BIHAR SPONGE IRON LIMITED

CIN - L27106JH1982PLC001633
Registered Office : Umesh Nagar, Chandil, Dist Saraikela-Kharsawan, Jharkhand-832401
Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in
Web.: http://www.bsil.org.in

NOTICE

NOTICE is hereby given that the 34th ANNUAL GENERAL MEETING of the Members of Bihar Sponge Iron Limited will be held at "Company's Guest House, Umesh Nagar, Chandil, District- Saraikela- Kharsawan, Jharkhand-832401"on Thursday the 15th day of September, 2016 at 3:00 P.M. (IST) to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at March 31st, 2016, (ii) the statement of Audited Profit & Loss Account for the year ended on that date, (iii) the Cash Flow Statement for the financial year ended on that date, (iv) Explanatory Notes annexed to, or forming part of the documents referred to in (i) to (iii) above and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Jayesh Modi (DIN- 02849637) who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 (Act) and all other applicable provisions, if any of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, [Firm Registration No. 000038N], as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, i.e., 35th Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and Auditors."

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 25th May, 2016

SHUBHANGI VARSHNEY
COMPANY SECRETARY
MEMBERSHIP NO. : A43431

NOTES:

1. 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 PROXY FORM DULY COMPLETED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. M/s. Beetal Financial & Computer Services Pvt. Limited, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062 Telephone no(s) 011-29961281, 282, 283, Fax: 011-29961284 Email : beetalrta@gmail.com is the Registrar and Share Transfer Agent for physical shares of the Company and is also the depository interface (RTA) of the Company with both NSDL and CDSL. However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at the Registered Office of the Company at Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand-832401, Ph.: +91-6591-232410/17, e-mail: companysecretary@bsil.org.in.
3. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 9th September, 2016 to Thursday, 15th September, 2016 (both days inclusive).
5. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 9:30 A.M. to 1:00 P.M. except on holidays.
6. Members/Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
7. Members who hold shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members are advised to avail the nomination facility by filing Form SH-13 in their own interest. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
8. The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection at the meeting.
9. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (mandatory for all listed companies), the Company is pleased to provide its Members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India)Limited (CDSL)

Instructions for members for voting electronically are as under :

(i) The voting period begins on Monday, the 12th day of September, 2016 at 9:00 AM and ends on Wednesday the 14th day of September, 2016 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 8th Sepember, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) **If you are a first time user follow the steps given below:**

For Members holding shares in Demat Form and Physical Form

PAN

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for "Bihar Sponge Iron Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(A) The Board of Directors has appointed Mrs.Simmi Jain, Chartered Accountant in Practice, 184-A, Garud Apartment, Mayur Vihar, Phase-I, Pocket-4, Delhi-91 (Membership No. 86496) as a Scrutinizer to process the e-voting and submit a report to the Chairman.

(B) Ms.Shubhangi Varshney, Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this 34th Annual General Meeting including e-voting, her mail ID is companysecretary@bsil.org.in. and may be contacted on phone no. 011-42504798.

(C) The Notice of the 34th Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i. e. 29th July, 2016 through Registered Post or courier and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company (www.bsil.org.in).

(D) The voting rights of shareholders shall be in proportion to their shareholding of paid-up share capital of the Company as on the cut off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot.

(E) Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically. However, in case shareholder cast their vote through e-voting as well as physically, then voting done through e-voting will prevail.

(F) The results of voting shall be declared within two (2) days of the 34th Annual General Meeting convened for the purpose. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website (www.bsil.org.in) CDSL Website and shall also be communicated to the Stock Exchanges (BSE).

12. Members desiring any information as regards to accounts are requested to address their questions to the Secretary of the Company at least 7 days before the date of the Meeting so that the required information is made available at the Meeting.

