

**41<sup>st</sup> ANNUAL REPORT  
2022-2023**

**BSIL  
BIHAR SPONGE IRON LIMITED**

**Board of Directors**

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

**Chief Financial Officer**

CA Sachin

**Company Secretary**

CS Vimal Prasad Gupta

**Statutory Auditors**

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

**Secretarial Auditors**

M/s Soniya Gupta & Associates  
 Company Secretaries

**Audit Committee**

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

**Registered Office & Plant site**

Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan-832401, Jharkhand.  
 e-mail: [companysecretary@bsil.org.in](mailto:companysecretary@bsil.org.in) / Web: [www.bsil.org.in](http://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, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Complex,  
 Near Dada Harsukhdas Mandir,  
 New Delhi – 110062. Email - [beetalrta@gmail.com](mailto:beetalrta@gmail.com)  
 Website: [www.beetalfinancial.com](http://www.beetalfinancial.com)

**Internal Auditors**

M/s Sarat Jain & Associates  
 Chartered Accountants

**Cost Auditors**

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

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

### DIRECTORS' REPORT

#### To the Members,

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

(Rs. Lakhs)

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

#### OUTLOOK

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

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

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

#### OPERATIONS

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

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

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

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

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

## 5 MW POWER PLANTS / STEEL PLANT

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

## CORPORATE SOCIAL RESPONSIBILITY

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

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

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

## DIVIDEND

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

## SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2023 is 9020.54 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

## FIXED DEPOSITS

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

## SUBSIDIARY, ASSOCIATE AND JOINT VENTURES

The Company does not have any Subsidiary, Associate or Joint Venture Company as on 31st March, 2023.

## MATERIAL CHANGES AND COMMITMENTS

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

## DIRECTORS

### CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since last reported, the following changes have taken place in the Board of Directors and Key Managerial Personnel:

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

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

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

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

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

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

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

### Composition of Key Managerial Personnel

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

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

### DECLARATION BY INDEPENDENT DIRECTORS

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

### FORMAL EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, Independent Directors have at their meeting (without participation of the Non-Independent Directors and Management) considered/evaluated the Boards' performance, Performance of the Chairman and other Non-Independent Directors.

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

#### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2022-23, four (4) Board Meetings were convened and held. Details of the same are given in the Corporate Governance Report which forms part of this report. The intervening gap between any two meetings was within the period prescribed under the Act, and the Listing Regulations.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis;
- (e) that the directors, had laid down and implemented internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

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

#### AUDITORS AND AUDITORS REPORT

##### STATUTORY AUDITOR

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

##### AUDITOR'S QUALIFICATION

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

- a. Rs. 4,065.68 Lakhs against currency fluctuation of foreign currency loan has not been recognized as the Company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi and it is hopeful that the decision will be in favour of the Company.
- b. Rs. 215.28 Lakhs recovered by South Eastern Coal Fields Ltd as penalty on account of short lifting of coal quantity in terms of Fuel Supply Agreement as the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh. The Company is hopeful that it would get an order in its favour in the said proceedings.
- c. Interest on unsecured loan taken from Promoters and other parties from 10.08.2013 to 31.03.2023 has not been taken into account as the Company will approach the lenders for the waiver of the interest on unsecured loan.
- d. Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 6576.83 Lakhs from 10.08.2013 to 31.03.2023 has not been provided and is subject to representation for waiver.

##### INTERNAL AUDITORS

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

##### COST AUDITORS

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



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

#### SECRETARIAL AUDITOR

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

The Secretarial Audit Report for financial year 2022-23 is attached as "Annexure – A" with this report.

The observation in secretarial audit report are self-explanatory and therefore do not call for any further explanation.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loans, guarantees or made any investments under Section 186 of Companies Act, 2013 during the financial year 2022-23.

#### INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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

#### RISK MANAGEMENT POLICY

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

#### NOMINATION AND REMUNERATION POLICY

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

The aforesaid policy can be accessed on the Company's website [www.bsil.org.in](http://www.bsil.org.in).

#### VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

The policy on materiality to regulate transactions between the Company and its related parties, in compliance with the applicable provisions of the Act, and regulation 23 of the Listing Regulations, as amended, is uploaded and can be viewed on the Company website [www.bsil.org.in](http://www.bsil.org.in).

#### EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return as per the provisions of Section 92 of Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 will be made available on the website of the Company at [www.bsil.org.in](http://www.bsil.org.in).

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure with respect to remuneration of Directors and employees as required under section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board report for the year ended 31st March, 2023 are given in Annexure- C to this Report.

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

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

#### CORPORATE GOVERNANCE

A report on Corporate Governance along with a Auditors' Certificate confirming compliance of conditions of Corporate Governance as

stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual report.

#### **MANAGEMENT DISCUSSION ANALYSIS REPORT**

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

#### **LISTING OF SECURITIES**

The equity shares of your Company continue to be listed on BSE Ltd. and the listing fee for the Financial Year 2023-24 has been paid.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

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

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

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

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

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

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

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

#### **ACKNOWLEDGEMENT**

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

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

**Sd/-**

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

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

## Annexure-A

**Form MR-3**  
**Secretarial Audit Report**  
**of**  
**BIHAR SPONGE IRON LIMITED**  
(For the year ended on 31.03.2023)

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

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

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

- (a) The Factories Act, 1948
- (b) The Industrial Relations Act, 1969
- (c) The Payment of Bonus Act, 1965, and rules made thereunder,
- (d) The Industrial Dispute Act, 1947
- (e) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975.
- (f) The Air (Prevention & Control of Pollution) Act, 1981 read with the Air (Prevention & Control of Pollution) Rules, 1982
- (g) The Contract Labour (Regulation and Abolition) Act, 1970
- (h) The Industrial Employment (Standing Orders) Act, 1946
- (i) Indian Boilers Act, 1923
- (j) The Electricity Act, 2003 and other acts related to power generation.
- (k) The Insolvency and Bankruptcy Code, 2016
- (l) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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



1. *The shareholding of promoters and group of promoters which needs to be 100% in demat form is dematerialized only to the extent of 47.95% share as on 31.03.2023. The Company has intimated the promoters to get the shares dematerialised, the same is in process. 32500300 shares held in the name of Moderate Leasing and Capital Services Limited are pledged.*
2. *The Company had taken secured soft loan under Jharkhand Industries Rehabilitation Scheme, 2003 from the State Government of Jharkhand. The details of which are provided in Note 13 (c) of the Audited Financial Statements for the year ending 31.03.2023. We have been informed that charge on above loan have been registered manually by the company. However, the same are not appearing in the index of charge on MCA. As informed by the management the company is in the process of getting the same updated on the MCA site.*  
  
*Further interest on above said soft loan has not been provided and is subject to representations for waiver.*  
  
*The company has approached its promoters for one time settlement of their loans. The settlement will be subsequent to and on the line as per settlement arrived at with Government of Jharkhand for soft loans.*
3. *The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. However, Company has informed us that there is no female employee on the Company's role as on 31-03-2023 and taken note in its Board Report that no complaint of sexual harassment of women at workplace was received during the year under review.*
4. *During the financial year, there was a cyber-attack/ virus attack at the data server of the Company including structural digital database software's server, in which all the data was encrypted by ransomware attacked. Due to this all the data captured on structured digital database (SDD) software maintained was lost and could not be recovered, which was duly intimated to stock exchange.*
5. *There was clerical mistake in the Item no.4 and 6 of the Notice of 40th Annual general Meeting dated 6th August 2022 which was later rectified by giving the Corrigendum to Notice of AGM in the Newspapers on dated 24th September 2022.*

We further report that,

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

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

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

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

For Soniya Gupta & Associates  
Company Secretaries

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

Place : New Delhi  
Date : 11.08.2023

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

## Annexure "I"

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Soniya Gupta & Associates**  
**Company Secretaries**

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

Place : New Delhi  
Date : 11.08.2023

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
M/s. Bihar Sponge Iron Limited  
Umesh Nagar, Chandil,  
Distt. Saraikela- Kharsawan, Jharkhand- 832401.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bihar Sponge Iron Limited having CIN: L27106JH1982PLC001633** and having registered office at Umesh Nagar, Chandil, Distt. Saraikela- Kharsawan, Jharkhand- 832401 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Soniya Gupta & Associates  
Company Secretaries

Sd/-  
(Soniya Gupta)  
Proprietor  
M. No. 7493  
COP No. 8136  
PRFCN: 1548/2021  
UDIN: F007493E000779671

Date: 11/08/2023  
Place: New Delhi

**ANNEXURE-B****FORM NO. AOC - 2**

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

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

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

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

S. No.	Name of Related Party	Nature of Relationship	Nature and Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts/arrangements/ transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Modi Hitech India Ltd.	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi and Mr. Anirudh Kumar Modi are common directors.	01-04-2022 to 31-03-2023	Rent received at arm's length basis of Rs. 18.08 Lacs. Consultancy Charges Paid - Rs. 150 Lacs.	Transactions for each of the four quarters were approved by the Board in their meeting held on 25th May, 2022, 6th August, 2022, 14th November, 2022 and 14th February, 2023	NIL
2.	G S Pharmbutor Pvt. Ltd.	G S Pharmbutors Pvt. Ltd. holds more than 20 % of shares in Moderate Leasing and Capital Services Limited which is a promoter group company and holds 49.10 % shares of the Company. Mr. Vijay Kumar Modi is a common director.	01-04-2022 to 31-03-2023	Sales of trading goods Rs. 2608.55 lacs. Repair & Maintenance of Plant & Machinery of Rs. 1414.57 Lacs. Rent Received Rs. 21.19 lacs. Machinery Lease Rent Paid Rs. 240.00 lacs. Net Loan Received 3305.54 lacs.		NIL
3.	Modiline Travel Service Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Abhishek Modi as common director and Mr. U. K. Modi and Mr. Jayesh Modi as relatives of directors.	01-04-2022 to 31-03-2023	Support Services at arm's length basis of Rs. 4.19 Lacs		NIL
4.	Jayesh Tradex Pvt. Ltd.	Mrs. Kumkum Modi and Mr. Jayesh Modi as common director and Mr. U.K. Modi, Mr. Abhishek Modi and Mrs. Shreepriya Modi as relative of directors.	01-04-2022 to 31-03-2023	Purchase of trading goods of Rs. 1815.07 Lacs. Stationery of Rs. 0.25 Lacs.		NIL
5.	Win Medicare Pvt. Ltd.	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi, Mr. Jayesh Modi are common directors. Ms. Himani Modi Agarwal is relative of directors.	01-04-2022 to 31-03-2023	Telephone Expenses Rs. 0.05 Lacs.		NIL
6.	Daya Charitable Trust	Mr. U. K. Modi, Mrs. Kumkum Modi, Mr. Abhishek Modi and Mr. Jayesh Modi are common trustees/directors.	01-04-2022 to 31-03-2023	CSR Expenses Paid - Rs. 7.04 Lacs.		NIL

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

Sd/-

Umesh Kumar Modi  
Chairman & President  
DIN:00002757

Place : New Delhi  
Date: 11.08.2023

**ANNEXURE-C****STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.****(1) Information as per Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- (a) The median remuneration of employees of the Company during the financial year was Rs. 2,95,965 (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2022-23 are as under:

Directors	Designation	Remuneration of Directors in Financial Period 2022-23 (Rs.)	Ratio Of Remuneration To Median Remuneration Of Employees
Shri Umesh Kumar Modi*	Non-Executive Director	N.A.	N.A.
Smt. Kumkum Modi*	Non-Executive Director	N.A.	N.A.
Shri Abhishek Modi*	Non-Executive Director	N.A.	N.A.
Shri Jayesh Modi*	Non-Executive Director	N.A.	N.A.
Shri Vijay Kumar Modi*	Non- Executive & Independent Director	N.A.	N.A.
Shri Aditya Kumar Modi#	Whole Time Director	38,28,587	13:1
Shri Anirudh Kumar Modi*	Non- Executive & Independent Director	N.A.	N.A.
Shri J.C. Chawla*	Non- Executive & Independent Director	N.A.	N.A.
Shri Shiv Shankar Agarwal* (1st Term Completed on 10-05-2023 & ceased w.e.f. 11-05- 2023)	Non- Executive & Independent Director	N.A.	N.A.
Shri Shyam Babu Vyas* (Vacated office w.e.f. 20-07-2022)	Non- Executive & Independent Director	N.A.	N.A.
Smt. Asha Agarwal*	Non- Executive & Independent Director	N.A.	N.A.
Shri Salil Seth* (Appointed w.e.f. 16-08-2022)	Non- Executive & Independent Director	N.A.	N.A.

\*All the Non-Executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors Rs. 1000/- per meeting. Shri Umesh Kumar Modi, Mrs. Kumkum Modi, Shri Abhishek Modi & Shri Jayesh Modi, Non-executive Directors of the Company, have waived their sitting fees and hence not paid to them. Therefore, the said ratio of remuneration of each Non-Executive Directors to median remuneration of the employees of the company is not applicable.

# Shri Aditya Kumar Modi was appointed as Whole time Director and drawing the remuneration from the Company.

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

Directors	Designation	Remuneration of Directors in Financial Period 2022-23 (Rs.)	% Increase in Remuneration
Shri Umesh Kumar Modi*	Non-Executive Director	N.A.	N.A.
Smt. Kumkum Modi*	Non-Executive Director	N.A.	N.A.
Shri Abhishek Modi*	Non-Executive Director	N.A.	N.A.
Shri Jayesh Modi*	Non-Executive Director	N.A.	N.A.
Shri Vijay Kumar Modi*	Non- Executive & Independent Director	N.A.	N.A.
Shri Aditya Kumar Modi#	Whole Time Director	38,28,587	15%
Shri Anirudh Kumar Modi*	Non- Executive & Independent Director	N.A.	N.A.
Shri J.C. Chawla*	Non- Executive & Independent Director	N.A.	N.A.
Shri Shiv Shankar Agarwal* (1st Term Completed on 10-05-2023 & ceased w.e.f. 11-05- 2023)	Non- Executive & Independent Director	N.A.	N.A.

Shri Shyam Babu Vyas* (Vacated office w.e.f. 20-07-2022)	Non- Executive & Independent Director	N.A.	N.A.
Smt. Asha Agarwal*	Non- Executive & Independent Director	N.A.	N.A.
Shri Salil Seth* (Appointed w.e.f. 16-08-2022)	Non- Executive & Independent Director	N.A.	N.A.

\*All the Non-Executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors Rs. 1000/- per meeting. Shri Umesh Kumar Modi, Mrs. Kumkum Modi, Shri Abhishek Modi & Shri Jayesh Modi, Non-executive Directors of the Company, have waived their sitting fees and hence not paid to them. Therefore, the said % increase in remuneration of each Non-Executive Directors of the company is not applicable.

# Shri Aditya Kumar Modi was appointed as Whole time Director and drawing the remuneration from the Company.

#### **Key Managerial Personnel's (KMPs)**

Key Managerial Personnel's	Designation	Remuneration of KMP in Financial Year 2022-23	% Increase in Remuneration*
Mr. Aditya Kumar Modi	Whole Time Director	38.29 Lacs	15%
Mr. Raj Kumar Sharma (Ceased as Manager w.e.f. 28-07-2022)	Senior General- Manager	7.55 Lacs	35%
Mr. Sachin	Chief Financial Officer	25.22 Lacs	8%
Mr. Vimal Prasad Gupta	Company Secretary	19.25 Lacs	11%

\* As per pro-rata basis.

