2011. The Board in their meeting held on June 4<sup>th</sup> 2011 had approved the appointment of Mr. Bindu Kumar Luthra as the Whole Time Director to be designated as Executive Director (Works) and payment of remuneration to him subject to your approval.

The information as required under Schedule XIII to the Companies Act, 1956 is given herein under:

**I. GENERAL INFORMATION:**

- |   |   |
|---|---|
| (1) Nature of Industry :  | Sponge Iron   |
| (2) Date or expected date of commencement of commercial production :  | The Company commenced commercial production on 1 <sup>st</sup> July, 1989 |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : | Not Applicable  |
| (4) Financial performance based on given indicators:  |   |

(Rs. in lakhs)

Financial Parameters	Year ended 31.03.2011
Sales (Net of Excise Duty) & Other Income	1,68,67.40
Profit / (Loss) before Interest, Depreciation & Income Tax	(11,32.11)
Interest & Finance Charges	7,47.14
Depreciation	5,07.91
Profit/(Loss) for the year before Tax	(23,87.16)
Provision for Tax	
— Fringe Benefit Tax for earlier year	0.22
— Wealth Tax	0.21
Profit/(Loss) for the year carried to balance sheet	(23,87.59)

- |   |      |
|---|------|
| (5) Export performance and net foreign exchange collaborations: | None |
| (6) Foreign investments or collaborators, if any:               | None |

**II. INFORMATION ABOUT THE APPOINTEE:**

- Background details :**  
Mr. Bindu Kumar Luthra is an Engineering Graduate from BHU. He has been associated with the industry for more than 31 years and has worked at various level of management.
- Past remuneration :**  
At the Annual General Meeting held on 29<sup>th</sup> September, 2010, the shareholders approved basic salary of Rs. 1,22,000/- per month plus perquisites to Mr. Bindu Kumar Luthra for a period of one years w.e.f. 18<sup>th</sup> June, 2010.
- Recognition or awards :** None
- Job profile and his suitability :**  
He joined as the Chief Executive Officer of the Company and was appointed as Whole Time Director designated as Executive Director (Works) of the Company w.e.f 18<sup>th</sup> June, 2010 for a period of one year. He continues to be Executive Director (Works) of the Company w.e.f 18<sup>th</sup> June, 2011 post his reappointment for one year in the Board Meeting held on June, 4<sup>th</sup> 2011. He has vast experience in the area of administration, operations and technical aspects of Company's business.
- Remuneration proposed :**  
Details of proposed remuneration is given in Item No. 7 of the Notice convening the 29<sup>th</sup> Annual General Meeting.
- Comparative remuneration profile with respect to industry size of the company, profile of the position and person :**  
In the similar sized sponge iron units, remuneration is ranging between Rs. 25 lakhs to Rs. 40 lakhs per annum.
- Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.**  
He does not have pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel except drawing salary from the Company.

**III. OTHER INFORMATION:****(1) Reasons of loss or inadequate profits:**

The profitability has suffered due to increase in raw materials cost and unavailability of good quality iron ore.

**(2) Steps taken or proposed to be taken for improvement:**

The Company has been allotted iron ore mine of 406.40 hectares, at Ghatkuri Forest Reserve, Dist. Singhbhum, Jharkhand. The geological survey was conducted by the Geological Department, Government of Jharkhand, the report is under preparation. The contract for the preparation of Mining Plan/ EMP/EMI, Forest Clearance Plan has been awarded to MECON Engineers Ltd. The Company has also been allotted for captive use a coal block in the Macherkunda Coal Block, in the state of Jharkhand. Mining plan has already been submitted with the Ministry of Coal, Govt. of India for their approval. Form -I and Proposed Terms of Reference for EIA/EMP of Macherkunda Underground Mines has also been submitted with Ministry of Environment, Govt. of Jharkhand. Once the said iron ore & coal mines become operational, the Company will be in a position to meet internally its total requirement of iron ore and coal. This will result in substantial savings in cost of raw-materials, optimizing overheads with capacity operation and will contribute to the profitability of the Company.

**(3) Expected increase in measurable terms :**

The Company expects to achieve Operating Profit of approx. Rs. 8.26 crores for the year 2011-2012.

