

# BIHAR SPONGE IRON LIMITED

CIN - L27106JH1982PLC001633

Registered Office : Umesh Nagar, Chandil, Dist Saraikela-Kharsawan, Jharkhand-832401

Ph.: +91-6591-232410/17, E-mail: companysecretary@bsil.org.in

Web.: <http://www.bsil.org.in>

## NOTICE

Notice is hereby given that 32<sup>nd</sup> Annual General Meeting of the Members of Bihar Sponge Iron Limited will be held on Monday, the 29<sup>th</sup> day of September, 2014 at 11:00 am at the Registered Office of the Company at Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan – 832401, Jharkhand to transact the following businesses:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt audited accounts of the Company consisting of Balance Sheet as at 31st March, 2014 and Statements of Profit and Loss for the year ended on that date including notes thereto and the Reports of the Directors and Auditors thereon for the financial year ended 31<sup>st</sup> March, 2014.
2. To appoint a director in place of Mrs. Kum Kum Modi (holding DIN-00522904) who retires from office by rotation and being eligible, offers herself for re-appointment.
3. To appoint a director in place of Mr. Jayesh Modi, (holding DIN-02849637) who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 (Act) and other applicable provisions if any of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, [Firm Registration No. 000038N], the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, and to fix their remuneration."

### SPECIAL BUSINESS:

5. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and any other applicable provision of the Companies Act,2013 (Act) and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. G.C.Jain (DIN-00002696), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 29<sup>th</sup> May, 2014, not being liable to retire by rotation."

6. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and any other applicable provision of the Companies Act,2013 (Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. J.C. Chawla (DIN-05316202), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 29<sup>th</sup> May, 2014, not being liable to retire by rotation."

7. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and any other applicable provision of the Companies Act,2013 (Act) and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Dr. Shyam Vyas (DIN-02025415), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 29<sup>th</sup> May, 2014, not being liable to retire by rotation."

8. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149,150,152 and any other applicable provision of the Companies Act,2013 (Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. Gerd Wilhelm Elsenheimer (DIN-0062118), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 29<sup>th</sup> May, 2014, not being liable to retire by rotation."

9. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution**:

**"RESOLVED THAT** Pursuant to the provisions of Section 149,150,152 and any other applicable provision of the Companies Act,2013 (Act) and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. B. D. Garg (DIN-00002792) an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 29<sup>th</sup> May, 2014, not being liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Satish Kumar Gupta who was appointed as an additional director by the Board of Directors on 13<sup>th</sup> December, 2013 and whose term of office pursuant to the provisions of Section 161 of the Companies Act, 2013 expires at this Annual General Meeting and in respect of whom a notice has been received from a member under Section 160 of the Companies Act, 2013 proposing his candidature as a Director of the Company be and is hereby appointed as Director of the Company."

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

**"RESOLVED THAT** in accordance with the provisions of Section 197 and 203 read with Schedule IV as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and subject to the approval of the Financial Institutions, Central Government and such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Satish Kumar Gupta as Whole-time Director, designated as Director-Works of the Company for a period of 1 year with effect from 13<sup>th</sup> December, 2013 on the terms, conditions and remuneration mentioned herein below:-

1) <b>Basic Salary</b>	Rs. 79,800 per month
2) <b>Perquisites &amp; Allowances:</b>	
a. House Rent	Rs.900 per month
b. Conveyance	Company's car, with actual petrol not exceeding 2500 per month and repair & maintenance.
c. Driver Allowance	Rs. 9000 per month
d. Telephone and Mobile phone	As per actual
e. Medical Reimbursement	Expenses incurred by him and his family, Maximum 5 % of the basic salary
f. Leave Travel Allowance	One month basic salary per annum
g. Bonus/Ex-gratia	One month basic salary per annum
h. Contribution to Provident fund, Superannuation fund or Annuity fund	As per the rules of the Company which shall not be computed for the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
i. Gratuity	Gratuity payable shall not exceed half month's salary for each completed Year of service.
j. Minimum Remuneration	In the event of inadequacy or absence of profit in any financial year during his tenure, Mr. S. K. Gupta will be entitled to remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in terms of Schedule V of the Companies Act, 2013.