(c) The percentage increase in the Median Remuneration of Employees in the financial period is (-) 9%.

(d) The number of Permanent Employees on the Rolls of the Company:

The number of Permanent Employees on the Roll of Company as on 31st March, 2023 was 26 Employees.

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

There are no exceptional circumstances for increase in managerial remuneration. Increase in Managerial Remuneration is as per recommendation of Nomination and Remuneration Committee and approved by the Board of the Company which is based on many factors such as company's performance, remuneration policy and market demand and supply.

(f) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:

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

(2) **Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

(a) Name of employee employed throughout the financial year and was in receipt of remuneration Rs.1,02,00,000/- or more: NIL

(b) Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Rs.8,50,000/- per month: NIL

(c) Details of Top Ten Employees in terms of remuneration drawn:



S. No.	Employee Name	Designation	Nature of Employment whether contractual or otherwise	Qualification	Experience (in Years)	Date of Commencement of Employment	Total Remuneration	Age (Years)	Last employment before joining the Company	% of equity shares of the Company held by the employee	whether employee is a relative of any director or manager of the Company
1	Aditya Kumar Modi	Whole Time Director	Permanent	B.Com.	31	01.06.2021	38,28,587	57	C.M.Trades	Nil	NO
2	Sachin	Chief Financial Officer	Permanent	C A	19	01.02.2022	25,22,124	45	G. S. Pharmb utor Pvt. Ltd.	Nil	NO
3	Vimal Prasad Gupta	Company Secretary	Permanent	CS	18	15.06.2021	19,24,548	47	DCM Limited	Nil	NO
4	Raj Kumar Sharma	Senior General- Manager	Permanent	MSW	40	26.08.2019	18,12,912	62	SBEC SUGAR - MALAKPUR	Nil	NO
5	Pradyumna Beriwalla	Manager - Commercial	Permanent	Graduate	5	20.10.2021	15,00,180	29	Jindal Pipes Ltd.	Nil	NO
6	Arun Kumar	Asst. Officer	Permanent	Graduate	34	01.12.2020	6,25,305	58	Modi Steel Modi Nagar	Nil	NO
7	Tapas Sarkar	Sr. Accounts Officer	Permanent	Graduate	26	01.01.2022	5,49,688	43	ASL Enterprises Ltd.	Nil	NO
8	Ravi Kant	Accounts Officer	Permanent	Graduate	10	18.10.2021	4,35,024	33	Sukhran Pal Traders	Nil	NO
9	Sonu Kumar	Executive Officer	Permanent	Graduate	9	01.12.2020	4,25,905	30	Modi Steel Modi Nagar	Nil	NO
10	Ashis Mitra	Store Officer	Permanent	Graduate	34	Prior to 01.04.2020	4,03,962	58	Bihar Sponge Iron Limited	Nil	NO

**Notes:**

1. The nature of employment of all employees above is whole time in nature and generally terminable with 1 months' notice on either side.
2. The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company.

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

Sd/-  
**Umesh Kumar Modi**  
Chairman & President  
DIN : 00002757

Place : New Delhi  
Date : 11-08-2023

**ANNEXURE -D**

**TO THE DIRECTORS' REPORT STATEMENT PURSUANT TO SECTION 134 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

**A-CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of energy:
- Energy saving through replacing the HPSV lights with LED lights in Plant.
- (ii) Steps taken by the Company for utilizing alternate sources of energy:
- Proposed to install WHRB to utilise the waste heat.
- (iii) Capital investment on energy conservation equipment:

- Nil

**B-TECHNOLOGY ABSORPTION:**

- (i) The efforts made towards technology absorption:
- Technology transfer is complete as described below at point no. (iii).
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
- 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.
- (iii) Imported Technology
- (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.
- (iv) The expenditure incurred on R & D : Nil

**C- FOREIGN EXCHANGE EARNINGS & OUTGO:**

		(Rs. Lakhs)	
		2022- 2023	2021-2022
1	EARNING	-	-
2.	EXPENDITURE	-	3.02
Import on CIF Basis Stores & Spares		-	-

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

Sd/-  
Umesh Kumar Modi  
Chairman & President  
DIN:00002757

Place : New Delhi  
Date : 11-08-2023

## ANNEXURE -E

## MANAGEMENT DISCUSSION &amp; ANALYSIS

## 1- INDUSTRY STRUCTURE AND DEVELOPMENTS

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

Since the price of sponge iron is purely market driven in the present economy, the Company continuously makes efforts for reducing the cost of production to sustain its margins. The principal cost components of sponge iron consist of coal, iron ore and capital service charges. In addition to above, the Company is also carrying activities of trading of plastic packaging materials.

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

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

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

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

## 2- OPPORTUNITIES AND THREATS

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

## 3- SEGMENT WISE/ PRODUCT WISE PERFORMANCE

The Company is mainly engaged only in the segment of manufacturing and selling of sponge iron; in addition to above, the Company is also carrying activities of trading of plastic packaging materials.

(Rs. in Lacs)

Sl. No.	Particulars	FY 2022-23	FY 2021-22
1	Sponge Iron Sale / Income	43953.86	6059.17
2	Trading Sale / Income	2608.55	3398.85
3	Total Sales / Income	46562.41	9458.02
4	Sponge Iron Profit/(Loss)	420.07	(296.53)
5	Trading Profit/(Loss)	793.48	1123.22
6	Total Profit/(Loss)	1213.55	826.69

## 4- OUTLOOK

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

## 5- RISKS AND CONCERNS

Management periodically carries out risk assessment exercises. Risk factors are also discussed in Audit Committee Meetings. Wherever possible and necessary, insurance cover is taken for risk mitigation. However, an economic slowdown can adversely affect the demand-supply equation in the sponge iron industry. The price of sponge iron is sensitive to the demand-supply position of steel scrap in the country and also to the selling prices of long products. On the financial front, the Company's debt had been restructured pursuant to the rehabilitation scheme sanctioned by the Ld. BIFR, however, before the scheme could be fully implemented, the Sick Industrial Companies (Special Provisions) Act, 1985 as well as the proceedings pending before the Ld. BIFR/AIFR stood abated with effect from 01.12.2016. As a result thereof, the net worth of the Company has not turned positive. All the installments of principal and interest thereon has already been paid under the scheme,

except for the exchange fluctuation on foreign currency loan and interest thereon in respect of which LPA has been filed with the High Court of Jharkhand, Ranchi.

The High Court of Jharkhand at Ranchi, in Civil Writ Petition No. 2212 of 2010 has passed an order dated 9th June, 2022, for payment of rehabilitation loan of Rs. 32.50 Crores (principal amount) through monthly instalment of Rs. 1.25 Crores to Adityapur Industrial Area Development Authority (AIADA) from July, 2022 till its completion. Company has started making the said payment. As far as the payment of interest on the said loan is concerned, the same shall be mutually settled between the Company and Government of Jharkhand.

#### 6- INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

#### 7- FINANCIAL PERFORMANCE

The Plant had been shut since 9th August, 2013 as a result of non-supply of coal by Central Coalfields Limited. The past losses have been due to non-operation of the plant as a result of non-availability of coal. During the period under review as reported above, the Company has earned profit of Rs. 1,213.55 Lacs (last year Rs. 826.69 Lacs).

#### DETAILS OF SIGNIFICANT CHANGES

Details of significant changes as required under SEBI (LODR) Regulations, 2015 are as under:

Sl. No.	Particulars	As on 31.3.2023	As on 31.03.2022
1	Debtors Turnover	2,02,861 times	70.67 times
2	Inventory Turnover	6.88 times	2.99 times
3	Interest Coverage Ratio	N/A	N/A
4	Current Ratio	0.55 times	0.36 times
5	Debt Equity Ratio	N/A	N/A
6	Operating Profit Margin (%)	3.52%	11.90%
7	Net Profit Margin (%)	2.61%	8.74%
8	Return on net worth	N/A	N/A

Note:-

- Company has not provided interest on loan during the financial year 2021-22 & 2022-23. Hence Interest Coverage Ratio is not applicable to company.
- Company's Net Worth has eroded in past. Hence Debt/Equity Ratio, Return on Net Worth are not applicable.

#### 8- HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company, in the year ended 31st March, 2023 had 26 employees on roll. In addition, there are 218 (Approximately) ex-workmen who were working with the Company, whose full and final dues could not be paid as they did not come forward to collect their terminal dues.

#### 9- CAUTIONARY STATEMENT

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

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

Sd/-

Umesh Kumar Modi  
Chairman & President

DIN:00002757

Place : New Delhi  
Date : 11-08-2023

## ANNEXURE –F

## 1. Brief outline on CSR Policy of the Company:

The Company believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. The Company endeavors to make Corporate Social Responsibility (“CSR”) a key business process for sustainable development. CSR Policy is inspired to establish various institutions in the fields of education, science, medicine and women’s welfare to uplift the country’s downtrodden and encourage competence-development in the youth.

## 2. Composition of CSR Committee:

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2022-23	
				Held	Attended
1.	Shri Umesh Kumar Modi	Chairman	Non-Executive Director	3	3
2.	Shri Vijay Kumar Modi	Member	Independent Director	3	3
3.	Shri J.C. Chawla	Member	Independent Director	3	3
4.	Shri Anirudh Kumar Modi	Member	Independent Director	3	3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : <https://www.bsil.org.in/files/Corporate%20Social%20Responsibility%20Policy.pdf>

## 4. Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) section 135 : Rs. 3,51,86,774  
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 : Rs. 7,03,735  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil  
 (d) Amount required to be set off for the financial year, if any : Nil  
 (e) Total CSR obligation for the financial year (b+c-d) : Rs. 7,03,735
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects) : Rs. 7,03,735  
 (b) Amount spent in Administrative Overheads : Nil  
 (c) Amount spent on Impact Assessment, if applicable : N/A  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : Rs. 7,03,735  
 (e) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in Rs. / Lakh)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 7,03,735	NIL	N/A	N/A	NIL	N/A

## (f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs./ Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 7,03,735
(ii)	Total amount spent for the Financial Year	Rs. 7,03,735
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

## 7 (a) Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
(1)	N/A							
(2)								
(3)								

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

 YES NO

If Yes, enter the number of Capital assets created/ acquired: N/A

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
N/A							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

## 9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: N/A

Sd/-  
Vijay Kumar Modi  
(Director)

Sd/-  
Umesh Kumar Modi  
(Chairman CSR Committee)



## 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

As on 31st March, 2023 the Company has 11 Directors and out of the 11 Board Members, 6 are Independent Directors and 1 is Whole Time Director. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015. As required under Section 149(1) of the Companies Act, 2013, Mrs. Kumkum Modi, is a Woman Director on the Board of Directors of the Company.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulations 16(1)(b) of Listing Regulations, 2015.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held 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 (excluding directorships in Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships) as on March 31, 2023 are given below. Chairmanship/membership in committees includes only Audit Committee and Stakeholder Relationship Committee of Indian Public Ltd. Companies.

Name of the Directors	Executive/ Independent/ Non-Executive	No. of meetings During the year 2022-23		Attendance at previous AGM on 30th September, 2022.	No. of outside directorships held Excluding BSIL	No. of membership/ chairmanship in other board Committee (Audit and Stakeholder)		List of Directorship held in other listed Companies and Category of Directorship
		Held	Attended			Chairmanship	Membership	
Mr. Umesh Kumar Modi	NED	4	4	Not Present	5	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mrs. Kumkum Modi	NED	4	3	Not Present	3	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Abhishek Modi	NED	4	2	Not Present	4	Nil	Nil	SBEC Sugar Limited (Executive Director)
Mr. Jayesh Modi	NED	4	3	Not Present	4	Nil	Nil	SBEC Sugar Limited (Non-Executive Director)
Mr. Vijay Kumar Modi	INED	4	4	Present	6	5	6	SBEC Sugar Limited (Independent Director) SBEC Systems (India) Ltd. ( Non-Executive Director)
Mr. Aditya Kumar Modi	WTD	4	4	Present	1	NIL	2	-
Mr. Anirudh Kumar Modi	INED	4	3	Present	2	Nil	3	-
Mr. J. C. Chawla	INED	4	4	Not Present	4	1	9	SBEC Sugar Limited (Independent Director) SBEC Systems (India) Ltd. ( Independent Director)
Mr. S.S. Agarwal*	INED	4	4	Present	5	Nil	4	SBEC Systems (India) Ltd. (Executive Director)
Mrs. Asha Agarwal	INED	4	3	Not Present	1	NIL	2	SBEC Systems (India) Ltd. (Independent Director)
Dr. Shyam Babu Vyas**	INED	4	0	NA	Nil	Nil	Nil	-
Mr. Salil Seth#	INED	4	1	Present	1	Nil	Nil	SBEC Systems (India) Ltd. (Independent Director)

**Note:**

(a) WTD: Whole-Time Director (b) NED: Non- Executive Director (c) INED: Independent Non - Executive Director.

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

(\*\*) Mr. Shyam Babu Vyas, Non-Executive Independent Director has vacated office from directorship of the Company w.e.f. 20th July, 2022

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

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 Kumar Modi as sons and mother & father respectively.

**INFORMATION REGARDING REAPPOINTMENT OF DIRECTORS**

Mr. Jayesh Modi, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. He has done Bachelor of Business Administration and has over thirteen years of experience in the area of administration, business planning & development etc. He is also Director in certain other manufacturing, public listed companies etc.

**Board Meetings**

The Board meets atleast once in a quarter to review the financial results and other items on the Agenda. The Agenda of Board Meeting is circulated to all the Directors well in advance and contains all the relevant information.

Four Board Meetings were held during the year ended 31st March, 2023. These were held on 25th May, 2022, 6th August, 2022, 14th November, 2022 and 14th February, 2023.

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 Kumar Modi as sons and mother & father respectively.

**Details of Shareholding of Non-Executive Directors**

Shri Umesh Kumar Modi holds 39,75,534 equity Shares, Smt. Kumkum Modi holds 5,500 equity Shares, Shri Abhishek Modi holds 1,100 equity Shares, Shri Vijay Kumar Modi holds 88,725 Shares of the Company as on 31st March, 2023.

**Familiarisation Programme**

Your Company follows a structured orientation and familiarisation programme which aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The details of the same are available on the Company's website [www.bsil.org.in](http://www.bsil.org.in).

**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, 2023. The Code is posted on the website of the Company i.e. [www.bsil.org.in](http://www.bsil.org.in).

**Skills/ expertise/ competence requirements for Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:

Areas of Skills, Expertise and Competencies					
Name of Director	Knowledge on Company's business, policies & Culture	Behavioral Skills	Business Strategy, Sales & Marketing etc.,	Financial and Management Skills	Technical/ Professional skills
Shri Umesh Kumar Modi	YES	YES	YES	YES	YES
Smt. Kumkum Modi	YES	YES	YES	YES	YES
Shri Abhishek Modi	YES	YES	YES	YES	YES
Shri Jayesh Modi	YES	YES	YES	YES	YES
Shri Vijay Kumar Modi	YES	YES	YES	YES	YES
Shri Aditya Kumar Modi	YES	YES	YES	YES	YES
Shri Anirudh Kumar Modi	YES	YES	YES	YES	YES
Shri Jagdish Chander Chawla	YES	YES	YES	YES	YES
Shri Shiv Shankar Agarwal	YES	YES	YES	YES	YES
Smt. Asha Agarwal	YES	YES	YES	YES	YES
Shri Salil Seth	YES	YES	YES	YES	YES
Dr. Shyam Babu Vyas	YES	YES	YES	YES	YES

#### Information provided to the Board

The Board has unrestricted access to all Company related information including that of our employees. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. The Board was presented with the information broadly on all suggested matters in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees request special invitees to join the meeting, as and when considered appropriate.