Since payment of remuneration to the Whole Time Director requires approval of the shareholders by way of a special resolution in terms of the provisions of Schedule XIII of the Companies Act, 1956, therefore, the Board recommends this resolution to be passed as a special resolution.

The terms of re-appointment given in the said resolution may be treated as an abstract of the terms and conditions of appointment of the said Whole Time Director u/s 302 of the Companies Act, 1956.

None of the Directors are interested or concerned in the resolution except Mr. Bindu Kumar Luthra.

**ITEM NO. 8**

Mr. Umesh K. Modi is an Engineering Graduate with Gold Medal from BHU. The Company, under the stewardship of Mr. Umesh K. Modi, has besides expanded its installed capacity of Sponge Iron to 2,10,000 MT per annum and installation of Captive Power Generation Plant of 5 MW, also procured Iron Ore Mine having an area of 406.40 hectares in Ghatkuri Forest Reserve, District Singhbhum and Coal Block in Macherkunda Coal Block, Jharkhand.

The shareholders in their Annual General Meeting held on 28<sup>th</sup> September, 2008 had approved payment of Salary of Rs. 2,00,000/- per month together with perquisites for a period of 3 years with effect from 1<sup>st</sup> March, 2009 to Mr. Umesh K. Modi, Chairman & Managing Director of the Company, which expires on 29<sup>th</sup> February, 2012. Further his tenure as Managing Director of the Company is due to expire on 27<sup>th</sup> March, 2014.

Considering the above facts and efforts made by Mr. Umesh K. Modi to enhance the manufacturing capacity, substantial improvement in the performance of the Company and keeping in view the inflationary pressure, cost of living, his qualifications and also the comparative remuneration in the industry, the Remuneration Committee approved and recommended to the Board for payment of basic salary of Rs. 2,00,000/- per month plus perquisites to Mr. Umesh K. Modi for a period of two years w.e.f. 1<sup>st</sup> March, 2012. Accordingly, the Board had approved the payment of said remuneration, subject to approval of members of the Company, Central Government and such other approvals as may be required.

The information as required under Schedule XIII to the Companies Act, 1956 is given hereunder:

**I. GENERAL INFORMATION:**

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

**(4) Financial performance based on given indicators: (Rs. in lakhs)**

Financial Parameters	Year ended 31.03.2011
Sales (Net of Excise Duty) and Other Income	1,68,67.40
Profit / (Loss) before Interest, Depreciation & Income Tax	(11,32.11)
Interest & Finance Charges	7,47.14
Depreciation	5,07.91
Profit/(Loss) for the year before Tax	(23,87.16)
Provision for Tax	
- Fringe Benefit Tax for earlier year	0.22
- Wealth Tax	0.21
Profit/(Loss) for the year carried to Balance Sheet	(23,87.59)

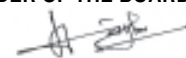
- (5) Export performance and net foreign exchange collaborations: None
- (6) Foreign investments or collaborators, if any: None

**II. INFORMATION ABOUT THE APPOINTEE:**

- (1) **Background details :**  
Mr. Umesh K. Modi is an Engineering Graduate with Gold Medal from BHU. He is on the Board of various other companies carrying business of sugar, steel products, pharmaceuticals and engineering etc.
- (2) **Past remuneration :**  
At the Annual General Meeting held on 28<sup>th</sup> September, 2008, the shareholders approved basic salary of Rs. 200000/- per month plus perquisites to Mr. Umesh K Modi for a period of three years w.e.f. 1<sup>st</sup> March, 2009.
- (3) **Recognition or awards :** None
- (4) **Job profile and his suitability :**  
He is working as Managing Director of the Company. He has given his valuable contribution towards continuous growth of the Company over the years. He is also Managing Director of Modi Industries Limited
- (5) **Remuneration proposed :**  
Details of proposed remuneration is given in Item No. 8 of the Notice convening the 29<sup>th</sup> Annual General Meeting.
- (6) **Comparative remuneration profile with respect to industry size of the company, profile of the position and person :**  
In the similar sized Sponge Iron Units, remuneration is ranging between Rs. 50 lakhs to Rs. 100 lakhs per annum.
- (7) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.**  
He is related to Mr. Abhishek Modi, Mr. Jayesh Modi and Mrs Kum Kum Modi Director, as their father and her husband respectively.