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 25th May, 2016

SHUBHANGI VARSHNEY
COMPANY SECRETARY
MEMBERSHIP NO. : A43431

DETAILS OF DIRECTOR'S SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER THE PROVISIONS OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Sr. No.	Name of the Director	Mr. Jayesh Modi
1.	Director Identification Number (DIN)	02849637
2.	Date of Birth	14/11/1991
3.	Age	24
4.	Date of appointment	18/06/2010
5.	Expertise in specific field	Has six year of experience in the area of administration, business planning & development.
6.	No. of equity shares held in the Company. (as on 31st March, 2016)	Nil
7.	Qualifications	Bachelor of Business Administration
8.	List of other directorships	1. SBEC Sugar Ltd. 2. SBEC Bioenergy Ltd. 3. Modi Hitech India Ltd. 4. Win-Medicare Pvt. Ltd. 5. Longwell Investment Pvt. Ltd. 6. JayeshTradex Pvt. Ltd. 7. A to Z Holdings Pvt. Ltd. 8. Modi-Mundipharma Pvt. Ltd.
9.	Membership/ Chairman of Committees of the other Companies	NIL
10.	Relationship, if any between Directors inter se	Son of Mr. Umesh K. Modi & Mrs. Kumkum Modi and Brother of Mr. Abhishek Modi.

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

GREEN INITIATIVE FOR THE KIND ATTENTION OF MEMBERS

Your Company welcomes and supports the **'Green Initiative**' taken by the Ministry of Corporate Affairs **(MCA),** Government of India, This initiative will go a long way in conserving paper which is a natural resource, also results in substantial savings on printing and posting of Annual Reports and other documents of your Company.

To support that intention to effect electronic delivery of documents including Annual Report, Notice of Meeting/ Postal Ballot, other shareholder communications, etc. to the members at their e-mail addresses available / registered with the Company, for the said purpose.

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

a. **Electronic form,** please intimate your e-mail address to your Depository Participant (DP). The same will be deemed to be your registered e-mail address for serving notices/ documents including those covered under Section 136 of the Companies Act, 2013.

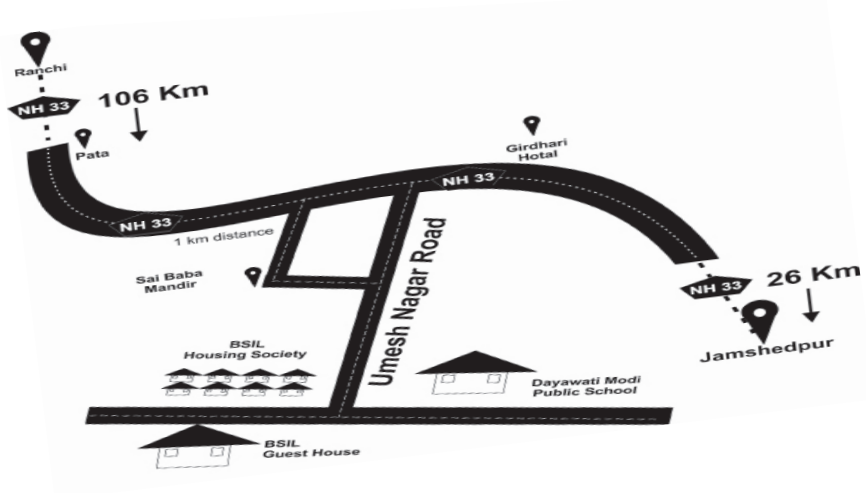
b. **Physical form,** please send a duly signed letter quoting the name of First / Sole holder and Registered Folio addressed to the Company Secretary of the Company or the Registrar & Share Transfer Agent at :

Company Secretary **Bihar Sponge Iron Ltd.** Umesh Nagar, Chandil Distt. Saraikela Kharsawan - 832401 Jharkhand.	**M/s Beetal Financial & Computer Services Ltd.** Beetal House, 3rd Floor, Behind Local Shopping Complex 99, Madangir, New Delhi-110062

Kindly note that if you desire, a physical copy of the Annual Report and other communication/ documents will be sent to you free of cost, as per the current practices. Such documents will also be displayed on the Company's website : www.bsil.org.in

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

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



BIHAR SPONGE IRON LIMITED

Registered Office : Umesh Nagar, Chandil, Dist Saraikela-Kharsawan, Jharkhand-832401
Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in

CIN- L27106JH1982PLC001633

34th Annual General Meeting to be held on Thursday, the 15th September, 2016 at 3.00 P.M.