#### AUDIT COMMITTEE

The Audit Committee acts in accordance with the role and terms of reference which are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Composition of Audit Committee is in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except Shri Aditya Kumar Modi – Whole Time Director, all other members of the Audit Committee are Non-executive Independent Directors and all are financially literate. The Company Secretary of the Company acts as a Secretary to the Committee. A representative of the Statutory Auditors and a representative of Internal Auditors are permanent invitees to the Audit Committee meetings. The Chairman of the Audit Committee (AC) attended the last Annual General Meeting.

Four meetings of Audit Committee were held during the year ended 31st March, 2023. These were held on 25th May, 2022, 6th August, 2022, 14th November, 2022 and 14th February, 2023.

Composition and attendance at meetings during the year are given below:

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2022-23	
				Held	Attended
1.	Shri Vijay K. Modi	Chairman	Independent Director	4	4
2.	Shri J.C. Chawla	Member	Independent Director	4	4
3.	Shri Aditya K. Modi	Member	Whole time Director	4	4
4.	Shri Anirudh K. Modi	Member	Independent Director	4	3

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been duly constituted pursuant to Section 178 (1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The role and terms of reference of the Nomination & Remuneration Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

The Chairman of the Nomination and Remuneration Committee (NRC) attended the last Annual General Meeting. Two meetings of NRC were held during the year ended 31st March, 2023. These were held on 25th May, 2022 and 6th August, 2022.

**Composition and attendance at meetings during the year are given below:**

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2022-23	
				Held	Attended
1.	Shri Vijay K. Modi	Chairman	Independent Director	2	2
2.	Shri J.C. Chawla	Member	Independent Director	2	2
3.	Shri Anirudh K. Modi	Member	Independent Director	2	2

**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.

**Objectivity**

- Own recommendations given professionally without tending to majority or popular views.

**Leadership & Initiative**

- Heading Board's Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

**Personal Attributes**

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

**Meeting of Independent Directors**

During the year, meeting of Independent Directors was held on 14th February, 2023 to review the performance of the Board as a whole and Chairman on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee (SRC) has been duly constituted pursuant to Section 178 (5) of the Companies Act, 2013 and relevant provisions of Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to look into various issues relating to shareholders including the complaints of shareholders, share transfers/ transmission/issue of duplicate shares etc.

During the year ended 31st March, 2023 one meeting was held on 14th February, 2023.

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2022-23	
				Held	Attended
1.	Shri Vijay K. Modi	Chairman	Independent Director	1	1
2.	Shri J.C. Chawla	Member	Independent Director	1	1
3.	Shri Aditya Kumar Modi	Member	Whole Time Director	1	1
4.	Shri Anirudh Kumar Modi	Member	Independent Director	1	Nil

The Company Secretary acts as Secretary to the Committee. The Chairman of the Stakeholders' Relationship Committee (SRC) attended the last Annual General Meeting.

Details of complaints received and resolved during the year under review are given below:

	Direct to the Company or through RTA	Number of complaints received				Number of total complaints
		Stock Exchanges	SCORES	SEBI	MCA	
<b>(2022-23)</b>						
Received	Nil	Nil	1	Nil	Nil	1
Replied	Nil	Nil	1	Nil	Nil	1
Pending	Nil	Nil	Nil	Nil	Nil	Nil

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSR) has been duly constituted pursuant to Section 135 (1) of the Companies Act, 2013 to look into various Corporate Social Responsibility activities etc.

Three meetings of CSR were held during the year ended 31st March, 2023. These were held on 6th August, 2022, 14th November, 2022 and 28th February, 2023.

Composition and attendance at meetings during the year are given below:

S.No.	Name of Member	Designation	Category	No. of meetings during the year 2022-23	
				Held	Attended
1.	Shri Umesh Kumar Modi	Chairman	Non-Executive Director	3	3
2.	Shri Vijay Kumar Modi	Member	Independent Director	3	3
3.	Shri J.C. Chawla	Member	Independent Director	3	3
4.	Shri Anirudh Kumar Modi	Member	Independent Director	3	3

#### SENIOR MANAGEMENT

S.No.	Name	Designation
1.	Mr. Raj Kumar Sharma	Senior General Manager
2.	Mr. Sachin	Chief Financial Officer
3.	Mr. Vimal Prasad Gupta	Company Secretary

There have been no changes in the Senior Management since the close of the previous financial year.

#### REMUNERATION OF DIRECTORS

##### A) Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board & Committee meetings and Commission as approved by members for their invaluable services to the Company.

##### B) Remuneration Policy

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other

employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board. The Nomination and Remuneration Committee decides the remuneration for the Whole-time Directors and Key Managerial Personnel. The remuneration policy is also placed on the website [www.bsil.org.in](http://www.bsil.org.in).

### C) Details of Remuneration paid to Directors

The Independent Directors who are 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 /Sitting fees paid to the Executive/Non-Executive Directors during the year ended 31st March, 2023 are as under:-

S. NO.	NAME	TOTAL SALARY (RS.)	SITTING FEES (RS.)	TOTAL (RS.)
Non-Executive Directors:				
1	Mr. Vijay Kumar Modi	--	38,000	38,000
2	Mr. J.C. Chawla	--	38,000	38,000
3	Mr. Shiv Shankar Agarwal	--	5,000	5,000
4	Mr. Shyam Babu Vyas	--	-	-
5	Mr. Anirudh Kumar Modi	--	31,000	31,000
6	Mrs. Asha Agarwal	--	4,000	4,000
7	Mr. Salil Seth	--	2,000	2,000
Executive Director				
8.	Mr. Aditya Kumar Modi	38,28,587	0	38,28,587

Note- Shri Umesh Kumar Modi, Mrs. Kumkum Modi, Shri Abhishek Modi & Shri Jayesh Modi, Non-executive Directors of the Company, have waived their sitting fees and hence not paid to them.

### ANNUAL GENERAL MEETING

#### Date, Place & Time for the last three Annual General Meetings (AGM):

Year	Date& time	Venue	Special Resolution Passed
2022	30.09.2022 At 04:00 P.M.	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	Regularisation of appointment of Mr. Anirudh Kumar Modi as an Independent Director for a first term of five years. Regularisation of appointment of Ms. Asha Agarwal as an Independent Director for a first term of five years. Regularisation of appointment of Mr. Salil Seth as an Independent Director for a first term of five years
2021	15.09.2021 At 04:00 P.M.	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	Regularisation of appointment of Mr. Vijay Kumar Modi as an Independent Director for a first term of five years. Re- appointment of Mr. Rohit Garg as an Independent Director for a second term of five consecutive years.
2020	23.09.2020 At 12:00 Noon	Through Video Conference (VC) / Other Audio Visual Means (OAVM)	Re-appointment of Mr. R.K. Agarwal as an Independent Director for a second term of five consecutive years.

### POSTAL BALLOT

The Company has not conducted any Postal Ballot process during the year from 1st April, 2022 to 31st March, 2023. There is no immediate proposal for passing any resolution through postal ballot.

### MEANS OF COMMUNICATIONS

#### Quarterly Results

In compliance to the provisions the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company regularly intimate the un-audited/audited financial results to the stock exchange, immediately after the same is approved by the Board and are published in widely circulated English daily "The Financial Express" and Hindi daily "Naya India" as is required under the said regulations. The same are also displayed on the website ([www.bsil.org.in](http://www.bsil.org.in)) of the Company.



**Website**

As per the requirements of Regulation 46 of the Listing Regulations, all the data related to quarterly financial results, shareholding pattern etc. is filed with stock exchange BSE Limited and also disseminated on the Company's website: (www.bsil.org.in) within the time prescribed in this regard. The Company's website also displays the official news releases, if any.

**Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Financial Statements, Director's Report, Auditor's Report and other important information is circulated to members and other entitled thereto. The Management Discussion and Analysis (MDAR) Report forms part of the Annual Report.

**GENERAL SHAREHOLDER INFORMATIONS****a) AGM Date, Time and Venue:**

41st Annual General Meeting is scheduled to be held on Friday, the 29th Day of September, 2023 at 04:00 P.M. through Video Conference / OAVM.

**b) Financial Calendar**

Particulars	Date
For First Quarter UFR ended 30.06.2023:	By 14th August, 2023
For Second Quarter UFR ended 30.09.2023:	By 14th November, 2023
For Third Quarter UFR ended 31.12.2023:	By 14th February, 2024
For Audited Financial results for the quarter & year ended 31.03.2024:	By 30th May, 2024

**c) Book Closure**

Saturday the 23rd September, 2023 to Friday the 29th September, 2023 (both days inclusive).

**d) Dividend payment date**

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

**e) Listing of Stock Exchanges**

The Company's Equity Shares are listed on BSE Ltd., the address of which is given below:

Stock Exchange	Stock Code
BSE Limited, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001	500058

On 21st March, 1998, the Company after complying with the conditions of Circular No. 6/9/SE/78 dated 28th June, 1979 issued by Ministry of Finance, Department of Economic Affairs, Stock Exchange Division, applied to Ahmedabad, Calcutta, Delhi and Madras Stock Exchanges for de-listing of Equity Shares. The Company has received the letter of confirmation of de-listing from Madras Stock Exchange Association Limited only, matter is pending with others stock exchanges. The Company vide its letter dated 25th September, 2007 applied for voluntary de-listing of Shares from Magadh Stock Exchange, the matter is pending with the Exchange.

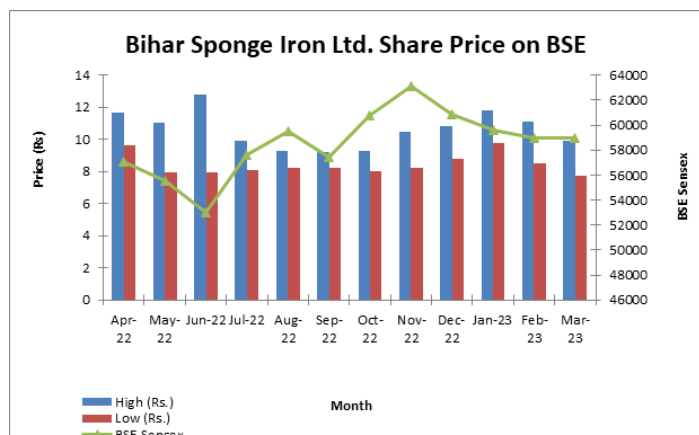
The Company has paid listing fee for the financial year 2023-24 to BSE Limited.

**f) Market Price Data**

High/Low of market price of the Company's shares traded on BSE Ltd. during the financial year 2022-23 is furnished below:

Month	High Price	Low Price	No. of Shares
Apr 22	11.69	9.63	8,46,604
May 22	11.06	7.96	4,64,885
Jun 22	12.79	7.97	9,26,048
Jul 22	9.92	8.07	2,27,314
Aug 22	9.29	8.22	3,45,860
Sep 22	9.24	8.25	5,48,932
Oct 22	9.28	8.01	2,30,050
Nov 22	10.44	8.21	6,32,345
Dec 22	10.83	8.80	9,82,082
Jan 23	11.79	9.80	8,31,509
Feb 23	11.07	8.52	4,18,074
Mar 23	9.89	7.71	4,24,372

## Performance in comparison to broad based indices:



## g) Registrar and Transfer Agents

M/s. Beetal Financial & Computer Services Pvt. Ltd. is the Registrar and Share Transfer Agent of the Company. The physical transfer/transmission of Equity Shares and electronic connectivity for the depository mode for both NSDL and CDSL is being provided by M/s. Beetal Financial & Computer Services Pvt. Ltd. whose address is given below:

M/s. Beetal Financial & Computer Services Pvt. Limited,  
 Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre,  
 Near Dada Harsukhdas Mandir, New Delhi – 110062.  
 Telephone no(s) 011-29961281, 282, 283, Fax: 011-29961284  
 E-mail: beetalrta@gmail.com, beetal@beetalfinancial.com

## h) Share Transfer System

The Company, in compliance of SEBI circular no. 15/2002 dated 27th December, 2002, has appointed M/s. Beetal Financial & Computer Services Pvt. Limited, (Category-I SEBI registered Registrar & Share Transfer Agent) as Share Transfer Agent who follows the Share Transfer System as prescribed by the Securities & Exchange Board of India (SEBI). The share transmission requests in physical form sent by shareholders are manually checked. If the required documents for processing transmission are valid, the shares are transmitted within prescribed time limit, otherwise objection memo is sent to the claimant/legal heirs with necessary advice to take the required steps. The Share Transfer Committee generally approves once in a fortnight the applications received from members. Further, SEBI vide its Circular dated 25th January 2022, mandated that all service requests for issuance of duplicate certificate, renewal/ exchange securities certificate, endorsement, subdivision/ splitting/ consolidation of certificate, transmission and transposition can be also processed in dematerialised form only. The necessary forms for the above requests are available on the website of the Company i.e., [www.bsil.org.in](http://www.bsil.org.in).

## i) Distribution of Shareholding as on 31st March, 2023

No. of Shares	No. of Shareholders	No. of Shares	Shareholders % age to total shares
Up to 5000	52,415	7398670	91.34
5001 to 10000	2,724	2193118	4.74
10001 to 20000	1,105	1694682	1.92
20001 to 30000	324	819205	0.56
30001 to 40000	173	619370	0.30
40001 to 50000	171	823915	0.29
50001 to 100000	253	1947701	0.44
100001 and above	217	74708742	0.37
Total	57,382	90205403	100.00

## j) Shareholding pattern as on 31st March, 2023

Particulars		No. of Shares Held	%age of Shares Held
1.	Promoters	6,24,46,452	69.23
2.	Mutual Funds & UTI	64,550	00.07
3.	Banks, Financial Institution & Insurance Companies & Central Government/State Government	3,320	00.00
4.	Bodies Corporate	32,53,180	03.61
5.	Indian Public	2,33,99,356	25.94
6.	NRI	5,40,246	00.60
7.	Any Other (Clearing Members, Foreign Bodies, Trusts, Individual HUF & Escrow Account)	4,98,299	00.55
Total		9,02,05,403	100.00

## k) Dematerialization of shares

The equity shares of the Company are available for dematerialization. The International Securities Identification Number (ISIN) of the Company is INE819C01011. The equity shares are now tradable only in dematerialized mode.

## l) Share held in physical and dematerialized form

As on 31st March, 2023, 56.454 % of Equity Shares were held in dematerialized form and the rest were in physical form.

## m) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has no GDRs/ADRs or any convertible instrument.

## n) Commodity Price Risk or foreign exchange risk and hedging activities

The Company envisage no liability for commodity price risk or foreign exchange risk and hedging activities.

## o) Plant location of the Company

Umesh Nagar, Chandil, District Saraikela Kharsawan - 832401 (Jharkhand).

## p) Address for correspondence

All the queries of investors regarding the Company's shares may be sent at the following address:

To our RTA:

M/s. Beetal Financial & Computer Services Pvt. Limited,  
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir, New Delhi - 110062  
Telephone no(s) 011-29961281, 282, 283, Fax: 011-29961284  
E-mail: beetalrta@gmail.com, beetal@beetalfinancial.com

Or alternatively to the Company:

Bihar Sponge Iron Limited  
Umesh Nagar, Chandil, District Saraikela Kharsawan-832401 (Jharkhand).  
Email: companysecretary@bsil.org.in

## q) Nomination Facility

Shareholders desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA/Company in prescribed Form SH-13/14 for this purpose.