**III. OTHER INFORMATION :**

- (1) **Reasons of loss or inadequate profits:** The profitability has suffered due to increase in raw materials cost and unavailability of good quality iron ore.
- (2) **Steps taken or proposed to be taken for improvement:**  
The Company has been allotted iron ore mine of 406.40 hectares, at Ghatkuri Forest Reserve, Dist. Singhbhum, Jharkhand. The geological survey was conducted by the Geological Department, Government of Jharkhand, the report is under preparation. The contract for the preparation of Mining Plan/ EMP/EMI, Forest Clearance Plan has been awarded to MECON Engineers Ltd. The Company has also been allotted for captive use a coal block in the Macherkunda Coal Block, in the state of Jharkhand. Mining plan has already been submitted with the Ministry of Coal, Govt. of India for their approval. Form -I and Proposed Terms of Reference for EIA/EMP of Macherkunda Underground Mines has also been submitted with Ministry of Environment, Govt. of Jharkhand. Once the said iron ore & coal mines become operational, the Company will be in a position to meet internally its total requirement of iron ore and coal. This will result in substantial savings in cost of raw-materials, optimizing overheads with capacity operation and will contribute to the profitability of the Company.
- (3) **Expected increase in measurable terms :**  
The Company expects to achieve Operating Profit of approx. Rs. 8.26 crores for the year 2011-2012.  
Since payment of remuneration to the Managing Director requires approval of the shareholders by way of a special resolution in terms of the provisions of Schedule XIII of the Companies Act, 1956, therefore, the Board recommends this resolution to be passed as a special resolution. Payment of remuneration to Mr. Umesh K. Modi is subject to approval of Central Government and such other approvals as may be required.  
The terms given in the said resolution may be treated as an abstract of the terms and conditions u/s 302 of the Companies Act, 1956.  
None of the Directors except Mr. Umesh K. Modi and Mr. Abhishek Modi, Mr. Jayesh Modi and Mrs Kum Kum Modi being relative of Mr. Umesh K. Modi are interested or concerned in the resolution.

**BY ORDER OF THE BOARD**


Place New Delhi  
Dated: 25th August, 2011

**[ MANOJ KUMAR ]**  
COMPANY SECRETARY



**DIRECTORS' REPORT**

To the Members,

The Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company along with audited accounts for the year ended 31<sup>st</sup> March, 2011.

	Rs. In lacs	
	2010-11	2009-10
Sales (Net of Excise Duty)	1,67,31.82	1,79,94.89
Other Income	1,35.58	1,95.99
Profit / (Loss) before Interest,		
Depreciation & Income Tax	(11,32.11)	3,95.37
Interest & Finance Charges	7,47.14	5,93.61
Depreciation	5,07.91	5,75.65
Profit/(Loss) for the year before Tax	(23,87.16)	(7,73.89)
Provision for Tax :		
— Fringe Benefit Tax for earlier year	0.22	1.02
— Wealth Tax	0.21	0.33
Profit / (Loss) for the year carried		
to Balance Sheet	(23,87.59)	(7,75.24)

**OPERATIONS :**

During the year under review, production was 1,07,217 MT of sponge iron as against 1,41,265 MT of sponge iron in the previous year. The Company could not achieve higher production due to unprecedented low availability of iron ore and due to non-availability of empty racks on time. Under the circumstances the Company was forced to procure iron ore by road. Further the Government of Orissa had started drive to curb down illegal mining and enforce adherence to environmental norms for mining, as a result more than 60 % of the mines were closed due to want of pollution clearance & submission of proper mining documents, adversely affecting supply of iron ore. Due to short supply of iron ore, Kilns were taken on hold for several times during the year and hence production during the year suffered.

The Company has been allotted iron ore mine of 406.40 hectares, at Ghatkuri Forest Reserve, Dist. Singhbhum, Jharkhand. The geological survey was conducted by the Geological Department, Government of Jharkhand, the report is under preparation. The contract for the preparation of Mining Plan/EMP/EMI, Forest Clearance Plan has been awarded to MECON Engineers Ltd.