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

### 3) Other Terms:

- Leave: As per the rules of the Company.
- Reimbursement of entertainment expenses: Mr. S. K. Gupta will be entitled to reimbursement of entertainment and other expenses incurred in the course of legitimate business purpose of the Company."

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

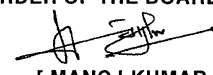
"RESOLVED THAT in pursuant to Section 180 (1) of the Companies Act, 2013 (Act) and all other applicable provisions, if any, of the Act, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to borrow monies together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs. 800 Crores (Rupees Eight Hundred Crores only) as outstanding at any time in excess of the aggregate of Paid-up Capital and Free Reserves of the Company from time to time and to mortgage and/or charge, in such form and manner and with such ranking and at such time and such terms as the board may determine, all or any of the movable and/or immovable properties of the Company, both present and future in favour of banks, national financial institution, foreign financial institutions, other lenders, for securing the borrowing availed or to be availed by the Company in foreign and or Indian rupee.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers agreements as may be required and do all such act deeds, matters and things, as it may in the discretion deem necessary, proper or desirable and to settle any question of difficulties or doubts that may arise in regard to borrowing of funds and creation of mortgages /charges as aforesaid."

### 13. To consider and if thought fit, to pass the following resolution with or without modification, as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 148 (2) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and subject to approval of the Central Government, re-appointment of M/s. M.K. Singhal & Co., Cost Accountants as Cost Auditors of the Company, to audit the cost accounts of Company for the year 2014-15 at a remuneration of Rs.1.00 lacs, be and is hereby ratified."

BY ORDER OF THE BOARD



Place : New Delhi  
Dated : 29th May, 2014

[ MANOJ KUMAR ]  
COMPANY SECRETARY

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. SUCH PROXIES DULY COMPLETED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
- M/s. Beetal Financial & Computer Services Pvt. Limited, 99, Madangir, Behind Local Shopping Centre, New Delhi - 110062 Telephone no(s) 011-29961281, 282, 283, Fax: 011-29961284 E-mail : beetalra@gmail.com is the Registrar and Share Transfer Agent for physical shares of the Company and is also the depository interface of the Company with both NSDL and CDSL. However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at the Registered Office of the Company at Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401, Ph.: +91-6591-232410/17, e-mail: companysecretary@bsil.org.in
- Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, September 22<sup>nd</sup>, 2014 to Monday, September 29<sup>th</sup>, 2014** (both days inclusive).
- The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 9:30 A.M. to 1:00 P.M. except on holidays.
- Members/Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
- Members who hold shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members are advised to avail of the nomination facility by filing Form SH-13 in their own interest. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
- The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection at the meeting.

10. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
11. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (though non-mandatory till 31st December 2014 pursuant to MCA Circular No. 20/2014 Dated 17th June 2014) and Clause 35B of the Listing Agreement (mandatory for all listed companies), the Company is pleased to provide its Members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL)

**Instructions for members for voting electronically are as under :**

**(I) In case of members receiving e-mail :**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Electronic Voting Sequence Number (EVSN) 140819052 along with "Bihar Sponge Iron Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID:
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next, enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, then follow the steps given below :

**For Members holding shares in Demat Form and Physical Form**

**PAN\*** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

**DOB #** Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

\* Permanent Account Number, # Date of birth

**Dividend**

**Bank Details#** Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are

required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the relevant EVSN for "Bihar Sponge Iron Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**(II) In case of members receiving the physical copy :**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The e-voting period begins on **Thursday, the 25th September 2014 at 09:00 Hrs.** and ends on **Friday the 26th September 2014 at 18:00 Hrs.** During this period Shareholders' of the Company, holding Equity Shares either in physical form or in dematerialised (demat) form, as on the cut-off date (record date) of **Friday, the 15th August 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) The Board of Directors has appointed **Mr. Sarat Jain**, Chartered Accountant in Practice as a Scrutinizer to process the e-voting and submit a report to the Chairman.