## r) Credit Rating

No credit rating is mandatorily required to be obtained.

## OTHER DISCLOSURE

## a) Materially Significant Related Party Transactions &amp; Policy for Related party Transactions

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 Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately in Form No. AOC -2 as **Annexure – B** and forms part of this report. The related party transactions during the year are also mentioned in Note no. 3 under "Notes Related to Accounting Standards" under Annexure-1 of Accounting Policies & General Notes.

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy has been uploaded in the Company's website viz. www.bsil.org.in The transactions with the related parties are placed before the audit committee and the board on a quarterly basis, to review the same in terms of Regulation 23 (3) (d) of the said Regulations.

**b) Details of Non-compliance**

There were no cases of non-compliance of any matter by the Company during this Financial Year. The Company has complied with the requirements of Stock Exchange, Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last three years.

**c) Vigil Mechanism**

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](http://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.

**d) Compliance with the Mandatory and Non-Mandatory Requirements**

The Company has complied with all the Mandatory requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the non-mandatory requirements to the extent and in the manner as stated hereinabove.

**e) The Company does not have any subsidiary company during the financial year ended 31st March, 2023****f) Details of utilization of funds through preferential allotment**

During the Financial Year ended 31st March, 2023, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

**g) Compliance Certificate from Practicing Company Secretary**

Certificate from M/s. Soniya Gupta & Associates, Practicing Company Secretaries, has been received, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

**h) Recommendation of any Committee**

There was no instance during the financial year 2022-23, where the Board of Directors had not accepted the recommendation of any Committee of the Board which it was mandatorily required to accept.

**i) Fee paid by Company to its Statutory Auditor**

Total fees of Rs. 3,30,000/- for financial year 2022-23, for all services, was paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

**j) Directors with materially pecuniary or business relationship with Company**

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors for the period under report.

**k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

- |  |     |
|--|-----|
| a. number of complaints filed during the financial year 2022-23:         | Nil |
| b. number of complaints disposed of during the financial year 2022-23:   | Nil |
| c. number of complaints pending as on end of the financial year 2022-23: | Nil |

**l) Loans and advances in the nature of loans to firms/companies in which directors are interested : Nil****m) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** The Company does not have any subsidiary company during the financial year ended 31st March, 2023.**CORPORATE GOVERNANCE**

This Corporate Governance Report of the Company for the Financial Year ended 31st March 2023 is in compliance with the requirements of Corporate Governance under SEBI Listing Regulations, as applicable.

Adoption of discretionary requirements specified in Part E of Schedule II of SEBI Listing Regulations-

- The Board: The Chairman of the Company is Non-Executive Director and he is not maintaining any separate office for the purpose of the Company.
- Shareholder Rights: Quarterly and yearly financial results are published in newspapers and uploaded on Company's website ([www.bsil.org.in](http://www.bsil.org.in)). At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders.

- (c) Modified opinion(s) in audit report: The Company is moving towards a regime of financial statements with unmodified audit opinion.
- (d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Separate post in the Company is held by the Chairman and Whole Time Director of the Company.
- (d) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit report to the Audit Committee generally on quarterly basis.

The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.

**CEO/ CFO CERTIFICATION**

Mr. Aditya Kumar Modi – Whole Time Director and Mr. Sachin, Chief financial Officer of the Company have furnished a certificate relating to financial Statement and Internal Control Systems as per the formats prescribed under SEBI (LODR) Regulations, 2015 and the Board took the same on record.

**DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES**

No such agreements were entered into by the Company during the Financial Year 2022-23.

**DISCLOSURES WITH RESPECT TO SUSPENSE ESCROW DEMAT ACCOUNT**

Pursuant to the SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, RTA / Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company in case the securities holder/claimant fails to submit the demat request within 120 days from the date of issuance of Letter of Confirmation. At the beginning of the Financial Year there were no Shares lying in the suspense escrow demat account of the Company. During the year 3,250 shares were transferred to the suspense escrow demat account of the Company. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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

**Sd/-  
Umesh Kumar Modi  
Chairman & President  
DIN:00002757**

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

**Declaration regarding Code of Conduct pursuant to Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Members,

I, Aditya Kumar Modi – Whole Time Director of the Bihar Sponge Iron Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Director and Senior Management for the year ended 31st March, 2023.

**Sd/-  
Aditya Kumar Modi  
Whole Time Director**

**Place: New Delhi  
Dated: 11.08.2023**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**The Members of Bihar Sponge Iron Limited**

We, K.K. Jain & Co., Chartered Accountants, have examined the compliance of conditions of Corporate Governance by Bihar Sponge Iron Limited ("the Company"), for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27 and 34(3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of an opinion on financial statements of the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor efficiency and effectiveness with which the management has conducted the affairs of the Company.

**For K. K. Jain & Co.**  
**Chartered Accountants**  
**[FRN 002465N]**

**Sd/-**  
**Simmi Jain**  
**(Partner)**  
**Membership No.: 086496**  
**UDIN – 23086496BGWORA3031**  
**Place: New Delhi**  
**Date : 11.08.2023**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Bihar Sponge Iron Limited

### Report on the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of M/s. **BIHAR SPONGE IRON LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, the loss and total comprehensive income(loss), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

**As explained in the Notes to the financial statement, the company has not provided under noted liabilities:**

- I. *Non recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon (as required under Indian Accounting Standard – 21) amounting to Rs. 4065.68 lakhs as provided in the BIFR Scheme dt. 29.07.2004 and also confirmed by AAIFR/ Single Bench of Jharkhand High Court, Ranchi. The company has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi. It is pertinent to note that IFC (Washington) had filed application for withdrawal in C.A. No. 4075 of 2016 on 27.07.2018. In view of the same interest has not been provided in the books of accounts. (refer other note no. 3(III) appearing in Annexure 1).*
- II. *Non recognition of penalty of Rs. 215.28 lakhs recovered by South Eastern Coal Fields Ltd. on account of short lifting of coal in terms of Fuel Supply Agreement since the matter has been disputed by the Company under writ petition filed before the Hon'ble High Court of Chhattisgarh, Bilaspur. The amount has been included in long terms loans and advances. (refer other note no 5 of Annexure I (iii)).*
- III. *The Company has approached its promoters for one time settlement of their loans. The settlement will be subsequent to and on the line as per settlement arrived at with Government of Jharkhand for soft loans. Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs.6576.83 lakhs not been provided and is subject to representations for waiver. The Hon'ble High Court of Jharkhand, Ranchi vide its order dated 09.06.2022 has directed the Company to pay Rs. 1.25 crores per month to be adjusted in the principal amounts. The Company has started payment from July, 2022. Taking into consideration non provision of likely liabilities mentioned paragraph i, ii & iii above a. The net result for the year would have been a loss of Rs. 9644.24 lakhs as compared to the disclosed profit of Rs. 1213.55 lakhs. b. Accumulated losses would have been Rs.32694.04 lakhs as compared to disclosed losses of Rs. 21836.25 lakhs. c. The above losses is however subject to ascertainment of liabilities as mentioned in Para iii.*

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015..
  - (e) On the basis of the written representations received from the Directors as on 31 March, 2023 taken on record by the Board of directors, none of the Directors is disqualified as on 31 March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company does not have any pending litigations which would impact its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity (ies).

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For K. K. JAIN & CO.**  
**Chartered Accountants**  
**FRN.002465N**

**Sd/-**  
**Simmi Jain**  
**Partner**

**M.No.086496**

**UDIN: 23086496BGWOPE7079**

**Place: New Delhi**  
**Date : 26/05/2023**

**Annexure A to the Independent Auditors' Report****(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a programme of physical verification to ensure that all the assets are verified at reasonable intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Management has physically verified major fixed assets during the year and no major discrepancy has been noticed on such verification as compared to book records.
- (c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) As per the details and information shared with us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not granted unsecured loans to its subsidiaries and employees and has not made any investments in, provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of income tax, Goods and Service tax, and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the yearend for a period of more than six months from the date they became payable as at 31st March, 2023.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

S.No.	Name of the statute	Forum where Dispute pending	Nature of dues	Period of dispute	Amount (Rs. Lakhs)
1.	JVAT Act, 2005	Commissioner of Commercial Taxes Jharkhand, Ranchi.	Tax on JVAT.	2010-11	37.91
2.	JVAT Act, 2005	Commissioner of Commercial Taxes Jharkhand, Ranchi.	Tax on JVAT.	2010-11	81.40
3.	JVAT Act, 2005	Commissioner of Commercial Taxes, Jharkhand Ranchi.	Central Sales Tax	2010-11	30.96
4.	JVAT Act, 2005	Commissioner of Commercial Taxes Jharkhand, Ranchi.	Tax on CST	2013-14	34.91
5.	Income Tax Act, 1961	ITAT, Patna	Short deduction of tax at source and collection of Tax at Source with interest and penalty raised by DCIT, JSR and confirmed by the commissioner of Income Tax (Appeals), JSR on 28-03-2016.	A.Y.2004-05 A.Y.2005-06	27.15 28.80
6.	Excise Duty	Commissioner of Central Excise (Appeals) Kolkata Ranchi.	Availing irregular claim on cenvat in ER6 in December,2014	2013-14	47.06
7.	Excise Duty	Commissioner of Central Excise (Appeals) Jharkhand, Ranchi.	Excise Duty on dutiable sales of scrap and waste	2006-07,2007-08and 2008-09	64.99

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The company has not raised any funds on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered the internal audit reports issued to the Company during the year.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order are not applicable.
- (b) The Group does not have any Core investment Company (CIC) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For K. K. JAIN & CO.**  
**Chartered Accountants**  
**FRN. 002465N**

**Sd/-**  
**Simmi Jain**  
**Partner**

**M.No.086496**

**UDIN: 23086496BGWOPE7079**

**Place: New Delhi**  
**Date : 26/05/2023**

## **Annexure 'B' to the Independent Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2 of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial control with reference to financial statement of **BIHAR SPONGE IRON LIMITED** ("the Company") as of March, 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation



of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

**For K. K. JAIN & CO.**  
**Chartered Accountants**  
**FRN. 002465N**

**Sd/-**  
**Simmi Jain**  
**Partner**

**M.No.086496**

**UDIN: 23086496BGWOPE7079**

**Place: New Delhi**  
**Date : 26/05/2023**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

Particulars	Note No.	Rs.Lakhs	
		As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	5729.86	6136.59
(b) Capital Work in Progress	1A	161.04	-
(c) Other Intangible Assets	1B	0.35	0.44
(d) Deferred Tax Assets	2	-	-
(e) Other non Current Assets	3	545.70	366.30
		<u>6436.95</u>	<u>6503.33</u>
<b>(2) Current Assets</b>			
(a) Inventories	4	6416.43	4247.18
(b) Financial Assets			
(i) Trade Receivables	5	0.17	0.29
(ii) Cash and Cash Equivalents	6	74.32	133.77
(iii) Bank balances other than (ii) above	7	213.21	213.21
(iv) Others Financial Assets	8	23.90	15.76
(c) Others Current assets	9	352.97	818.75
(d) Income Tax assets	10	123.36	70.01
		<u>7204.36</u>	<u>5498.97</u>
<b>(3) Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		<u>2786.52</u>	<u>2312.89</u>
	<b>Total</b>	<u>16427.83</u>	<u>14315.19</u>
<b>EQUITY AND LIABILITIES</b>			
<b>(4) EQUITY</b>			
(a) Equity Share Capital	11	9025.31	9025.31
(b) Other Equity	12	(15344.70)	(16558.25)
		<u>(6319.39)</u>	<u>(7532.94)</u>
<b>(5) LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	13	8709.55	5604.25
(b) Provisions	14	179.85	209.73
(c) Deferred Tax Liabilities	2	-	-
(d) Other non-Current Liabilities	15	843.35	681.55
		<u>9732.75</u>	<u>6495.53</u>
<b>(6) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	4871.19	6289.70
(ii) Trade Payables	17	7110.24	8493.14
(iii) Other Financial Liabilities	15	52.93	69.89
		<u>12034.36</u>	<u>14852.73</u>
(b) Other Current Liabilities	16	939.40	449.07
(c) Provisions	14	40.71	50.80
		<u>13014.47</u>	<u>15352.60</u>
<b>Total Equity and Liabilities</b>	<b>Total</b>	<u>16427.83</u>	<u>14315.19</u>

**Notes No. 1 to 28 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements**

As per our report of even date attached.

For K K Jain &amp; Co.

Chartered Accountants

Firm Reg.No. 02465N

sd/-

Umesh Kumar Modi  
(Chairman & President)  
DIN 00002757

sd/-

Aditya Kumar Modi  
(Whole time Director)  
DIN 09303804

sd/-

Vijay Kumar Modi  
(Director)  
DIN 00004606

sd/-

(Simmi Jain)

Partner

Membership No. 086496

sd/-

J.C. Chawla  
(Director)  
DIN: 05316202

sd/-

Sachin  
(Chief Financial Officer)  
M.N. 504288

sd/-

Vimal Prasad Gupta  
Company Secretary  
M.N. F6380

Place : NEW DELHI

Date : 26th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2023

Rs.Lakhs

S.No.	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
I	Revenue from operations	18	46,337.47	8,640.00
II	Other Income	19	224.94	818.02
III	<b>Total Income (I +II)</b>		<b>46,562.41</b>	<b>9,458.02</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	20	36,656.94	7,395.69
	Purchases	21	1,815.06	2,275.63
	Changes in inventories of finished goods, work-in-progress	22	1,881.73	(2,887.24)
	Employee benefits expense	23	220.40	242.14
	Finance costs	24	14.57	3.29
	Depreciation and amortization expense	25	424.63	298.75
	Other expenses	26	3,410.87	1,158.40
	Deferred Expenditure Written off		940.94	154.19
	<b>Total Expenses (IV)</b>		<b>45,365.14</b>	<b>8,640.85</b>
V	Profit / (Loss) before exceptional Items and tax (III - IV)		<b>1,197.27</b>	<b>817.17</b>
VI	Exceptional Items Income/(Expenses)	27	16.28	9.52
VII	Profit / (Loss) after exceptional and before tax (V - VI)		<b>1,213.55</b>	<b>826.69</b>
VIII	Profit / (Loss) before tax (VII)		1,213.55	826.69
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>
IX	Profit/(Loss) for the year after tax		<b>1,213.55</b>	<b>826.69</b>
X	Earning per equity share (In Rs.)	28		
	(1) Basic		1.35	0.92
	(2) Diluted		1.35	0.92

Notes No. 1 to 28 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

As per our report of even date attached.

For K K Jain &amp; Co.