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Members(s) :.....

Registered Address :.....

DPID: .....CLID: .....Reg. Folio No. : .....No. of Shares:.....

I / We, being the member(s) of ….....shares of the above named Company, hereby appoint :

1. Name : …..... E-mail :....., failing him/her;

   Address:.....

2. Name : …..... E-mail :....., failing him/her;

   Address:.....

3. Name : …..... E-mail :....., failing him/her;

   Address:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on Thursday, the 15th September, 2016, at 3.00 p.m. Company's Guest House, Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401 and at any adjournment thereof in respect of such resolution as are indicated below :

S. No.	Resolution	Vote (Optional (Refer Note)		
		For	Against	Abstain
1	Adoption of Audited Financial Statements, Autitors Report & Directors Report along with their annexures for the year ended 31st March, 2016.			
2	Re-appointment of Mr. Jayesh Modi, as director who retires by rotation.			
3	Ratification of the appointment of M/s Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting			

Signed this ….....day of ….....2016

Affix Revenue Stamp

Signature of shareholder Signature of first proxy

Notes :

This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less then 48 hours before the commencement of meeting.

It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

BIHAR SPONGE IRON LIMITED

Registered Office : Umesh Nagar, Chandil, Dist Saraikela-Kharsawan, Jharkhand-832401
Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in,

CIN- L27106JH1982PLC001633

ATTENDANCE SLIP

34th Annual General Meeting to be held on Thursday, the 15th September, 2016 at 3.00 P.M. at Company Geust House, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slips on request.

Name of the Members(s) :.....

DPID: .....CLID: .....Reg. Folio No. : .....No. of Shares:.....

I hereby record my presence at the **34th Annual General Meeting** of the Company held at **Company Geust House, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401on Thursday, the 15th September, 2016 at 3.00 P.M.**

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If, Shareholder, please sign here :..... If Proxy, please sign here :.....

34th ANNUAL REPORT
2015-2016

BSIL
BIHAR SPONGE IRON LIMITED

Board of Directors

Mr. Umesh Kumar Modi	Chairman & Director
Mrs. Anshuli Arya (IAS)	Nominee of BSIDC
Mrs. Kumkum Modi	
Mr. Abhishek Modi	
Mr. Jayesh Modi	
Mr. J.C. Chawla	
Mr. Satish Kumar Gupta	Director (Works)
Mr. B.D. Garg	
Mr. R.K. Agarwal	
Dr. Shyam Babu Vyas	
Mr. Madan Lal	
Mr. J.N. Khurana	

Cheif Financial Officer
Mr. B.K. Goel

Company Secretary
CS Shubhangi Varshney

Statutory Auditors

M/s Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
[FRNo. 000038N]
221-223, Deen Dayal Marg,
New Delhi-110002.

Audit Committee

Mr. R.K. Agarwal	Chairman
Mr. J.C. Chawala	
Dr. Shyam Vyas	
Mr. Madan Lal	

Registered Office & Plant Site

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

Bankers

UBI, SBI, HDFC Bank, ICICI Bank

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

Content

Directors' Report.....1-18

Auditors' Report.....18-21

Balance Sheet.....22

Profit & Loss Account.....23

Cash Flow Statement.....24

Notes to Financial Statments...25-36

Printed at : **MM Printers**
Ghaziabad-Meerut Road, Lower Bazar, Modinagar-201 204 (U.P.)
Phone : 01232-230719, 230097, 230089, E-mail : ashok.singh@goprintindia.com

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 34th Annual Report of the Company along with audited accounts for the year ended 31st March, 2016.