- (E) **Mr. Manoj Kumar, Company Secretary** of the Company shall be responsible for addressing all the grievances in relation to this 32<sup>nd</sup> Annual General Meeting including e-voting.
- (F) The Notice of the 32<sup>nd</sup> Annual General Meeting are being sent to all the Members, whose names appear in the Register of Members as on cut-off date (record date) i. e. 15th August, 2014 through Registered Post and also by E-Mail, wherever registered. The Members may also download a copy of the Notice from the Website of the Company ([www.bsil.org.in](http://www.bsil.org.in)).
- (G) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on 15th August, 2014 and not casting their vote electronically, may only cast their vote at the 32<sup>nd</sup> Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid-up share capital of the Company as on 15th August, 2014.
- (H) Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically. However, in case shareholder cast their vote through e-voting as well as physically, then voting done through e-voting will prevail.
- (I) The results of voting shall be declared within two (2) days of the 32<sup>nd</sup> Annual General Meeting convened for the purpose. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website ([www.bsil.org.in](http://www.bsil.org.in)) CDSL Website and shall also be communicated to the Stock Exchanges (BSE & NSE).
12. Members desiring any information as regards to accounts are requested to address their questions to the Secretary of the Company at least 7 days before the date of the Meeting so that the required information is made available at the Meeting.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

##### ITEM NO 5.

Mr. G. C. Jain was appointed as a Director of the Company on July 31, 2000. He is Chartered Accountant and has experience in the area of accounts, finance, taxation and administration of over 35 years. He is in the Board of SBEC Sugar Limited and SBEC System Limited. He is Chairman of Audit Committee and Investors Grievance Redressal Committee of SBEC Sugar Limited and SBEC System Limited and Audit Committee. Mr. G. C. Jain is member of the Audit Committee, Remuneration committee and Investors Grievances Redressal Committee of the Company.

Mr. G. C. Jain is a Director and whose period is liable to determination by retirement of director by rotation pursuant to Section 149 and other provisions of the Companies Act, 2013, he being eligible offer himself for appointment, is proposed to appoint him as an Independent director for a term of five consecutive years from 29<sup>th</sup> May, 2014 to 28<sup>th</sup> May, 2019. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. G. C. Jain as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. G. C. Jain satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company.

In the opinion of the Board Mr. G. C. Jain's continuation on the board as independent director will be beneficial to the Company and the Board recommends the resolution set out under **Item No. 5** of this notice for approval of the members as ordinary resolution.

Except Mr. G. C. Jain none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

##### ITEM NO. 6.

Mr. J. C. Chawla was appointed as a Director of the Company on August 22, 2012. He has experience in the area of management and administration of over 37 years. Mr. J. C. Chawla is member of the Audit Committee, Remuneration committee and Investors Grievances Redressal Committee of the Company.

Mr. J. C. Chawla is a Director and whose period is liable to determination by retirement of director by rotation pursuant to Section 149 and other provisions of the Companies Act, 2013, he being eligible offer himself for appointment, is proposed to appoint him as an Independent director for a term of five consecutive years from 29<sup>th</sup> May, 2014 to 28<sup>th</sup> May, 2019. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. J. C. Chawla as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. J. C. Chawla satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. In the opinion of the Board Mr. J. C. Chawla's continuation on the board as independent director will be beneficial to the Company and the Board recommends the resolution set out under **Item No. 6** of this notice for approval of the members as ordinary resolution.

Except Mr. J. C. Chawla none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

##### ITEM NO 7.

Dr. Shyam Vyas was appointed as a Director of the Company on May 5, 2012. He has experience in the area of management and administration of over 32 years. Dr. Shyam Vyas is member of the Audit Committee, Remuneration committee and Investors Grievances Redressal Committee of the Company.

Dr. Shyam Vyas is a Director and whose period is liable to determination by retirement of director by rotation pursuant to Section 149 and other provisions of the Companies Act, 2013, he being eligible offer himself for appointment, is proposed to appoint him as an Independent director for a term of five consecutive years from 29<sup>th</sup> May, 2014 to 28<sup>th</sup> May, 2019. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Dr. Shyam Vyas as a candidate for the office of Director of the Company.

In the opinion of the Board Dr. Shyam Vyas satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. In the opinion of the Board Dr. Shyam Vyas continuation on the board as independent director will be beneficial to the Company and the Board recommends the resolution set out under **Item No. 7** of this notice for approval of the members as ordinary resolution.