Chartered Accountants

Firm Reg.No. 02465N

sd/-

Umesh Kumar Modi

(Chairman &amp; President)

DIN 00002757

sd/-

Aditya Kumar Modi

(Whole time Director)

DIN 09303804

sd/-

Vijay Kumar Modi

(Director)

DIN 00004606

sd/-

(Simmi Jain)

Partner

Membership No. 086496

sd/-

J.C. Chawla

(Director)

DIN: 05316202

sd/-

Sachin

(Chief Financial Officer)

M.N. 504288

sd/-

Vimal Prasad Gupta

Company Secretary

M.N. F6380

Place : NEW DELHI

Date : 26th May, 2023

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2023**

Rs.Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax and extraordinary items	1,213.55	826.69
Adjustments for :		
Depreciation	424.63	298.75
Interest Expense	14.57	3.29
Interest Income	(9.16)	(0.75)
Debit /Credit balances written off	(2.16)	(159.22)
Raw Material/Stores & Spares Written Off	-	16.12
Deferred Expenditure Written off	940.94	154.19
Remeasurements recognised in OCI (Gain)/Loss in Gratuity and Leave encashments	(16.28)	(9.22)
(Profit)/Loss on Sales of Fixed Assets	-	(134.21)
	1,352.54	168.95
<b>Operating profit/(Loss) before working capital changes</b>	<b>2,566.09</b>	<b>995.64</b>
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(1,128.08)	(2,107.66)
(Increase)/Decrease in Inventories	(2,169.25)	(3,966.95)
Increase /(Decrease) in Trade Payable and Provisions	(769.24)	7,426.82
	(4,066.57)	1,352.21
<b>Cash (used in) / Generated from operations</b>	<b>(1,500.48)</b>	<b>2,347.85</b>
Income Tax/ TDS Paid/Refund	(53.35)	(16.83)
<b>Net Cash (used) in / generation from operating activities</b>	<b>(1,553.83)</b>	<b>2,331.02</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1.02	0.06
Purchase of fixed assets (including CWIP)	(178.85)	(2,064.63)
Proceeds from Sales of fixed assets	-	218.30
	(177.83)	(1,846.27)
<b>Net Cash (used) in/flow from investing activities</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long/Short term borrowings	4,018.14	600.00
Interest paid	(308.09)	(295.73)
Repayment of long /Short term borrowings	(2,037.84)	(540.40)
	1,672.21	(236.13)
<b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>		
	(59.45)	248.62
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>		
Cash and Cash equivalents at beginning of period	346.98	98.36
<b>Cash and Cash equivalents at end of the period (Note No 6 &amp;7)</b>	<b>287.53</b>	<b>346.98</b>

Notes No. 1 to 28 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

As per our report of even date attached.

For K K Jain & Co.  
Chartered Accountants  
Firm Reg.No. 02465N

sd/-  
Umesh Kumar Modi  
(Chairman & President)  
DIN 00002757

sd/-  
Aditya Kumar Modi  
(Whole time Director)  
DIN 09303804

sd/-  
Vijay Kumar Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
Sachin  
(Chief Financial Officer)  
M.N. 504288

sd/-  
Vimal Prasad Gupta  
Company Secretary  
M.N. F6380

Place : NEW DELHI  
Date : 26th May, 2023

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

## EQUITY SHARE CAPITAL

Rs.Lakhs

Opening Balance as at April 1,2021	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity Share Capital during the year	Balance as at March 31,2022
9,025.31	-	9,025.31	-	9,025.31
Opening Balance as at April 1,2022	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1,2022	Changes in equity Share Capital during the year	Balance as at March 31,2023
9,025.31	-	9,025.31	-	9,025.31

## OTHER EQUITY

Rs.Lakhs

	Share Premium Reserve	Capital reserve	Revaluation Reserve	Retained Earning	Total
As at April 1,2021	2,363.38	15.00	4,113.17	(23,876.49)	(17,384.94)
Add:Addition during the year	-	-	-	-	-
Profit/(Loss) During the Year	-	-	-	826.69	826.69
As at March,31,2022	2,363.38	15.00	4,113.17	(23,049.80)	(16,558.25)
Add:Addition during the year	-	-	-	-	-
Profit/(Loss) During the Year	-	-	-	1,213.55	1,213.55
As at March,31,2023	2,363.38	15.00	4,113.17	(21,836.25)	(15,344.70)

The accompanying notes are intergal part of the financial Statement.

As per our report of even date attached.

For K K Jain & Co.  
Chartered Accountants  
Firm Reg.No. 02465N

sd/-  
Umesh Kumar Modi  
(Chairman & President)  
DIN 00002757

sd/-  
Aditya Kumar Modi  
(Whole time Director)  
DIN 09303804

sd/-  
Vijay Kumar Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
Sachin  
(Chief Financial Officer)  
M.N. 504288

sd/-  
Vimal Prasad Gupta  
Company Secretary  
M.N. F6380

Place : NEW DELHI  
Date : 26th May, 2023

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023

## NOTE : 1 PROPERTY, PLANT AND EQUIPMENT

Rs.Lakhs

Description of assets	Freehold land*	Leasehold land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Railway siding	Total
I. Gross carrying amount									
Balance as at April 1,2022	31.00	388.83	3,937.36	25,463.76	58.97	45.87	48.72	2,060.86	32,035.37
Additions	-	-	-	15.00	1.68	-	1.13	-	17.81
Less: Disposals/Deletions	-	-	-	-	-	-	-	-	-
Balance as at March 31,2023	31.00	388.83	3,937.36	25,478.76	60.65	45.87	49.85	2,060.86	32,053.18
II. Accumulated Depreciation									
Balance as at April 1,2022	-	99.03	2,711.69	22,938.50	51.84	43.07	43.77	10.88	25,898.78
Depreciation expenses for the year	-	4.43	40.14	247.46	0.60	0.06	1.33	130.52	424.54
Less: Disposals/Deletions	-	-	-	-	-	-	-	-	-
Balance as at March 31,2023	-	103.46	2,751.83	23,185.96	52.44	43.13	45.10	141.40	26,323.32
Net Carrying amount(I-II)	<b>31.00</b>	<b>285.37</b>	<b>1,185.53</b>	<b>2,292.80</b>	<b>8.21</b>	<b>2.74</b>	<b>4.75</b>	<b>1,919.46</b>	<b>5,729.86</b>

Description of assets	Freehold land*	Leasehold land	Building	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Railway siding	Total
I. Gross carrying amount									
Balance as at April 1,2021	31.00	388.83	3,658.05	25,466.40	57.13	78.20	47.39	1,643.35	31,370.35
Additions	-	-	279.31	2.75	1.84	0.60	1.33	2,060.86	2,346.69
Less: Disposals/Deletions	-	-	-	5.39	-	32.93	-	1,643.35	1,681.67
Balance as at March 31,2022	31.00	388.83	3,937.36	25,463.76	58.97	45.87	48.72	2,060.86	32,035.37
II. Accumulated Depreciation									
Balance as at April 1,2021	-	94.60	2,680.03	22,693.64	51.34	74.29	42.62	1,561.18	27,197.70
Depreciation expenses for the year	-	4.43	31.66	249.98	0.50	0.06	1.15	10.88	298.66
Less: Disposals/Deletions	-	-	-	5.12	-	31.28	-	1,561.18	1,597.58
Balance as at March 31,2022	-	99.03	2,711.69	22,938.50	51.84	43.07	43.77	10.88	25,898.78
Net Carrying amount(I-II)	<b>31.00</b>	<b>289.80</b>	<b>1,225.67</b>	<b>2,525.26</b>	<b>7.13</b>	<b>2.80</b>	<b>4.95</b>	<b>2,049.98</b>	<b>6,136.59</b>

\* Free hold land includes at Rs.5.93 Lakhs (Previous year Rs.5.93 Lakhs)for which registration in favour of the company is pending for want of mutation from competent authorities.

Balances as at	Relevant line item in Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Remark
31, March, 2023	Property, Plant and Equipment	Free Hold Land	5.93		Registration in favour of the company is pending for want of mutation from competent authorities.

## NOTE : 1A CAPITAL WORK IN PROGRESS

Particulars	Capital work-in -progress
As at April 1,2021	282.07
Add:Additions	-
Less:Capitalisations	282.07
As at March 31,2022	-
<b>As at April 1,2022</b>	<b>-</b>
<b>Add:Additions</b>	<b>161.04</b>
<b>Less:Capitalisations</b>	<b>-</b>
<b>As at March 31,2023</b>	<b>161.04</b>

**Capital work-in-progress ageing**

Ageing of capital work-in -progress as at March 31,2023 is as follows:

CWIP	Amount in CWIP as at March 31,2023				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Plant and Machinery	161.04	-	-	-	161.04
<b>Total</b>	<b>161.04</b>	-	-	-	<b>161.04</b>

Ageing of capital work-in -progress as at March 31,2022 is as follows:

CWIP	Amount in CWIP as at March 31,2022				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Building	-	-	-	-	-
Plant and Machinery	-	-	-	-	-
	-	-	-	-	-

**NOTE : 1B INTANGIBLE ASSETS**

Rs.Lakhs

Particulars	Computer Software
I.Gross carrying amount	
As at April 1,2021	15.81
Add:Additions	-
Less:Disposals/Deletions	-
As at March 31,2022	15.81
<b>As at April 1,2022</b>	<b>15.81</b>
<b>Add:Additions</b>	<b>-</b>
<b>Less:Disposals/Deletions</b>	<b>-</b>
<b>As at March 31,2023</b>	<b>15.81</b>
II.Accumulated Amortisation	
As at April 1,2021	15.28
Add:Amortisation Expenses for the year	0.09
Less: Eliminated Disposals of assets	-
<b>As at March 31,2022</b>	<b>15.37</b>
<b>As at April 1,2022</b>	<b>15.37</b>
<b>Add:Amortisation Expenses for the year</b>	<b>0.09</b>
<b>Less: Eliminated Disposals of assets</b>	<b>-</b>
<b>As at March 31,2023</b>	<b>15.46</b>
III.Net carrying amount(I-II)As at March 31,2022	0.44
<b>III.Net carrying amount(I-II)As at March 31,2023</b>	<b>0.35</b>



**NOTE : 2 DEFERRED TAX ASSETS /LIABILITIES**

Rs.Lakhs

Particulars	As at 01.04.2022	For the Year	As at 31.03.2023
<u>Deffered Tax Assets</u>			
Unabsorbed tax depreciation	4,135.05	(146.62)	<b>3,988.43</b>
Unabsorbed Assessed Business Loss	186.74	(186.74)	-
Provision disallowed under Income Tax	68.53	(15.20)	<b>53.33</b>
Disallowed u/s 43B of Income Tax Act	14.47	3.01	<b>17.48</b>
<b>Total</b>	<b>4,404.79</b>	<b>(345.55)</b>	<b>4,059.24</b>
<u>Deffered Tax Liabilities</u>			
Difference between book & tax depreciation	382.58	45.39	<b>427.97</b>
Net Deffered Tax Assets	4,022.21	(390.94)	<b>3,631.27</b>

Deferred Tax Liability has been calculated in accordance with the Return of Income filed / assessment made. As required by the IND AS 12, on conservative basis the Deferred Tax Assets and Deferred Tax Liabilities have not been recognised in absence of virtual certainty supported by convincing evidence that future taxable income against deferred tax liabilities / assets will be available/realised.

**NOTE : 3 OTHERS NON -CURRENT ASSETS**

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered Good unless otherwise stated		
Capital Advances	<b>8.63</b>	8.63
Advances Recoverable (refer note 5 of Ann. I (III)) (Other than related parties)	<b>215.28</b>	215.28
Security Deposit with Govt & Other Parties	<b>179.22</b>	17.52
Sales Tax / VAT recoverable/GST	<b>142.57</b>	124.87
<b>Total</b>	<b>545.70</b>	366.30

**NOTE : 4 INVENTORIES**

Raw Materials	<b>5,285.63</b>	1,234.65
Stores & Spares	<b>125.29</b>	125.29
Finished Goods	<b>936.85</b>	2,770.87
Work -in- Progress	<b>68.66</b>	116.37
<b>Total</b>	<b>6,416.43</b>	4,247.18

**NOTE : 5 TRADE RECEIVABLES**

<u>Undisputed Trade receivables Considered Good</u>	<b>0.17</b>	0.29
Undisputed Trade receivables which have significant increase in credit Risk	-	-
Disputed Trade receivables Considered Good	-	-
Disputed Trade receivables which have significant increase in credit Risk	-	-
Trade receivables-credit impaired	<b>45.85</b>	45.85
<b>Total</b>	<b>46.02</b>	46.14
<i>Less:Provision for Doubtful receivables</i>	<b>45.85</b>	45.85
<b>Total</b>	<b>0.17</b>	0.29

**TRADE RECEIVABLES AGEING SCHEDULE:**

AS AT MARCH 31, 2023

Particulars	Outstanding for following periods from due date of payment					Rs.Lakhs
	Less than 6 Months	6 months 1 year	1-2years	2-3years	More than 3year	Total
	Undisputed Trade receivables-Considered Good	-	-	-	0.17	-
Undisputed Trade receivables which have significant increase in credit Risk	-	-	-	-	-	-
Disputed Trade receivables Considered Good	-	-	-	-	-	-
Disputed Trade receivables which have significant increase in credit Risk	-	-	-	-	45.85	45.85
Trade receivables-credit impaired	-	-	-	-	-	-
Sub Total	-	-	-	0.17	45.85	46.02
Less: Provision for doubtful trade receivables	-	-	-	-	45.85	45.85
<b>Total</b>	-	-	-	0.17	-	0.17
As at March,31,2022						
Undisputed Trade receivables-Considered Good	0.12	-	-	0.17	-	0.29
Undisputed Trade receivables which have significant increase in credit Risk	-	-	-	-	-	-
Disputed Trade receivables Considered Good	-	-	-	-	-	-
Disputed Trade receivables which have significant increase in credit Risk	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	45.85	45.85
Sub Total	0.12	-	-	0.17	45.85	46.14
Less: Provision for doubtful trade receivables	-	-	-	-	45.85	45.85
<b>Total</b>	0.12	-	-	0.17	-	0.29

**NOTE : 6 CASH & CASH EQUIVALENTS**

Particulars	As at 31.03.2023	As at 31.03.2022
<u>Cash and Bank Balances</u>		
<u>Bank Balances</u>		
Balance with Scheduled Bank		
- in Current Account	72.05	132.54
Cash in hand	2.27	1.23
<b>Total</b>	<b>74.32</b>	<b>133.77</b>

**NOTE : 7 OTHER BANK BALANCES**

Other Bank Balances		
Fixed Deposits with maturity of more than 12 months*	213.21	213.21
<b>Total</b>	<b>213.21</b>	<b>213.21</b>

\* South Eastern Railway Rs.31.39 Lakhs (P.Y. Rs.31.39 Lakhs), Rs.20.01 Lakhs (P.Y.Rs. 20.01 Lakhs pledged with Sales Tax Authorities and Rs.161.81 Lakhs (P.Y.Rs.161.81 Lakhs)pledged with JBVNL

**NOTE : 8 OTHER FINANCIAL ASSETS**

Rs.Lakhs

Particulars	As at	
	31.03.2023	31.03.2022
Interest accrued on fixed deposit	23.90	15.76
<b>Total</b>	<b>23.90</b>	<b>15.76</b>

**NOTE : 9 OTHER CURRENT ASSETS****Unsecured, Considered Good unless otherwise stated :**

<b>Others:</b>		
Advance recoverable in cash or in kind or for value to be received		
-Others	257.94	137.01
Advance to Related Parties	-	10.94
Balance with Revenue Authorities :		
-Excise Duty /Sales Tax deposited under protest	10.27	10.27
-GST Recoverable	-	575.77
- Sales Tax recoverable	84.76	84.76
<b>Total `</b>	<b>352.97</b>	<b>818.75</b>

**NOTE : 10 INCOME TAX ASSETS**

Tax deducted at source	123.36	70.01
<b>Total</b>	<b>123.36</b>	<b>70.01</b>

**NOTE : 11 EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>AUTHORIZED CAPITAL</b>		
100,000,000 Equity share of Rs.10/- each (P.Y. 100,000,000)	10,000.00	10,000.00
	<b>10,000.00</b>	<b>10,000.00</b>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
90,205,403 Equity share of Rs.10/- each fully paid in cash (P.Y. 90,205,403)	9,020.54	9,020.54
Add: Forefeited Shares (amount originally paid up)	4.77	4.77
<b>Total</b>	<b>9,025.31</b>	<b>9,025.31</b>

**11.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares of Rs 10 Each, Fully paid up	As at 31.03.2023		As at 31.03.2022	
	No.of shares	Rs. Lakhs	No.of shares	Rs. Lakhs
At the beginning of the year	90,205,403	9,020.54	90,205,403	9,020.54
At the end of the year	90,205,403	9,020.54	90,205,403	9,020.54

**11.2 Terms / Rights attached to equity shares.**

The company has only one class of equity share having a par value of Rs.10/- per share. Each share holder of equity share is entitled to dividends approved by the shareholders. In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution to creditors and all preferential amount. The distribution will be in proportion to the number of equity share held by each shareholder.