The Company has also been allotted for captive use, a coal block in the Macherkunda Coal Block, in the state of Jharkhand. Mining plan has already been submitted with the Ministry of Coal, Govt. of India for their approval. Form –I and Proposed Terms of Reference for EIA/EMP of Macherkunda Underground Mines has also been submitted with Ministry of Environment, Govt. of Jharkhand.

Once the said iron ore & coal mines become operational, the Company will be in a position to meet internally its total requirement of iron ore and coal. This will result in substantial savings in cost of raw-materials, optimizing overheads with capacity operation and will contribute to the profitability of the Company.

Your Company has entered into an agreement with Chandil Power Limited, for the sale of hot gases generated by it during production of sponge iron, which at present is a waste and is being discharged into air. The sale price of hot gases will be based on its calorific value. The hot gases will be used by Chandil Power Limited for generating power, in its proposed 20 MW WHRSG Based Power Plant. Chandil Power Ltd. has entered into an agreement with Tata Power Limited for the sale of power. It has applied for various Government approvals necessary for putting up the plant. IREDA has sanctioned Rs. 69 Crores of term loans to Chandil Power Ltd. for the project. The Company has applied to the Government of Jharkhand, seeking permission to sub-leasing 22.36 acres of land to Chandil Power Limited required for putting up the said power plant.

At present the Company is passing through a difficult phase but the future of the Company is encouraging, once the iron ore mine, coal mine and power plant being setup by Chandil Power Ltd. becomes operational, your Company will turn profitable.

**FIXED DEPOSITS:**

The Company has neither invited nor accepted any 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:

Mrs. Kum Kum Modi and Mr. B.D.Garg were appointed as Additional Directors on the Board with effect from 4<sup>th</sup> June, 2011. Mr. B.K. Luthra was re-appointed as the Whole Time Director, designated as Executive Director (Works) of the Company with effect from 18<sup>th</sup> June, 2011 for a period of one year, subject to your approval.

Notices in writing along with requisite deposits under Section 257 of the Companies Act 1956, have been received from the members of the Company proposing Mrs. Kum Kum Modi & Mr. B.D.Garg as candidates for the office of Directors.

Mr. Vijay Kumar Modi alternate Director to Dr. W. Janke ceased to hold office on 21<sup>st</sup> February, 2011, on arrival of Dr. W. Janke to attend the meeting of Board of Directors. Mr. Vijay Kumar Modi has again been appointed as an Alternate Director to Dr. W. Janke with effect from 4<sup>th</sup> June, 2011.

Mr. J.N.Khurana alternate Director to Mr. G.W.Elsenheimer ceased to hold office on 21<sup>st</sup> February, 2011, on arrival of Mr. G.W.Elsenheimer to attend the meeting of Board of Directors. Mr. J.N.Khurana has again been appointed as an Alternate Director to Mr. G.W.Elsenheimer with effect from 4<sup>th</sup> June, 2011.

Bihar State Industrial Development Corporation (BSIDC) had withdrawn the nomination of Mrs. Anshuli Arya w.e.f. 10<sup>th</sup> December, 2010 and nominated Mr. S. Shiva Kumar in her place. Later Mrs. Anshuli Arya was again nominated in place of Mr. S. Shiva Kumar on the Board by BSIDC w.e.f 21<sup>st</sup> February, 2011.

Since Mr. Ashok Kumar Basu nominee director of Govt. of Jharkhand (GoJ), retired from the services of the GoJ, GoJ had vide its Letter No. 2573/Ranchi, dated 19<sup>th</sup> November, 2010, communicated their decision, not to nominate any director on the Board of the Company. The Board places on record its deep sense of appreciation for the wise counsel, valuable guidance and Co-operation extended by Mr. Ashok Kumar Basu during his tenure of the Directorship.