(Rs. Lacs)

Financial Parameters	2015-16	2014-15
Sales (Net of Excise Duty)	3.48	—
Other Income	231.22	208.66
Loss before Interest,Depreciation & Exceptional Items	135.84	121.26
Interest & Finance Charges	13.45	51.93
Depreciation	437.77	446.70
Loss for the year before Exceptional Items	587.06	619.89
Exceptional Items expenditure /(income)	—	116.25
Provision for Tax	—	—
Loss for the year carried to Balance Sheet	587.06	736.14

OPERATIONS :

During the year under review there was no production of sponge iron as the Plant has been under shut since 9th August, 2013 on account of sudden stoppage of coal supply by Central Coalfields Limited (CCL), Ranchi, a Unit of Coal India Limited against long term Fuel Supply Agreement. The Company challenged this by filing a Writ Petition No. W. P. (C) 1660 in the year 2013 in the Hon'ble Jharkhand High Court. The CCL, Ranchi advised to withdraw our Writ Petition No. W.P.(C) No.1660 of 2013. It was further suggested that once the said writ petition is withdrawn, CCL would proceed in the matter for renewal of Fuel Supply Agreement. The Company has made an interlocutor application for withdrawal of the Writ Petition pending before the Hon'ble High Court of Jharkhand, Ranchi for execution of Fuel Supply Agreement with CCL. The matter was disposed of on 24-04-2015 by the said Hon'ble High Court.

The Company is also perusing with Jharkhand State Mineral Development Corporation Ltd. (JSMDC) for supply of coal. JSMDC has vide letter bearing No. 1194 dated 15th October, 2014 approved the supply of 30000 ton of Coal per month from Sikni Coal Mine to the Company. It was further informed by the JSMDC vide letter bearing No. 1088 dated 20th July, 2015 has reduced the supply to 10000 ton of Coal per month initially, the supply of which is still awaited. Representations have been and are being made to various authorities under Ministry of Coal, Government of India, Coal India Limited and Central Coalfields Limited for availing coal to operate the plant. In July, 2015 a presentation was made in the Hon'ble Prime Minister's office to look into the matter and draw attention to the plight of 26 years old Sponge Iron Plant.

Ministry of Coal, Government of India vide Notificaiton No.23011/51/2015-CPD dated 04-06-2015 has circulated Draft Paper for Auction of Coal linkages for non-regulated sectors, however a policy on coal is awaited. Due to non-availability of required quantity of coal at viable price the Company has been deprived to enter into the FSA with the CCL for supply of coal and resume its operations.

The steel market is facing a very challenging phase. The market rate of sponge iron is fluctuating between Rs.10,500/- to Rs.11,500/- PMT approx. which is comparatively very low to all time. In the meantime, some of the sponge iron manufacturing units have started using imported coal for higher productivity. Company is also awaiting the Government of India's policy on coal to sponge iron industry. The Company is also exploring viability in different combinations and aspects to restart the plant as and when the recession in sponge iron market comes to an end and the economy in production of sponge iron is visible like optimum combination of using local coal and/or imported coal, whether to operate two small klins with capacity of 100 MT per day each or one big klin with capacity of 500MT per day, to restart the plant by the Company or on contract basis, to diversify the business activity in the areas of manufacturing of electrode, gasses, etc.

The Company will move a revised Modified Draft Rehabilitation Scheme for the consideration of BIFR once the position of steel market is sound. The Company is considering to re-start the operations of the Company and evaluating all the options available under present circumstances.

IRON ORE MINE

The Company was allotted Ghatkuri Iron Ore Mine in April, 2007 in the State of Jharkhand with 406.40 hectares of land having estimated reserves of 35.65 million tons. However, the Department of Geology, Ministry of Mines, Government of Jharkhand has conducted the survey and assessed the reserve to be about 11.00 Million tons in its report of February, 2012.

The Terms of Reference (ToR) for Ghatkuri Iron Ore Mine was to expire on 13th May, 2016 and therefore the company has made an online application for extension of ToR for one year (i.e. 13th May, 2017) on MOEFCC'S Portal.

Ministry of Environment, Forest and Climate Change Impact Assessment Division (MOEFCC) called a meeting on 21-02-2016. The Company has made a representation through MECON to explain the necessity of TOR extension. MOEFCC vide letter dt. 12-04-2016 intimated that the proposal is deferred and be considered after carrying capacity study is completed by Indian Council of Forest Research and Education (ICFRE).