**11.3 Details of shareholders holding more than 5% Equity Shares in company.**

Equity Shares	As at 31.03.2023		As at 31.03.2022	
	No. of shares	% of holding	No. of shares	% of holding
Moderate Leasing and Capital Services Ltd.	44,293,633	49.10	44,293,633	49.10
Bihar State Industrial Development Corpn.Ltd.	6,417,463	7.11	6,515,743	7.22

As per record of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**11.4 Promoter Holding**

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of shares	% of holding	No. of shares	% of holding
Abhishek Modi	1100	0.00%	1100	0.00%
Himani Modi	1100	0.00%	1100	0.00%
Kumkum Modi	5500	0.01%	5500	0.01%
Meghna Modi	15400	0.02%	15400	0.02%
Umesh Kumar Modi-HUF	2750	0.00%	2750	0.00%
A to Z Holdings private limited	1700500	1.89%	1700500	1.89%
Abhikum Leasing and Investments Private Limited	500	0.00%	500	0.00%
Bihar State Industrial Development Corpn. Ltd.	6417463	7.11%	6515743	7.22%
Longwell Investment Pvt Ltd	4033012	4.47%	4033012	4.47%
Moderate Leasing and Capital Services Ltd	44293633	49.10%	44293633	49.10%
Modi Industries Limited	1999960	2.22%	1999960	2.22%
UMESH KUMAR MODI	3975534	4.41%	3975534	4.41%
TOTAL	62446452	69.23%	62544732	69.34%

11.5 None of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.

11.6 None of the securities are convertible into shares at the end of the reporting period.

11.7 No calls are unpaid by any director or officer of the company during the year.

**NOTE : 12 OTHER EQUITY**

Rs.Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Capital Reserve:</b>		
Opening balance	15.00	15.00
<b>Securities Premium Reserve</b>		
Opening balance	2,363.38	2,363.38
<b>Revaluation Reserve</b>		
Opening balance	4,113.17	4,113.17
<b>Surplus</b>		
Loss at the beginning of the year	(23049.80)	(23876.49)
Profit as per Statement of Profit & Loss	1,213.55	826.69
Closing balance	(21836.25)	(23049.80)
<b>Total</b>	<b>(15344.70)</b>	<b>(16558.25)</b>

**NOTE : 13 BORROWINGS**

Rs.Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Non Current</b>		
<b>Secured:</b>		
<b>Term Loan -Foreign Currency</b>		
- Refer (a ) below	-	-
<b>Unsecured:</b>		
Loans & Advances from Related Parties:		
-A body corporate	<b>8,709.55</b>	5,604.25
<b>Total</b>	<b>8,709.55</b>	5,604.25
<b>Current</b>		
Current maturities of long term debts (Refer Note 13 for nature for Securities)	-	-
- Term Loan from Govt of Jharkhand (under Rehabilitation Scheme 2003)	<b>2,125.00</b>	3,250.00
- Interest accrued and due on borrowings (to the extent provided for,also refer note no (c) of Note 13)	<b>2,746.19</b>	2,746.19
Interest accrued and due on borrowings .	-	293.51
<b>Total</b>	<b>4,871.19</b>	6,289.70

- a) Disputed liability amounting to Rs.4065.68 Lakhs (P.Y. Rs. 3669.32 Lakhs) on account of currency fluctuations on Foreign currency loans obtained by the Company and interest thereon, as per BIFR scheme dated 29.07.2004 and also confirmed by AAIFR and Single Bench of Jharkhand High Court, has not been provided by the Company pending disposal of Letters Patent Appellate Jurisdiction (LPA) filed before the divisional bench of the High Court of Jharkhand, Ranchi, against the above order.
- b) Soft Loan (including interest thereon) under Jharkhand Industries Rehabilitation Scheme, 2003 from the State Government of Jharkhand are secured by:
- (i) A mortgage of all immovable properties both present and future; and a charge by way of hypothecation in favour of the lender of all the movable, including movable machinery, machinery spares, tools and accessories, present and future, stock of raw materials, semi-finished goods, consumable stores and such other movables as may be agreed upon
  - (ii) Additionally secured by way of pledge of equity share capital of Rs.3250.00 Lakhs allotted to the private promoter (MLCSL) and Corporate guarantee by SBEC Sugar Ltd.given to Govt. of Jharkand against such soft loan .
- The mortgage and charge referred to in (i) and (ii) mentioned above; shall be in terms of the Rehabilitation Scheme 2003 of the Government of Jharkhkand Sanctioned by the BIFR and be subject and subservient to the mortgages and charges created and / or to be created in favour of the secured lenders.
- c) As per para 8.4 of the sanctioned BIFR Scheme dated 29.07.2004, the interest on Soft loan under Rehabilitation Scheme, 2003 from Govt. of Jharkhand shall be funded over the entire rehabilitation period i.e. upto 30.09.2011. The Soft loan and the funded interest is repayable after 30.09.2011 and the defaulted amount of Principal and interest as on 31.03.2022 comes to Rs. 3250.00 Lakhs and Rs. 9323.02 Lakhs including unprovided interest of Rs. 6576.83 Lacs (P/Y Rs.3250.00 lakhs and Rs.8445.62 lakhs including unprovided interest of Rs.5699.43 lakhs) respectively inclusive of unprovided interest of Rs. 6576.83 lakhs from 10th August, 2013 to 31st March, 2023 (Rs. 5699.43 Lakhs upto 31.03.2022), for which the company has approached Government of Jharkhand for reschedulement proposed in the Modified Draft Rehabilitation Scheme filed before the BIFR in 2012.

**NOTE :14 PROVISIONS**

Rs.Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
	Current	Non- Current	Current	Non- Current
<b>Provision for Employee Benefits:</b>				
(a)Provision for Gratuity	35.04	160.61	46.81	192.81
(b)Provision for leave encasment	5.67	19.24	3.99	16.92
<b>Total</b>	<b>40.71</b>	<b>179.85</b>	<b>50.80</b>	<b>209.73</b>

**NOTE : 15 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2023		As at 31.03.2022	
	Current	Non- Current	Current	Non- Current
<b>Others</b>				
Security Deposit from Transporters/Contractors		769.58		607.78
Security Deposit- Sales Tax		73.77		73.77
- Due to Employee Benefits	52.93		69.60	
- Other Deposit	-		0.29	
<b>Total</b>	<b>52.93</b>	<b>843.35</b>	<b>69.89</b>	<b>681.55</b>

**NOTE : 16 OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2023		As at 31.03.2022	
	Current	Non- Current	Current	Non- Current
<b>Advances from Customers</b>	<b>160.51</b>		219.82	
- Statutory Dues	494.24		52.58	
- Other Payable	284.65		176.67	
<b>Total</b>	<b>939.40</b>	<b>-</b>	<b>449.07</b>	<b>-</b>

**NOTE :17 TRADES PAYABLE**

Particulars	As at 31.03.2023		As at 31.03.2022	
	Current	Non- Current	Current	Non- Current
Acceptances	194.82	-	-	-
Due to units under MSME (Refer note 9 of Annexure I (III))	-	-	0.01	-
Others	6,915.42	-	8,493.13	-
<b>Total</b>	<b>7,110.24</b>	<b>-</b>	<b>8,493.14</b>	<b>-</b>

a) Disclosure as required by Micro,Small and Medium Enterprises Development Act ,2006

Principal amount remaining unpaid	-	0.01
Interest amount remaining unpaid	-	-
Interest paid by Company in terms of Section of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier appointed day	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises.	-	-

b) Ageing for trade payable Schedule:

As at March 31, 2023

Rs.Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1year	1-2year	2-3year	More than 3year	
(i)Acceptances	194.82				194.82
(ii) MSME	-	-	-	-	-
(iii)Others	6,061.52	398.02	3.02	452.86	6,915.42
Total	6,256.34	398.02	3.02	452.86	7,110.24
As at March,31,2022					
(i) MSME	0.01	-	-	-	0.01
(ii)Others	8,014.49	2.30	3.40	472.94	8,493.13
<b>Total</b>	<b>8,014.50</b>	<b>2.30</b>	<b>3.40</b>	<b>472.94</b>	<b>8,493.14</b>

**NOTE : 18 REVENUE FROM OPERATIONS**

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
<u>Sales</u>		
Gross Sales	54,678.21	10,195.20
Less: GST	8,340.74	1,555.20
<b>Total</b>	<b>46,337.47</b>	<b>8,640.00</b>

**NOTE : 19 OTHER INCOME**

Interest on Fixed Deposits & Others	9.16	0.75
Other non-operating income		
a. Sales of Waste and Scrap	32.75	131.14
b. Rent recovery from Others	39.26	38.96
c. Misc. Sales	24.86	-
d. User Facility Charges recovery from Others	109.68	160.00
e. Profit on Sales of Fixed Assets	-	134.21
f. Profit on Sales of Stores and Spares	0.87	126.51
g. Profit on Sales of Iron Ore Fines /Pallets	6.20	-
h. Business Support Income	-	67.23
i. Debit/Credit balance written off (net)	2.16	159.22
<b>Total</b>	<b>224.94</b>	<b>818.02</b>

**NOTE : 20 COST OF MATERIALS CONSUMED**

Raw Materials:		
-Iron ore/Pellets	17,470.97	3,692.80
-Coal	18,963.20	3,674.90
-Dolomite	222.77	27.99
<b>Total</b>	<b>36,656.94</b>	<b>7,395.69</b>

**NOTE : 21 PURCHASES**

Trading Goods	1,815.06	2,275.63
<b>Total</b>	<b>1,815.06</b>	<b>2,275.63</b>



**NOTE : 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

Rs.Lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
<u>Opening Stock</u>		
Finished Goods	2,770.87	-
Work -in -progress	116.37	-
<u>Closing Stock</u>		
Finished Goods	936.85	2,770.87
Work -in -progress	68.66	116.37
<u>Net changes</u>		
Finished Goods	1,834.02	(2,770.87)
Work -in -progress	47.71	(116.37)
Net (Increase)/Decrease	1,881.73	(2,887.24)

**NOTE : 23 EMPLOYEE BENEFITS EXPENSE**

Salaries,Wages and Allowances	169.17	183.98
Gratuity	27.87	26.95
Leave Encashment	9.87	4.90
Contribution to Provident Fund	10.10	13.78
Inspection charges Provident Fund	0.79	1.18
Staff Welfare Expenses	2.60	11.35
<b>Total</b>	<b>220.40</b>	<b>242.14</b>

**NOTE : 24 FINANCE COST**

Interest :		
a) On long term borrowings	-	-
b) Interest and Penalty :		
- Service Tax/GST/I. Tax /PF/Tax Deducted at sources	14.29	3.14
Bank & Other Charges	0.28	0.15
<b>Total</b>	<b>14.57</b>	<b>3.29</b>

**NOTE : 25 DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation & Amortization	424.63	298.75
<b>Total</b>	<b>424.63</b>	<b>298.75</b>

**NOTE : 26 OTHER EXPENSES**

	Year ended 31.03.2023	Year ended 31.03.2022
Power & Fuel	1,415.10	279.16
Stores & Spares Consumed	-	2.75
Water Charges	48.00	-
Freight Inward	-	67.23
Repair & Maintenance:		
Railway Siding	0.98	0.92
Plant & Machinery	1.56	85.89
Others	-	-
Conversion Charges	1,283.31	373.43

	Rs.Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
Job Work Charges	179.90	-
Rent	17.46	19.04
Machinery Rent	240.00	60.00
Rates & Taxes	21.73	16.30
Insurance	25.09	7.31
Director's Sitting Fee	1.18	0.60
Printing & Stationery	2.27	4.36
Telephone, Telex and Postage	1.54	12.08
Vehicle Running & Maint.	9.53	6.62
Travelling & Conveyance	11.40	20.45
Legal & Professional	17.11	34.94
Auditor's Remuneration		
- As Audit Fee	2.00	1.60
- As Tax Audit	0.44	0.35
-Certification and Company Law	0.86	0.80
Repair & Maintenance	1.88	14.14
Social Development Expenses	0.65	1.94
Corporate social responsibility	7.04	-
Security Charges	-	16.93
Commission Charges	-	7.76
Guest House Expenses	12.51	22.64
Electricity Charges	26.48	7.47
Miscellaneous Expenses	28.91	16.67
EMD Foreiture	51.46	9.44
Raw Material /Stores & Spares Written Off	-	16.12
Prior Period Items (net)*	-	0.62
Advertisement and Sales Promotion	2.47	50.84
<b>Total</b>	<b>3,410.87</b>	<b>1,158.40</b>
<b>* The details of prior period items(net) are as under:</b>		
<b>Expenditure:</b>		
<b>Printing &amp; Stationery</b>	-	0.05
<b>Medical Expenses</b>	-	0.24
<b>Electricity Duty</b>	-	0.33
<b>TOTAL</b>	-	0.62

**NOTE : 27 EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)**

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Remeasurements recognised in OCI (Gain)/Loss in Gratuity	16.28	9.22
Remeasurements of the Leave encashments	-	0.30
<b>Total</b>	<b>16.28</b>	<b>9.52</b>

**NOTE : 28 EARNING PER SHARE (EPS)**

EPS has been computed in accordance with Accounting Standard AS-20 :		
Profit /(Loss) after tax for the year	1,213.55	826.69
Weighted Average number of equity shares of Rs.10/- each fully paid up	90,205,403	90,205,403
Basic & Diluted Earnings per share (in Rs.)	1.35	0.92

## ANNEXURE 1: ACCOUNTING POLICIES & GENERAL NOTES FORMING PART OF THE FINANCIAL INFORMATION

### I. Corporate Information

1. Bihar Sponge Iron Ltd (referred to as 'BSIL' "the company" established in the year 1982 and having its registered office at Umesh Nagar, Chandil, District, Saraikela – Kharsawan, Jharkhand – 832401 is engaged in manufacture, producing, purchase, export, sale and dealing of pre-reduced form of Iron such as sponge iron.

### II. Significant Accounting Policies

#### 1. Basis of preparation of financial information

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

#### 2. Use of Estimates

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialised.