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

**AUDITORS:**

- M/s. Thakur, Vaidyanath Aiyar and Co., Chartered Accountants (Firm Registration No.000038N), Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made would be within the prescribed limits under Section 224 (1B) of the Company Act, 1956.
- M/s M.K. Singhal & Co., Cost Accountants has been appointed by the Board of Directors of the Company on the recommendation of the Audit Committee, as Cost Auditors of the Company for the Financial Year 2011-12. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 224 (1B) of the Company Act, 1956, Certificate of independence and arms length relationship with the Company and are not disqualified for such appointment within the meaning of Section 226/233-B(5) of the Companies Act, 1956.

**ACCOUNTS AND AUDIT REPORT:**

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

Due to low production and non availability of working capital facility from Banks, the said dues could not be paid on due dates. However, all the said dues have been paid to respective accounts of Government & Secured Creditors along with the interest for the delayed period at the contractual rates.

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (i) 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 have been 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.

**PARTICULARS OF EMPLOYEES :**

Non of the employees of the Company fall under the purview of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Information 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 **Annexure-A** and form part of this report.

**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**

Place New Delhi  
Dated: 25th August, 2011

**Umesh K. Modi**  
(Chairman & Managing Director)

**Annexure - A**

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

**CONSERVATION OF ENERGY :**

	Current Year (2010-11)	Previous Year (2009-10)
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. ELECTRICITY		
A) PURCHASED		
Unit	Nil	Nil
Amount(Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil

**B) OWN GENERATION**

1. Through Diesel Generator		
Unit	8,93,441	5,82,383
Unit per liter of HSD	2.90	3.05
Cost/Unit (Rs.)	12.21	9.96
2. Through steam turbine		
Unit	2,59,38,520	2,80,81,800
Unit per M.T of fuel	983	1,050
Cost/Unit (Rs.)	1.79	1.86
2. COAL		
Quantity (M.T)	1,68,529	2,18,280
Cost (Rs.)	35,01,12,646	50,43,89,512
Average Rate (Rs./M.T)	2,077.46	2,310.75
<b>B. CONSUMPTION PER M.T OF PRODUCTION (SPONGE IRON)</b>		
1. Electricity (Unit)	250	203
2. Furnace Oil	Nil	Nil
3. Coal (M.T)	1.57	1.55
4. Others – HSD (Liter)	2.87	1.35

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

**FOREIGN EXCHANGE EARNINGS & OUTGO:**

	(Rs. Thousand)	
	2010-2011	2009-2010
1 EARNING		
Export of Goods on F.O.B	—	—
2 OUTGO		
a) Interest	10.35	20.78
b) Import on CIF Basis		
Stores & Spares	0.32	—

**For & on behalf of the Board**

Place: New Delhi  
Date : 25th August, 2011

**Umesh K. Modi**  
(Chairman & Managing Director)

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

#### BOARD OF DIRECTORS:

The Company has an Executive Chairman and the number of Independent Directors are more than half of the total number of Directors.

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

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

Name of the Directors	Executive/Independent/ Non-Executive	No. of meetings attended(+)	Attendance at previous AGM on 26th Sept., 2009	No. of outside directorships held (*)	No. of membership/ chairmanship in other Board Committee	
					Chairman	Membership
Mr. Umesh K. Modi	Chairman & Managing Director	4	Not Present	7	Nil	Nil
Ms. Ansuli Arya, IAS [nomination withdrawn w.e.f. 10-12-2010 & re-nominated w.e.f.21-02-2011]	Nominee Director	Nil	Not Present	7	Nil	Nil
Mr. Ashok K Basu, IAS (**) ceased to hold office w.e.f.10-12-2010]	Nominee Director	Nil	Not Present	3	Nil	Nil
Mr. Abhishek Modi	Non Executive Director	1	Not Present	5	Nil	Nil
Mr. K.K. Jain	Independent Director	4	Not Present	1	Nil	2
Mr. G.C. Jain	Independent Director	4	Present	6	4	Nil
Mr. B.N. Nayak	Nominee Director	4	Not Present	Nil	Nil	Nil
Mr. B.K.Luthra	Whole Time Director	3	Present	3	Nil	Nil
Mr. Jayesh Modi	Non-executive Director	Nil	Not Present	4	Nil	Nil
Dr. Wolfgang Janke	Independent Director	1	Not Present	Nil	Nil	Nil
Mr. G.W. Elsenheimer	Independent Director	1	Not Present	Nil	Nil	Nil
Mr. Vijay K Modi [ceased to hold office w.e.f. 21-02-2011]	Alternate to Dr. Wolfgang Janke	2	Not Present	2	1	Nil
Mr.J.N. Khurana [ceased to hold office w.e.f. 21-02-2011]	Alternate to Mr. G. W. Elsenheimer	3	Not Present	2	Nil	Nil
Mr. S. Shiva Kumar, IAS [nominated w.e.f. 10-12-2010 & nomination withdrawn w.e.f. 21-02-2011]	Nominee Director	Nil	Not Present	Nil	Nil	Nil