5 MW POWER PLANT / STEEL PLANT

The Company from the existing power plant generates 5 MW Power based on dolo char being produced in the manufacturing of sponge iron. Since the Company is not able to consume the entire dolo char, the Company has entered into an agreement with G.S. Phambutor Pvt. Limited (GSP) to install a 5 MW Power Plant. Whenever the existing power plant goes under regular maintenance, the Company has to generate power from DG Set, which is highly uneconomical. During such time the Company will take the power from GSP and for the rest of the period GSP will consume the power in induction furnace to produce pencil ingot. The 5 MW power plant is ready to be commissioned. The Company has been informed that once the sponge iron plant starts its operations, the said power plant will be commissioned and steps for setting up induction furnace will be initiated.

DIVIDEND

In view of the loss incurred by the Company, no dividend has been proposed for the financial year ended 31st March, 2016

FIXED DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

The Company has not given any loans, guarantees or made any investments under Section 186 of Companies Act, 2013 during the financial year 2015-16.

INTERNAL CONTROL SYSTEM

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

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Pursuant to Section 178 of the Companies Act, 2013 and Part D of Schedule II to the SEBI (Listing Obligation and Disclosure Requirements) Regulations ,2015 the Board of the Company has approved and adopted the Company's Nomination and Remuneration policy. Members interested may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy. The same is also disclosed in the Company's website www.bsil.org.in. Details of the Committee is provided in the corporate governance report annexed with this report.

WHISTLE BLOWER POLICY:

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.

Transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors.

The materially significant transactions with Related Parties during the financial year

2015-16 are within the limits approved by the Shareholders in 33rd Annual General Meeting of the Company. Suitable Disclosures as required under AS-18 have been made in the Notes to the financial statements.

The policy on Related Party Transactions has been uploaded on the Company's website: www.bsil.org.in. Member may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

The particulars of contract and arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 read with Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is disclosed separately in Form No. AOC -2 as **Annexure – D** and forms part of this report.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return for 2015-16 in Form No. MGT – 9 is given separately as **Annexure - E**, which form part of the Board's report.

MANAGERIAL REMUNERATION

The particulars of employees are given in **Annexure – F** to this report as required under Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDIT

The Board of Directors of the Company have appointed M/s. R Singhal & Associates, Company Secretaries (PCS Registration No. 10699) as the Secretarial Auditor of the Company in relation to the financial year 2015-16, in terms of Section 204 of the Companies Act, 2013. The Secretarial Audit Report for financial year 2015-16 in **Annexure – G** with this report and is available on the Company's website www.bsil.org.in.

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

DIRECTORS :

A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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 and is eligible for re-appointment.

Bihar State Industrial Development Corporation (BSIDC) had withdrawn the nomination of Mr. Rahul Singh (DIN: 02692693) and has nominated Mrs. Anshuli Arya (DIN: 02753144) vide there letter no. 147/G dated 11th August, 2015.

Mr. Manoj Kumar (M.No. : F6698) has resigned from the post of Company Secretary and Compliance officer w.e.f. 1st August, 2015.

Ms. Shubhangi Varshney (M.No.: A43431) is appointed as a Company Secretary and Compliance Officer of the Company w.e.f., 1st February, 2016.

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

B) DECLARATION BY AN INDEPENDENT DIRECTORS

The Company has received declaration by all Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The declaration received from the independent directors were placed at the meeting of the Board of Directors of the Company held on 25th May, 2016.

C) FORMAL ANNUAL EVALUATION

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

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

D) NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of the Company met for four times, i.e., on 12th May, 2015; 13th August, 2015; 6th November, 2015 and 12th February, 2016 during financial year 2015-16.

E) DIRECTORS RESPONSIBILITY STATEMENT:

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

(a) that in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;

(b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) that the directors had prepared the annual accounts on a going concern basis;

(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

Explanation—For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

(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.