#### 3. Inventories

- a) Stocks of raw materials and stores and spares and consumables are valued at lower of weighted average cost or net realisable value. The cost being exclusive of eligible GST input credit, if any.
- b) The material in transit is valued at invoice cost.
- c) Closing stock of finished goods is valued at lower of cost or estimated net realisable value. For this purpose, cost includes depreciation and direct expenses to the point of stocking but excludes interest, administrative and selling expenses.
- d) Work-in-progress is carried at the lower of cost or net realisable value. The cost being exclusive of eligible GST input credit.

#### 4. Fixed Assets:

- a) Fixed Assets are stated at cost or revalued cost, less accumulated depreciation/amortization. Costs include taxes duties (net of GST), cost of stores materials issued and expenditure incurred during construction and installation where applicable. Indirect expenses are not capitalised alongwith the fixed assets.
- b) All assets are reviewed for impairment as per Ind AS 109; wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss, if any, is charged to statement of Profit and Loss in the year in which the assets are identified as impaired.

#### 5. Expenditure during Construction:

In respect of new projects, all expenses including interest incurred up to the date of commencement of commercial production are capitalized.

In respect of substantial expansion of business, at existing locations, only direct costs are capitalized together with interest on the funds relatable to them up to the date of commercial production.

#### 6. Depreciation / Amortization

- a) Depreciation on Tangible fixed assets other than land is charged on straight line method so as to write off the cost/carrying amount of assets (including revalued amount) as on 1-04-2014 over the useful life of assets as per Schedule II of the Companies Act, 2013. For assets acquired or sold during the year, the depreciation is calculated on pro-rata basis from the date of addition or upto the date of sale or discarded.
- b) Lease hold land is depreciated over the lease period.
- c) Intangible assets are being amortised over their useful life / license period.

**7. Foreign Currency Translation:**

- a) Transactions in Foreign Currencies are recorded at the exchange rate prevailing on the date of transactions.
- b) Foreign Currency Loans and other Liabilities are stated at the exchange rate prevailing as on the date of the balance sheet.
- c) Exchange variation arising on account of fluctuation in the rate of exchange is recognized in the statement of profit & loss.

**8. Revenue Recognition:**

- a) Sales are accounted for based on despatch of finished goods to the customers from various stocking points, and includes GST and is net of trade discounts.
- b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest on tax refund is accounted for on receipt basis.
- c) Other miscellaneous revenues are recognized when the amount and the collectability are certain. Accordingly insurance claims are accounted for on settlement.

**9. Miscellaneous Expenditure**

Primarily expenditure /Deferred revenue expenditure are amortised over a period of four years starting from the year subsequent to its incurrence.

**10** Raw Material consumption is accounted for after ascertaining the year end closing stock of the raw materials by an independent Surveyor from the total of the opening stocks and purchases.

**11.** Salaries and wages on repairs and maintenance of plant & machinery, where carried out internally, are charged to salaries and wages account.

**12. Borrowing cost**

Borrowing cost attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period to which they relate.

**13. Employee Benefits**

Employee benefits have been recognized in accordance with Accounting Standard 15 (Revised) issued by the ICAI accordingly:-

**(a) Short Term Employee Benefits**

Short Term employee benefits are recognized in the period during which the services have been rendered.

**(b) Long Term Employee Benefits****(i) Defined Contribution Plan****Provident Fund**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both Employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary. Contribution to Provident Fund are administered and managed by a separate fund and current contributions to Provident Fund are transferred to Provident Fund authorities. Contributions to Provident Fund are expensed in the Profit and Loss account.

**(ii) Defined Benefits plan****(a) Leave encashment**

The liability on account of un-availed earned leave at the year end is fully provided for on actuarial valuation basis.

**(b) Gratuity**

The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering all eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, deaths, incapacitation or termination of employment. Liabilities with regards to the Gratuity Plan are determined by actuarial valuation as of balance sheet date and are expensed in the Statement of Profit and Loss.

**(iii)** The actuarial valuation takes note of actuarial gains and losses.

#### 14. Provisions Contingent Liabilities

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims, not acknowledged as debt, are disclosed by way of a note. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### 15. Financial Instruments

Financial instrument is any contract that give rise to a financial assets of one entity and a financial liabilities or equity instrument of another entity.

##### Financial Assets

##### \*Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- Subsequent measurement: All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
- Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

##### \*Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

##### \*Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

##### \*Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

##### \*Investments in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

## \*Derecognition

The Company derecognises a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

## \*Financial liabilities

- **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities**

At fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## P. IMPAIRMENT

### (a) Financial assets

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the Company's past history of recovery, credit worthiness of the counter party and existing and future

market conditions. For all financial assets other than trade receivables, expected credit losses are measured at an amount equal to the 12-month expected credit loss (ECL) unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. For trade receivables, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the receivables.

**(b) Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognised in the statement of profit and loss. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss. For contract assets, the Company has applied the simplified approach for recognition of impairment allowance as provided in Ind AS 109 which requires the expected lifetime losses from initial recognition of the contract assets.

**16. Cash and Cash Equivalent**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

**17. Earning Per Share**

The earnings considered in accounting the Company's Earning Per Share (EPS) comprise the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.

**18 Taxation**

- a) Provision for current tax is made on the basis of applicable Income Tax Act, 1961.
- b) Deferred tax assets and liabilities are accounted for in accordance with Ind AS-12.

**19. Leases**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as Operating Leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of Profit and Loss.

**20. Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

## II: Notes Related to Accounting Standards

## 1. EMPLOYEE BENEFITS

The disclosure of 'Employee Benefits' as defined in IND AS-19 are as under:

a. Expenses recognised in the statement of Profit & Loss In Rs.Lakhs

	CURRENT YEAR		PREVIOUS YEAR	
	31.03.23	31.03.22	31.03.23	31.03.22
i) Defined Contribution Plan				
Employer's Contribution to Provident Fund (Refer Note No. 23)	10.10		13.78	
ii) Defined Benefits Plans				
	GRATUITY UNFUNDED		LEAVE ENCASHMENT UNFUNDED	
	31.03.23	31.03.22	31.03.23	31.03.22
Current service cost	10.55	11.48	6.43	3.70
Interest cost	17.32	15.47	1.51	1.20
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain)/loss	-	-	-	-
Past service cost	-	-	-	-
Re-measurements recognized in OCI (Gain)/Loss	(16.28)	(9.22)	1.93	(0.30)
Expenses recognized in the statement of Profit & Loss	27.87	26.95	9.87	4.60

## (a) Assumptions used to determine the benefit obligations:

	GRATUITY		LEAVE ENCASHMENT	
	31.03.23	31.03.22	31.03.23	31.03.22
Discount Rate	7.30%	7.23%	7.30%	7.23%
Expected Rate of increase in Compensation Levels	2.50%	2.50%	2.50%	2.50%
Expected Rate of Return on Plan Assets	NA	NA	NA	NA
Expected Average remaining working lives of employees (years)	9.69 years	10.02 years	9.69 years	10.02 years

## (b) Reconciliation of Opening and Closing balances of benefit obligations:

	GRATUITY UNFUNDED		LEAVE ENCASHMENT UNFUNDED	
	31.03.23	31.03.22	31.03.23	31.03.22
Benefit obligation at beginning of the year	239.62	225.46	20.91	17.49
Current service cost	10.55	11.48	6.43	3.70
Interest Cost	17.32	15.47	1.51	1.20
Benefits paid	(55.56)	(3.57)	(5.87)	(1.18)
Curtailement and Settlement cost	-	-	-	-
Contribution by plan participants	-	-	-	-
Re-measurements Recognized in OCI (gain)/ loss	(16.28)	(9.22)	-	-
Actuarial (gain)/ loss	-	-	1.93	(0.30)
Projected benefit obligation at end of the year	(195.65)	(239.62)	(24.91)	(20.91)
Net amount recognized in the balance sheet as at 31.3.2021	(195.65)	(239.62)	(24.91)	(20.91)

## (c) There is no plan asset at the beginning and at the closing of the year.



## 2. SEGMENT REPORTING

The Management has identified two reportable Business Segments for the current year namely: Trading of packaging goods and Sponge Iron.

### Segment Information (Primary Segments) for the current year:

In Rs.Lakhs

Particulars	Sponge Iron		Trading		Total	
	Current	Previous	Current	Previous	Current	Previous
Year						
Sales/Service	51600.13	6184.56	3078.08	4010.64	54678.21	10195.20
Less:GST	7871.20	943.41	469.54	611.79	8340.74	1555.20
Net Sales	43728.93	5241.15	2608.54	3398.85	46337.47	8640.00
Other Income	224.94	818.02	-	-	224.94	818.02
Total Sales/Other Income	43953.87	6059.17	2608.54	3398.85	46562.41	9458.02
Segment Results:						
Profit/(Loss)Before Tax	420.07	(296.53)	793.48	1123.22	1213.55	826.69
Provision for Tax	-	-	-	-	-	-
Profit/(Loss)After Tax	420.07	(296.53)	793.48	1123.22	1213.55	826.69
Other Information						
Segment Assets	16173.10	14086.22	17.62	-	16190.72	14086.22
FD with Bank & Interest Accrued	237.11	228.97	-	-	237.11	228.97
<b>TOTAL ASSETS</b>	<b>16410.21</b>	<b>14315.19</b>	<b>17.62</b>	<b>-</b>	<b>16427.83</b>	<b>14315.19</b>
Segment Liabilities	22747.22	21555.26	-	292.87	22747.22	21848.13
<b>TOTAL LIABILITIES</b>	<b>22747.22</b>	<b>21555.26</b>	<b>-</b>	<b>292.87</b>	<b>22747.22</b>	<b>21848.13</b>

## 3. Related Party Transactions

The transactions with related parties as per the Indian Accounting Standard 112 issued by ICAI and in terms of the provision of Section 2 (76) of the Companies Act, 2013 to the extent applicable are given below:

### (a) By virtue of control

- (i) Moderate Leasing & Capital Services Ltd.
- (ii) Shri U K Modi Chairman and Director by virtue of article 100 of Articles of Association.

Mrs. Kum Kum Modi, Director, Shri Abhishek Modi, Director and Shri Jayesh Modi, Director are related to Shri U.K. Modi, Chairman & Director.

### (b) Key Management Personnel

- (i) Shri Aditya Kumar Modi – Whole Time Director(Operations)
- (ii) Shri Raj Kumar Sharma- Senior General Manager up to 27.07.22
- (iii) Shri Vimal Prasad Gupta – Company Secretary
- (iv) Shri Sachin –Chief Financial Officer

### (c) There has been no Subsidiaries / Associates Company.

### (d) Enterprises over which (a)above have significant influence and with whom transactions have taken place.

Modi Line Travel Services Private Ltd.	G.S. Pharmbutor Private Limited
Modi Hitech India Limited	Technicast Engineers Limited
Win Medicare Private Limited	SBEC Sugar Limited
Modi Industries Limited	Jayesh Tradex Private Limited
M.G. Mobile India Private Ltd.	SBEC BioEnergy Limited
Modi Mundi Pharma Beauty Products Private Limited	Modi Motors Private Limited
Modi Illva (India) Pvt Limited	Longwell Investment Pvt Limited
Daya Charitable Trust	A to Z Holdings Pvt Limited
	Shiva Charitable Trust

(Transactions with related Parties (As identified by the Management))

In Rs.Lakhs

NATURE OF TRANSACTION	BY VIRTUE OF CONTROL		ENTREPRISE WHERE INFLUENCE EXIST		KEY MANAGERIAL PERSONNEL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sale of Goods	-	-	2608.55	3398.85	-	-
Purchase of Goods	-	-	1815.06	2275.63	-	-
Rent Recovered	-	-	39.26	38.96	-	-
Misc. Exp. Reimbursed/ Paid	-	-	1816.10	3936.16	-	-
Purchases of Fixed Assets			-	0.18		
Bills Discounting	194.82	-	-	-	-	-
Loan taken	-	-	4018.14	600.00	-	-
Loan repaid	200.00	540.40	712.84	-	-	-
Interest repaid	-	292.45	293.51	-	-	-
Remuneration to KMP						
-General Manager upto 27.07.2022					7.55	14.79
Director Operation w.e.f 16.11.2021					38.29	13.65
-Company Secretary up to 31.07.2021						2.47
-Company Secretary w.e.f. 01.08.2021					19.25	12.43
-Chief Finance Officer Up to 24.01.2022					-	5.10
-Chief Finance Officer w.e.f 01.02.2022					25.22	5.81
Director					1.18	0.60
-Sitting Fee to Non-Exec. Directors						
Outstanding balances as on	31.3.23	31.3.22	31.3.23	31.3.22	31.3.23	31.3.22
- Receivable	-	-	17.61	10.94	-	-
-Trade Receivables			-	-	-	-
- Payable	-	-	152.35	3687.06	-	-
- Unsecured Loan	2604.45	2804.45	6105.10	2799.80	-	-
- Bills Discounting	194.82	-				
-Interest on unsecured loan	-	-	-	293.51	-	-

#### 4. Leases

The company's leasing arrangements are in respect of premises (for office and accommodation of company's officer). These arrangements are both cancelable and non-cancelable in nature and ranging between one to three years as at 31st March, 2023.

Disclosure related to operating lease as lessee and lessor as per the Indian Accounting Standard-17 are as under:

S.NO.	PARTICULARS	In Rs.Lakhs	
		AS AT 31.03.2023	AS AT 31.03.2022
A.	Total of future minimum lease payments under non-cancelable operating leases for each of the following periods		
	-Not less than one year	17.46	19.04
	-Later than one year and not later than five years	52.38	38.08
	-Later than five years	-	-
B.	Lease rent recognized as expense in P&L A/c	17.46	19.04
C.	Total of future minimum lease payment expected to be received under the non-cancelable sublease at the balance sheet data.	39.26	38.96
D.	Lease payments received & recognized in the statement of profit & loss account.	39.26	38.96