Except Mr. Dr. Shyam Vyas none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

##### ITEM NO 8.

Mr. Gerd Wilhem Elsenheimer was appointed as a Director of the Company on May 5, 2012. He is resident of Germany and has vast knowledge and experience in the area of the technical know-how of manufacturing process and operations of the plant.

Mr. Gerd Wilhem Elsenheimer is a Director and whose period is liable to determination by retirement of director by rotation pursuant to Section 149 and other provisions of the Companies Act, 2013, he being eligible offer himself for appointment, is proposed to appoint him as an Independent director for a term of five consecutive years from 29<sup>th</sup> May, 2014 to 28<sup>th</sup> May, 2019. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 proposing Mr. Gerd Wilhem Elsenheimer as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. Gerd Wilhem Elsenheimer satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. In the opinion of the Board Mr. Gerd Wilhem Elsenheimer continuation on the board as independent director will be beneficial to the Company and the Board recommends the resolution set out under **Item No. 8** of this notice for approval of the members as ordinary resolution.

Except Mr. Gerd Wilhem Elsenheimer none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

#### ITEM NO 9.

Mr. B. D. Garg was appointed as a Director of the Company on June 06, 2011. He is B.Tech (Chemical) from BHU and has over 36 years of experience in the area of the operations, finance, administration and management of business of the Company.

Mr. B. D. Garg is a Director and whose period is liable to determination by retirement of director by rotation pursuant to Section 149 and other provisions of the Companies Act, 2013, he being eligible offer himself for appointment, is proposed to appoint him as an Independent director for a term of five consecutive years from 29<sup>th</sup> May, 2014 to 28<sup>th</sup> May, 2019. A Notice has been received from a member pursuant to Section 160 of the Companies Act, proposing Mr. B. D. Garg as a candidate for the office of Director of the Company.

In the opinion of the Board Mr. B. D. Garg satisfies the conditions specified under the Companies Act, 2013 and rules made there under for his appointment as an independent director of the Company. In the opinion of the Board Mr. B. D. Garg continuation on the board as independent director will be beneficial to the Company and the Board recommends the resolution set out under **Item No. 9** of this notice for approval of the members as ordinary resolution.

Except Mr. B. D. Garg none of the Director, key managerial personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the proposed resolution.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

#### ITEM NO. 10

Mr. Satish Kumar Gupta is an engineering graduate and has experience of more than 40 years and has worked at various levels in the industry. His experience are in the area of sales, marketing, administration and operations of the Company's business. The Board has appointed him as the Additional Director of the Company at the Board meeting held on 13<sup>th</sup> December, 2013. As per the provisions of Section 260 of the Companies Act, 1956 now Section 161 of the Companies Act, 2013 Mr. Satish Kumar Gupta holds the office of director only up to the date of this Annual General Meeting. The Company has received a notice from a member under Section 160 of the Companies Act, 2013 along with deposit of rupees one lacs, proposing the candidature of Mr. Satish Kumar Gupta as Director of the Company.

As per the provisions of the Companies Act, 2013 the appointment of Mr. Satish Kumar Gupta as director of the Company requires approval of the members in General Meeting by way of ordinary resolution. The Board recommends that the resolution be passed as ordinary resolution.

The related registers, records and documents is available for inspection during business hours on any working day at the Registered Office of the Company. There is no financial interest of any of the directors, interest is only to the extent of their shareholding in the Company as the directors are also the shareholders in the Company.

No. Key Managerial persons (KMP) or their relatives are concerned or interested in the resolution except to the extent of being KMP. No relatives of the directors are concerned or interested in the resolution except to the extent of their shareholding in the Company.

The explanatory statement may also be regarded as a disclosure pursuant to Clause 49 of the Listing Agreement.

#### ITEM NO. 11

Mr. Satish Kumar Gupta is an engineering graduate and has experience of more than 40 years and has worked at various levels. His experience is in area of sales, marketing, administration and operations of the Company's business. The Board has subject to your approval and other approvals as may be required

appointed him as the whole time director, designated as Executive Director (works) of the Company w.e.f. 13<sup>th</sup> December, 2013 for a period of one year on the remuneration and perquisites as contained in resolution No. 11 of this notice.