AUDIT COMMITTEE

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

AUDITORS:

M/s. Thakur Vaidyanath Aiyar and Co., Chartered Accountants (Firm Registration No.000038N), Auditors of the Company was appointed in 33rd Annual General Meeting of the Company till the conclusion of 35th Annual General Meeting subject to ratification by members at every annual general meeting. The Company has received a letter from them to the effect that their ratification, if made would be within the prescribed limits under Section 139 of the Companies Act, 2013 and the Audit Committee of the Company has recommended ratification of their appointment as Statutory Auditors of the Company.

ACCOUNTS AND AUDIT:

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

a. Rs. 2,73,110 thousand against currency fluctuation of foreign currency loan has not been recognized as the Company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi and it is hopeful that the decision will be in favour of the Company.

b. Rs. 21,528 thousands recovered by South Eastern Coal Fields Ltd as penalty on account of short lifting of coal quantity in terms of Fuel Supply Agreement as the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh. It is hopeful that the Company would get the order in its favour.

c. Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2016 has not been taken on accounts as the Company has applied to the lenders for the waiver of the interest on unsecured loan.

d. Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 1,35,747 thousands has not been provided as the Company will make representation for waiver on re-start of the Company operations.

e. Salaries, Wages, Allowances, Contribution to PF including interest on overdue amount as well as employee benefit expenses w.e.f. 10.08.2013 to 31.03.2016 has not been provided in view of the shut down of the plant and suspension of operation from 9th August, 2013.

f. Interest on unpaid statutory dues such as P.F. and Family Pension Fund as per the respective acts is not ascertained.

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

SUBSIDIARY COMPANY

As per Section 2(87) of the Companies Act, 2013 the Company does not have any subsidiary in the financial year 2015-2016.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance is attached as **Annexure B** to this report. The Auditors' Certificate confirming compliance of conditions of Corporate Governance as required under Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is included in the said Corporate Governance Report.

MANAGEMENT DISCUSSION ANALYSIS REPORT

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

LISTING IN STOCK EXCHANGE:

The equity shares of the Company continues to be listed in the Bombay Stock Exchange and listing fee for the Financial Year 2016-17 has been paid.

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

Information pursuant to Section 134 of the Companies Act, 2013 and rules made there under, 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
Date: 25.05.2016

S.K. Gupta
Director-Works
DIN: 03537417

R.K. Agarwal
Director
DIN: 00298252

ANNEXURE A

TO THE DIRECTORS' REPORT STATEMENT PURSUANT TO SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2015.

CONSERVATION OF ENERGY :

		Current Year (2015-16)	Previous Year (2014-15)
A.	**POWER AND FUEL CONSUMPTION**		
1.	ELECTRICITY		
	A) PURCHASED		
	Unit	**Nil**	Nil
	Amount(Rs.)	**Nil**	Nil
	Rate/Unit (Rs.)	**Nil**	Nil
	B) OWN GENERATION		
	1. Through Diesel Generator		
	Unit	**Nil**	Nil
	Unit per liter of HSD	**Nil**	Nil
	Cost/Unit (Rs.)	**Nil**	Nil
	2. Through steam turbine		
	Unit	**Nil**	Nil
	Unit per M.T of fuel	**Nil**	Nil
	Cost/Unit (Rs.)	**Nil**	Nil
	3. COAL		
	Quantity (M.T)	**Nil**	Nil
	Cost (Rs.)	**Nil**	Nil
	Average Rate (Rs./M.T)	**Nil**	Nil
B.	**CONSUMPTION PER M.T OF PRODUCTION (SPONGE IRON)**		
	1. Electricity (Unit)	**Nil**	Nil
	2 Furnace Oil	**Nil**	Nil
	3 Coal (M.T)	**Nil**	Nil
	4 Others – HSD (Liter)	**Nil**	Nil

TECHNOLOGY ABSORPTION :

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

TECHNOLOGY IMPORTED

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

FOREIGN EXCHANGE EARNINGS & OUTGO: (Rs. Lacs)