### III: OTHER NOTES REQUIRED BY PART I & PART II OF SCHEDULE III

**1. Contingent Liabilities:**

Claims not acknowledged as debts are as under: -

		In Rs.Lakhs	
S.NO.	Particulars	As at 31.03.23	As at 31.03.22
(i)	Disputed demand of JVAT for the year FY 2010-11, u/s 70(5)(b) under appeal before the Joint Commissioner of Commercial Taxes (Appeal)	37.91	37.91
(ii)	JVAT demand for FY 2010-11 for the assessed tax and penalty vide demand notice No.18872 dt.28.03.2014 (order dt.12.03.2014) raised by the Dy. Commissioner of Commercial Taxes, Adityapur, JSR (net of amount paid Rs.134.89 Lakhs). The Company has filed appeal before the Commissioner of Commercial Taxes Jharkhand Ranchi on 29.05.2015 (Misc. Provision u/s 80(4) of JVAT Act.	81.40	81.40
(iii)	CST Demand for FY 2010-11 for assessed tax and penalty vide demand notice dt.28.03.2014 (vide order dt.12.03.2014) raised by the Dy. Commissioner of Commercial Taxes, Adityapur, JSR (net of amount paid Rs.30.55 Lakhs). The Company has filed appeal before the Commissioner of Commercial Taxes, Jharkhand Ranchi (Misc. Provision u/s 80(4) of JVAT Act dt.29.05.2015.)	30.96	30.96
(iv)	Demand for electricity duty charges raised by the Dy. Commissioner / Asstt. Commissioner under Electricity Duty Rules (Rule 14) vide Order No.18431 dt.18.03.2014 for Rs.12.71 Lakhs (FY. 2012-13) for Rs.10.11 Lakhs (FY. 2011-12), the Company is seeking details for examining the merits of demand in order to consider filing of appeal with the appellatant authority	22.81	22.81
(v)	Disputed demand of Vat for the year FY 2013-14, under appeal before the DY Commissioner of Commercial Taxes (Appeal)	34.91	34.91
(vi)	Demand for water charges and interest thereon disputed under Writ petition before Jharkhand High Court, Ranchi.	2131.91	2131.91
(vii)	Railway Authorities has imposed penalty on the Company earlier which was dismissed by the Jharkhand High Court, Ranchi. Railway Authority has now filed a petition before Supreme Court, Delhi.	56.00	56.00
(viii)	Disputed liability on account of currency fluctuation on foreign currency loans and interest thereon, pending before the Hon'ble High Court, Jharkhand, Ranchi.	4065.68	3669.32
(ix)	Disputed Income Tax Demand for short deduction/collection of tax at source based on the NSDL Report by DCIT, JSR U/s 156 raised for the Assessment Year 2004-05 & 2005-06 was under appeal before CIT (Appeal).  CIT (Appeal) vide Order dt.28.03.2016 has dismissed the appeal filed by the Company. The Company had filed appeal before the ITAT, Patna against above order.	55.95	55.95
(x)	Liability for price difference / other claims net of counter claims, if any, arising on account of procurement of raw materials under a contract (since terminated) pending before an Arbitrator / High Court.	Not ascertained	Not ascertained
(xi)	Disputed penalty recovered by SECL in FY 2011-12 for short lifting of Coal quantity as per Linkage. The matter is pending under Writ Petition filed by the Company before the Hon'ble High Court of Chattisgarh, Bilaspur.	215.28	215.28
(xii)	Excise Duty (including Education Cess and SHE) demand of Rs.23.53 Lacs with interest and penalty of Rs.23.53 Lakhs raised by Asstt. Commissioner, Central Excise, Div IV JSR vide order dt. 29-12-2016 for availing irregular claim of Cenvat in ER-6 in Dec 2014 on Supplementary invoices and on ineligible documents as per Rule 4(1), 9(1) and 9(2) of Cenvat Credit Rules. The matter is before CESTAT Kolkatta against order of CE(Appeal) dt 17-12-2018	47.06	47.06
(xiii)	Excise Duty (including Education Cess & SHE) demand of Rs. 64.99Lacs raised by Addl Commissioner, Central Excise, Jamshedpur vide order No. 71/ADC/2017 dt. 22-03-2017 on dutiable sale of scrap and waste during the FY 2006-07, 2007-08 & 2008-09. The matter is under Appeal Before the Commissioner of Central Excise (Appeals), Ranchi (filed on 22-05-2017). Amount deposited on appeal Rs. 4.87Lacs (on 18-05-2017)	64.99	64.99
(xiv)	Liability on account of Bank Guarantees issued to CIL, SE Railway, Sales Tax Authorities & JBVNL.	213.21	213.21
(xv)	Claims against the Company not acknowledged as debts pertaining to services rendered under contracts between the Company and a Party under the Civil Court, Saraikela, Jharkhand (net of provision of 210.95Lakhs).	79.23	79.23

**2. COMMITMENTS:**

**2.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (P.Y. Nil)

**2.2 Other Commitments: Rs. Nil (P.Y. Nil)****3. Rehabilitation Scheme:**

- (I) The company was declared a Sick Industrial Company within the meaning of clause (0) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 by the Hon'ble BIFR vide its order dated 19.12.1996. The Hon'ble BIFR vide its order dated 29th July, 2004 had sanctioned the Rehabilitation Scheme. The total payment of Rs. 13500.00 Lakhs envisaged as per the scheme had been duly made.
- (II) In the review hearing held on 3rd September, 2007 & 22nd September, 2010, the BIFR, by exercising powers under Section 18 (5) and 18 (9) of the SICA, clarified / directed that the Company shall make payment of the due installments to its foreign lenders in 'Euro' as per the amount reflected in Euro in the statement annexed to the sanctioned scheme along with the applicable interest i.e. LIBOR plus 1% per annum (LIBOR + 3% in case of delay/ default in payment of instalments).

The Company had filed appeal before the Appellate Tribunal for Industrial and Financial Reconstruction (AAIFR) challenging the above said order. AAIFR vide its order dated 23-12-2011 had dismissed the appeal. The above order of AAIFR was challenged by the Company by filing Writ Petition in Jharkhand High Court on 06.02.2012. In the hearing held on 22nd February, 2012, the Appeal was dismissed.

The Company has not recognized Rs. 4065.68 Lakhs as on 31-03-2023 (Rs. 3669.32 Lakhs as on 31-03-2022) being the liability on account of foreign currency fluctuation in Euro on foreign currency loans installments and interest thereon as per the BIFR Scheme. The Company has filed a Letters Patent Appellate Jurisdiction (LPA) on 27th July, 2012 before the higher bench in the High Court of Jharkhand, Ranchi against the order of the Single Judge which is still pending.

4. The demand of water charges Rs.2131.91 Lakhs inclusive of interest on arrear of water bills as on 31.03.2023(net provision made by company) (P.Y. Rs.2131.91 Lakhs as on 31.3.2022) raised by Chief Engineer, Subarnarekha Multipurpose Project, Chandil had been disputed by the company under a Writ Petition with Jharkhand High Court, Ranchi. Hon'ble High Court had remanded the matter back to the Chief Engineer, Chandil Complex, Jamshedpur for passing a speaking order. However a recovery certificate, has been issued by the Executive Engineer, Chandil for recovery of Rs.2270.60 Lacs, which is being challenged by the Company. The company based on its own estimate of liability, has made total provision for Rs. 138.69 Lakhs up to 31st March, 2023 (Rs.138.69 Lakhs as on 31.3.2022).
5. South Eastern Coalfield Ltd. has imposed and recovered a penalty by encashment the bank guarantee of Rs.215.28 Lakhs in 2011-12 on account of short lifting of coal quantity in terms of Fuel Supply Agreement (FSA) dated 02.05.2008. The Company has taken up the matter with Coal India Limited/ South Eastern Coalfield Ltd. for refund of the said amount for settlement of dispute under clause 15.3 of the FSA. No provision has been made for penalty recovered since the matter is pending under writ petition filed by the Company before the Hon'ble High Court of Chattisgarh, Bilaspur.
6. As regard the Unsecured loans taken by the Company, the Company has approached its promoters for one time settlement of their loans. The settlement will be subsequent to and on the line as per settlement arrived at with Government of Jharkhand for soft loans.
7. Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs.6576.83 Lakhs (Rs. 5699.43 Lakhs upto March 31, 2022) not been provided and is subject to representations for waiver.
8. Related Party Transactions (RPT) in respect of renting of the office of the Company is Rs. 39.26 Lakhs (P.Y. 38.96 Lakhs) and the availing or rendering of services including sale and purchase of goods amounting to Rs. 6240.35 Lakhs (P.Y. 9610.64 Lakhs) as covered under section 188 (1) (c) and (d) respectively and Rules made thereunder and is within the overall limits of Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014.
9. Outstanding dues to Micro, Small and Medium Enterprises:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to extent such parties have been identified by the Company on the basis of information and record available with them.

Accordingly, the disclosure in respect of the amounts payable to such enterprises as 31st March, 2023 is Rs.Nil (Previous year Rs.0.01 Lakhs).

10. (a) ACIT, Central Circle JSR vide Asstt. Order u/s 143(3) dt. 31.03.2016 for the AY 2013-14 has passed the order by reducing the returned

loss from Rs.2424.29 Lakhs to Rs.1740.15 Lakhs by disallowing the cost of Raw material consumption of Rs.684.14 lakhs due to excess consumption as compared to average of Rs.5.2% of the sales value and issued notice of demand u/s 156 of the Act for levy of Penalty u/s 271(1) (c).

Aggrieved by the said order, the Company filed appeal u/s 246 A of the Income Tax Act before the Commissioner of Income Tax (Appeals)-3, Patna on 2.5.2016 for drop of disallowance and dismissal of Penalty proceedings.

- (b) ACIT, Central Circle JSR vide Asstt. Order U/S 143(3) dt 30-09-2016 for the AY 2014-15 has reduced the returned loss from Rs.1220.69 Lakhs to Rs.562.08 Lakhs by disallowing the cost of raw material Rs.14.54 Lakhs, personnel cost Rs.369.94 Lakhs and depreciation of Rs.143.19 Lakhs and issued notice of demand u/s 156 of the Act for levy of penalty u/s 271(1)(c) of the Act.

Aggrieved by the said order, the company has filed appeal u/s 246A of the Act before the Commissioner of Income Tax, (Appeal) Patna on 05-11-2016 for drop of disallowances and penalty proceedings.

- (c) As per Assessment Year 2017-18 Income Tax portal, a demand of Rs.20.62 Lakhs is outstanding, the Company has filed an application U/s 154 for the rectification of mistake.
- (d) For Assessment Year 2018-19, assessment order has been passed u/s 143(3) accepting the return of income filed by the Company and income has been determined at NIL.

However, in the computation of income Rs.0.73 Lakhs has been charged as Interest for Deferment of Advance Tax. Since the company is not liable to pay any tax for the said assessment year, no advance tax was payable and therefore, the said interest is not payable.

The Company needs to file application U/s 154 of the Income Tax Act, 1961 for rectification of mistake apparent on record.

Even as per assessment order a refund, including interest, of Rs.17.60 Lacs is due and has not been received till date.

- (e) Assessment Year 2013-14 & 2014-15

Income Tax Department has filed criminal proceedings against the company and Mr. R. K. Sharma for delay in deposit of Tax Deducted at source in the Economic Offence court at Ranchi.

The Company has also filed an application for compounding of the offence before the Principal Commissioner at Patna.

11. Credit/Debit balances of the Creditors, Lenders, Debtors and Advances as well as Bank Balances in some cases are subject to reconciliation/confirmation at the year end on 31.03.2023 & in earlier years.
12. In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

### 13: Other Statutory Information

- I. The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- II. The company does not have any transactions with companies struck off.
- III. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- IV. The company has not traded or invested in crypto currency or virtual currency during the financial year
- V. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- VI. All the title deeds of immovable properties are held in the name of company as at the balance sheet date except stated in Note no.1(Amount Rs 5.93 Lakhs ,P.Y.Rs.5.93 Lakhs).
- VII. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of company (Ultimate beneficiaries)

VIII. The company has not received any fund from any party(s) (funding party) with the understanding that the company shall whether directly or indirectly lend or invest in other person or entities indentified by or on behalf of company ("ultimate beneficiaries") or provide any guarantee ,security or the like on behalf of the ultimate beneficiaries.

IX. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

#### 14: Financial Instruments

Financial Instruments by category:

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2023 is as follows:

Rs. Lakhs				
Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Trade receivables	5		0.17	0.17
Cash and Cash Equivalents	6	-	74.32	74.32
Other Bank Balances	7		213.21	213.21
Others Financial Assets	8		23.90	23.90
<b>Total</b>		-	<b>311.60</b>	<b>311.60</b>
<b>Liabilities:</b>				
Borrowings	13		13,580.74	13,580.74
Trade Liabilities	17		7,110.24	7,110.24
Other Financial Liabilities	15		896.28	896.28
<b>Total</b>		-	<b>21,587.27</b>	<b>21,587.27</b>

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2022 is as follows:

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Trade receivables	5		0.29	0.29
Cash and Cash Equivalents	6	-	133.77	133.77
Other Bank Balances	7		213.21	213.21
Other Financial Assets	8		15.76	15.76
<b>Total</b>		-	<b>363.03</b>	<b>363.03</b>
<b>Liabilities:</b>				
Borrowings	13		11,893.95	11,893.95
Trade Liabilities	17		8,493.14	8,493.14
Other Financial Liabilities	15		751.44	751.44
<b>Total</b>		-	<b>21,138.53</b>	<b>21,138.53</b>

\*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Abbreviations : FVTPL - Fair Value Through Profit or Loss.**

**Abbreviations : FVTOCI - Fair Value Through Other Comprehensive Income**

#### 15. Additional Regulatory Information-Ratios

Ratio	Measure	Numerator	Denominator	As at March 31,2023	As at March 31,2022	Variance	Remarks
Current Ratio	Times	Total Current assets	Total Current Liabilities	0.55	0.36	0.19	
Debt-Equity ratio	Times	Total debt	Total Equity	-2.15	-1.58	-0.57	
Debt Service Coverage Ratio	Times	Earning for debt service=Net Profit after taxes+Non cash operation expenses+finance cost	Debt service=Interest Payment	N/A	N/A	N/A	
Return on Equity Ratio	Percentage	Net Profit for the year	Average total equity	-17.52%	-10.52%	-7.00%	
Inventory Turnover Ratio	Times	Cost of Goods Sold	Average Inventory	6.88	3.26	3.62	
Total Receivable Turnover ratio	Times	Revenue from operation	Average trade receivables	202861	71	202790	
Trade payables turnover ratio	Times	Cost of materials consumed+Changes in inventories of stock in trade	Average trade payable	5.17	1.37	3.80	
Net Capital turnover ratio	Times	Revenue from operation	Average Working Capital	-5.92	-0.99	-4.93	
Net Profit ratio	Percentage	Net Profit for the year	Total Income	2.61%	8.74%	-6.13%	
Return on capital employed)	Percentage	Profit before tax and finance cost	Average Capital employed	103.38%	56.27%	47.11%	
Return on Investment	Percentage	Profit after tax	Total Equity	-19.20%	-10.97%	-8.23%	

#### 16. Corporate Social Responsibility:

	Rs.Lakhs
	2022-23
	2021-22
a. Amount required to be spent as per Section 135 of the Companies Act, 2013	<b>7.03</b>
b. Amount spent during the year	
a. Construction/ Acquisition of assets	-
b. On purpose other than above	<b>7.03</b>
c. Nature of CSR activities	Promotion of Pre-primary education
d. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	<b>7.03</b>

## 17. Value of Imports calculated on CIF basis :

		In Rs.Lakhs	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
<b>Component</b>			
Spare Parts	Nil	Nil	
<b>18. Expenditure in Foreign currency</b>	Nil	3.02	

## 19. Value of imported and indigenous raw materials and components consumed and percentage of each to total Consumption:

	Current Year		Previous Year	
	Rs.Lakhs	%	Rs.Lakhs	%
<b>Raw Materials :</b>				
- Indigenous	36656.94	100	7395.69	100
- Imported	Nil	Nil	Nil	Nil
	36656.94	100	7395.69	100
<b>Stores &amp; Spare Parts :</b>				
- Indigenous	Nil	-	Nil	-
- Imported	Nil	-	Nil	-
<b>20. Earning in Foreign Currency :</b>	Nil		Nil	

21. Previous year figures have been recast / restated.

## Notes No. 1 to 28 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

As per our report of even date attached.

For K K Jain & Co.  
Chartered Accountants  
Firm Reg.No. 02465N

sd/-  
Umesh Kumar Modi  
(Chairman & President)  
DIN 00002757

sd/-  
Aditya Kumar Modi  
(Whole time Director)  
DIN 09303804

sd/-  
Vijay Kumar Modi  
(Director)  
DIN 00004606

sd/-  
(Simmi Jain)  
Partner  
Membership No. 086496

sd/-  
J.C. Chawla  
(Director)  
DIN: 05316202

sd/-  
Sachin  
(Chief Financial Officer)  
M.N. 504288

sd/-  
Vimal Prasad Gupta  
Company Secretary  
M.N. F6380

Place : NEW DELHI  
Date : 26th May, 2023





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