Further considering the above facts, other relevant factors and the comparative remuneration in the industry, the Remuneration Committee, pursuant to Schedule XIII of the Companies Act, 1956 approved and recommended to the Board for payment of such remuneration as mentioned under Item No. 11 of this notice, to Mr. Satish Kumar Gupta for a period of one year w.e.f. 13<sup>th</sup> December, 2013. The Board in their meeting held on 13<sup>th</sup> December, 2013 had approved payment of remuneration to him subject to your approval.

The information as required under Schedule XIII to the Companies Act, 1956 and Schedule V of the Companies Act, 2013 is given herein under:

#### I. GENERAL INFORMATION:

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

Financial Parameters	2013-14	2012-13
Sales (Net of Excise Duty)	1909.70	12054.16
Other Income	275.60	146
Profit / (Loss) before Interest, Depreciation & Exceptional Items	(938.48)	(1759.86)
Interest & Finance Charges	389.43	977.56
Depreciation	342.98	346.27
Profit/(Loss) for the year before		
Exceptional Items	(1670.89)	(3083.69)
Exceptional Items-income/(expenditure)	(103.41)	476.12
Provision for Tax	-	-
Profit / (Loss) for the year carried to		
Balance Sheet	(1774.30)	2607.57

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

#### II. INFORMATION ABOUT THE APPOINTEE:

**Background details:** Mr. Satish Kumar Gupta is an engineering Graduate with over 40 years of experience in the industry and has worked at various level.

**Past remuneration:** Mr. Satish Kumar Gupta was receiving Rs. 100,000 lacs as consultancy fee from the Company and is appointed as Executive Director (Works) w.e.f. 13<sup>th</sup> December, 2013 on nearly the same salary.

Recognition or awards : None.

**Job profile and his suitability :** Mr. Satish Kumar Gupta has vast experience in the area of sales, marketing, administration and operations of Company's business. He has been associated with the Company since last 35 years.

**Remuneration proposed:** Details of proposed remuneration is given in Item No. 11 of the Notice convening the 32<sup>nd</sup> Annual General Meeting.

Comparative remuneration profile with respect to industry size of the company, profile of the position and person: In the similar sized sponge iron units, remuneration is ranging between Rs. 20 lacs to Rs. 30 lacs per annum.

**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** He does not have pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel except drawing salary from the Company.

### III. OTHER INFORMATION:

Reasons of loss or inadequate profits: The basic reasons for loss is due to low production of Sponge Iron as against the installed capacity. The Company could not achieve full production due to unprecedented low availability of Iron Ore, Coal and working capital shortage and further due to non-availability of Coal from Central Coalfields Limited the plant has been shut and operation is suspended from 9<sup>th</sup> August, 2013.

#### Steps taken or proposed to be taken for improvement:

The Company was allotted Ghatkuri Iron Ore Mine in April, 2007 in the State of Jharkhand with 406.40 hectares of land and consisting of reserves estimated at 35.65 million tons. However, the Geological Survey was conducted by Department of Geology, Ministry of Mines, Govt. of Jharkhand and report was released in February, 2012 wherein they have assessed the Ore reserve to be about 11.00 Million Tons. The Company expects a total capital investment of around Rs.45.00 Crores for the development and anticipates the commencement of production of iron ore by 2015.

Ministry of Coal, Government Of India vide its letter No. 38011 / 2 / 2007 – CA – 1 dated 5<sup>th</sup> August 2008, has allocated Macherkunda Coal Block to the Company for captive mining of coal to meet its coal requirement. The Central Government, without affording any opportunity of hearing to the Company, proceeded to accept the recommendations purported to have been made by the Inter Ministerial Group (IMG) and consequently vide an order dated 20<sup>th</sup> November 2012, communicated its decision to de-allocate the Macherkunda Coal Block. Upon the de-allocation of the Macherkunda coal block, the Company had filed a Writ Petition before the Hon'ble Jharkhand High Court, being W.P. (C) No. 7331 of 2012 challenging the decision of the Ministry of Coal to de-allocate the coal block. The Hon'ble Jharkhand High Court, by an order dated 12<sup>th</sup> December 2012 has been pleased to pass the following interim order: "Until further order, no coercive steps shall be taken against the Petitioners pursuant to the impugned order". It is expected that the order will be in the favour of the Company.