(+) Attendance at Board Meetings relevant to the period remained 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. Abhishek Modi and Mr. Jayesh Modi are related to Mr. Umesh K. Modi as sons and father.

(\*\*) No. of outside directorships held, is as per the records of the previous period.

Four Board Meetings were held during the year on 18<sup>th</sup> June, 2010, 13<sup>th</sup> August, 2010, 10<sup>th</sup> December, 2010 and 21<sup>st</sup> February, 2011.

#### CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. The Company has received confirmations from both the Directors as well as Senior Management regarding compliance of the Code of Conduct for the year ended 31<sup>st</sup> March, 2011. The Code is posted on the website of the Company i.e. [www.bsil.org](http://www.bsil.org).

#### INFORMATION REGARDING RE-APPOINTMENT OF DIRECTORS:

Mr. G. C. Jain, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. G. C. Jain is a Non-Executive and Independent Director. He is a fellow member of the Institute of Chartered Accountants of India and Law Graduate from Rajasthan University and has more than 35 years of experience in Accounts, Audit, Taxation and Company Law matters. He is also a Director in SBEC Sugar Limited, SBEC Systems (India) Limited, SBEC Bioenergy Limited, Own Investment (India) Limited and Modi Gourmet Limited.

Mr. G.W. Elsenheimer, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. G.W. Elsenheimer is a Non-Executive and Independent Director. He is a Metallurgical Engineer having more than 40 years experience in the field of coal and gas based Sponge Iron Units. He had held different positions in Lurgi Chemtec, Germany in Plant Engineering and Process Engineering Division. He is not a Director in any other Company.

#### AUDIT COMMITTEE:

Composition of Audit Committee is in accordance with the revised requirements prescribed by the Code of Corporate Governance. Mr. G.W. Elsenheimer resigned as the member of the Committee w.e.f. 21<sup>st</sup> February, 2011. The committee was reconstituted on 21<sup>st</sup> February, 2011. After the reconstitution, the Audit Committee has following directors:

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

All the Members except Mr. B.K.Luthra of the Audit Committee are non-executive & Independent Directors and also financially literate.

The Company Secretary of the Company acts as a Secretary to the Committee. 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.

Four meetings of Audit Committee were held during the year on 14<sup>th</sup> May, 2010, 13<sup>th</sup> August, 2010, 11<sup>th</sup> November, 2010 and 9<sup>th</sup> February, 2011. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. G.C. Jain	4
Mr. K.K. Jain	4
Mr. B.N. Nayak	4
Mr. G.W. Elsenheimer	Nil

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

The functions of the Audit Committee broadly cover the following:

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

The Audit Committee shall also mandatory review the following:

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

#### INVESTORS' GRIEVANCE REDRESSAL COMMITTEE:

The Investors' Grievance Redressal Committee was first constituted on 11th September, 2001. The committee has been reconstituted on 2<sup>nd</sup> June, 2009. After the reconstitution, the Investors' Grievance Committee has following independent directors:

- Mr. K.K. Jain
- Mr. G.C. Jain
- Mr. B.N. Nayak.

The Company Secretary of the Company acts as a Secretary to the Committee.

#### COMPLIANCE OFFICE:

Mr. Manoj Kumar, Company Secretary of the Company is the Compliance Officer of the Company.

#### BRIEF DESCRIPTION OF THE TERMS OF REFERENCE:

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

During the year under review, the Committee met 4 times on 14<sup>th</sup> May, 2010, 13<sup>th</sup> August, 2010, 11<sup>th</sup> November, 2010 and 9<sup>th</sup> February, 2011.