		(2015-16)	(2014-15)
1	EARNING		
	Export of Goods on F.O.B OUTGO	—	—
2.	EXPENDITURE		
a)	Interest	—	—
	Import on CIF Basis Stores & Spares	—	—

For & on behalf of the Board

Place: New Delhi
Date: 25.05.2016

S.K. Gupta
Director-Works
DIN: 03537417

R.K. Agarwal
Director
DIN: 00298252

ANNEXURE- B

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

In 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 non-executive Chairman and the number of independent directors is not less 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 Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, across all the companies in which he/she 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 19th August 15	No. of outside directorships held (*)	No. of membership/ chairmanship in other Board Committee	
					Chairman	Membership
Mr. Umesh K. Modi	Chairman	2	Not Present	5	Nil	Nil
Mr. Rahul Singh(**)	Nominee Director	Nil	Not Present	4	Nil	Nil
Ms. Anshuli Arya(***)	Nominee Director	Nil	Not Present	5	Nil	Nil
Mrs. Kumkum Modi	Non Executive Director	2	Not Present	2	Nil	Nil
Mr. Abhishek Modi	Non Executive Director	3	Not Present	4	Nil	Nil
Mr. Jayesh Modi	Non Executive Director	3	Not Present	3	Nil	Nil
Mr. B. D. Garg	Independent Director	2	Not Present	2	Nil	Nil
Mr. Satish Kumar Gupta	Whole-time Director	2	Present	0	Nil	Nil
Dr. Shayam Vyas	Independent Director	2	Not Present	2	Nil	3
Mr. J. C. Chawla	Independent Director	4	Not Present	3	1	3
Mr. Madan Lal	Independent Director	4	Not Present	3	Nil	Nil
Mr. J. N. Khurana(****)	Independent Director	3	Not Present	3	Nil	Nil
Mr. R. K. Agarwal(****)	Independent Director	4	Present	7	3	1

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

(*) Directorship in companies registered under the Companies Act, 2013, excluding Directorships in Private Limited Companies, Companies under Section 8 of the Companies Act, 2013 and Alternate Directorships.

(**) Nomination of Mr. Rahul Singh (IAS) was withdrawn w.e.f., 11th August, 2015

(***) Nomination of Ms. Anshuli Arya was approved w.e.f, 11th August, 2015.

(****) Mr. J. N. Khurana and Mr. R. K. Agarwal were appointed as Additional Director and Independent Director by the Board, w.e.f., 12th May, 2015, which was approved and regularized by the Shareholders in 33rd Annual General Meeting held on 19th August, 2015.

(#) Mr. G. C. Jain has resigned as Director of the Company w.e.f., 15th April, 2015.

(##) Mr. G. W. Elsenheimer ceased to be the Director of the Company u/s 167 of the Companies Act, 2013 w.e.f., 12th May, 2015.

Mrs. Kumkum Modi is related to Mr. Umesh Kumar Modi as wife, Mr. Abhishek Modi and Mr. Jayesh Modi are related to Mrs. Kumkum Modi & Mr. Umesh K. Modi as sons and mother & father respectively.

Four Board Meetings were held during the year on 12th May, 2015; 13th August, 2015; 6th November, 2015 and 12th February, 2016.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has adopted the Code of Conduct for the Directors and Senior Management Personnel 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 31st March, 2016. The Code is posted on the website of the Company i.e. www.bsil.org.in

INFORMATION REGARDING REAPPOINTMENT OF DIRECTORS:

Mr. Jayesh Modi, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. Jayesh Modi is a Non-Executive director. He has completed Bachelor of Bussiness Administration (BBA) and has six year of experience in the area of administration, business planning & development. He is also a Director in the following public companies: SBEC Sugar Limited, SBEC Bioenergy Limited and Modi Hitech India Limted.

PERFORMANCE EVALUATION OF DIRECTORS

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done of the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

Role & Accountability

- Understanding the nature and role of Directors' position.

- Understanding of risks associated with the business.

- Application of knowledge for rendering advice to management for resolution of business issues.

- Active engagement with the management and attentiveness to progress of decisions taken.