Details of complaints received and addressed during the year under review are 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		
1.	Received	15	Nil	Nil	Nil	Nil	15
2.	Replied	15	Nil	Nil	Nil	Nil	15
3.	Pending	Nil	Nil	Nil	Nil	Nil	Nil

**REMUNERATION COMMITTEE:**

The Remuneration Committee was constituted by the Board in March, 2006. The Committee has been reconstituted on 2<sup>nd</sup> June, 2009. After the reconstitution, the following persons are the Members of the Committee:

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

The Company Secretary of the Company acts as a Secretary to the Committee.

One meeting of Remuneration Committee was held during the year on 18<sup>th</sup> June, 2010 and all the members of the Committee were present at the meeting.

Details of Remuneration paid to Directors for the year ended on 31<sup>st</sup> March, 2011.

The non-executive Directors (NEDs) are paid remuneration by way of Sitting Fee of Rs. 1,000/- per meeting for attending the meetings of Board and/or Committees thereof.

The details of Remuneration paid to the Directors during the year ended 31<sup>st</sup> March, 2011 are as under:-

S. NO.	NAME	SALARY	PERQUISITES AND OTHER BENEFITS	SITTING FEES (Rs.)	TOTAL (Rs.)
<b>Executive Directors:</b>					
1	Mr. U. K. Modi	24,00,000	20,17,626	—	44,17,626
2	Mr. B.K.Luthra	11,50,867	8,84,418	—	20,35,285
<b>Non-Executive Directors:</b>					
3	Mr. K.K. Jain	—	—	38,000	38,000
4	Mr. G.C. Jain	—	—	13,000	13,000
5	Mr. B.N. Nayak	—	—	20,000	20,000
	Mr. Vijay K Modi	—	—	2,000	2,000
7	Mr. J.N. Khurana	—	—	3,000	3,000

**ANNUAL GENERAL MEETING:**

Location and time for the last three Annual General Meetings:

Year	Date	Venue	Time	Special Resolution Passed (Yes / No)
2010	29.09.2010	Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	10.00 A.M.	Yes
2009	26.09.2009	Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	10.00 A.M.	No
2008	23.09.2008	Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand)	10.00 A.M.	Yes

**POSTAL BALLOT:**

No resolution requiring a postal ballot was proposed at the last Annual General Meeting of the Members.

No resolution which requires approval of Members by postal ballot is being proposed at the ensuing Annual General Meeting.

**DISCLOSURE:**

During the year under review, the Company had no materially significant related party transactions as is envisaged under the Corporate Governance code that may have potential conflict with the interest of the Company at large. However, related party transactions during the year are mentioned in Note no 12 of Schedule 18, "Notes Forming Part accounts".

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

**MEANS OF COMMUNICATIONS:**

Half yearly Report to each household of shareholders:

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

**QUARTERLY RESULTS:**

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

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

Pursuant to Clause 49 of the Listing Agreement, the Chief Executive Officer/Chief Financial Officer have submitted the desired certificate to the Board of Directors and the same have been taken on record by the Board of Directors in their meeting held on 25<sup>th</sup> August, 2011.

**GENERAL SHAREHOLDER INFORMATION:**

Twenty Ninth Annual General Meeting is scheduled to be held on Friday, 30<sup>th</sup> September, 2011 at 10 : 00 AM at Registered Office of the Company at Umesh Nagar, Chandil, District Saraikela-Kharsawan 832401 (Jharkhand) as per notice enclosed with the Annual Report.

**Financial Calendar**

Particulars	Date
1. Quarter ended 30.06.2011:	First fortnight of August, 2011
2. Quarter ended 30.09.2011:	First fortnight of November, 2011
3. Quarter ended 31.12.2011:	First fortnight of February, 2012
4. Quarter ended 31.03.2012:	First fortnight of May, 2012

**Book Closure:**

Friday 23<sup>rd</sup> September, 2011 to Friday 30<sup>th</sup> September, 2011 (both days inclusive)

**Dividend payment date:**

In view of losses incurred by the Company, no dividend has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2011.