The Company from the existing power plant generates 5 MW Power based on Dolo Char being produced in the manufacturing of sponge iron. Since the Company is not able to consume the total Dolo Char, the Company has entered into an agreement with G.S. Phambutor Pvt. Limited (GSP) to install a 5 MW Power Plant. Whenever the existing power plant goes under regular maintenance, the Company has to generate power from DG Set, which is highly uneconomical. During such time the Company will take power from GSP and for the rest of the period GSP will consume the power in induction furnace to produce pencil ingot. It is expected that the 5 MW power plant and induction furnace will be commissioned soon.

The above measures being taken by the Company will definitely improve the performance of the Company in terms of profitability.

Pursuant to section 197 and Section 203 of the Companies Act, 2013 and rules made there under the present proposal is to seek the member's approval for appointment of Mr. Satish Kumar Gupta as the whole time director, designated as the Executive Director (works) and payment of remuneration to the Whole Time Director requires approval of the shareholders by way of a special resolution in terms of the provisions of Schedule XIII of the Companies Act, 1956 and Section 197 and Section 203 of the Companies Act, 2013 and rules made there under. Therefore, the Board recommends this resolution to be passed as a special resolution.

There is no financial interest of any of the directors, interest is only to the extent of their shareholding in the Company as the directors are also the

shareholders in the Company. No. Key Managerial persons (KMP) or their relatives are concerned or interested in the resolution except to the extent of being KMP. No relatives of the directors are concerned or interested in the resolution except to the extent of their shareholding in the Company. The related registers, records and documents is available for inspection during business hours on any working day at the Registered Office of the Company. There is no financial interest of any of the director, interest is only to the extent of their shareholding in the Company as the directors are also the shareholders in the Company.

No. Key Managerial persons (KMP) or their relatives are concerned or interested in the resolution except to the extent of being KMP. The term of appointment given in the said resolution may be treated as an abstract of the terms and conditions of appointment of the said Whole Time Director u/s 190 of the Companies Act, 2013. None of the Directors except Mr. Satish Kumar Gupta are interested or concerned in the resolution.

#### ITEM NO. 12

As per the provisions of Section 180 of the Companies Act, 2013, this authority requires approval of the Shareholders by way of a Special Resolution. The Rules notified in this regard require the companies to pass Special Resolution of the Shareholders within a period of one year from the date of notification of this section i.e. by September 12, 2014. With a view to meet the requirement of additional borrowing as may arise from time to time, consent of the Shareholders is sought to authorise the Board to borrow up to Rs. 100 Crores as outstanding at any time in excess of the Paid-up Capital and Free Reserves of the Company from time to time at set out in the Resolution. The Board recommends the Resolution for approval of the Shareholders as special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

#### ITEM NO. 13

The Audit Committee and the Board has approved the appointment of M/s. M.K. Singhal & Co., Cost Accountants as Cost Auditors for audit of the cost accounts for the year 2014-15 at a remuneration of Rs.1.00 lacs. In accordance with the provisions of Section 148 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2014-15. The Board recommends the Resolution for approval of the Shareholders.

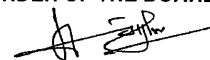
None of the Directors, Key Managerial Personnel of the Company or their relatives is interested or concerned in the proposed Resolution.

#### INFORMATION REGARDING REAPPOINTMENT OF DIRECTORS:

Mrs. Kum Kum Modi, Director of the Company retire by rotation and being eligible, offers herself for re-appointment. Mrs. Kum Kum Modi is Post graduate from Delhi University and has experience in the area administration and business management.

Mr. Jayesh Modi, Director of the Company retires by rotation and being eligible, offers himself for re-appointment. Mr. Jayesh Modi is a Non-Executive director. He has imbibed entrepreneurship skills from family business and has experience in the area of administration and business management.

BY ORDER OF THE BOARD



[ MANOJ KUMAR ]  
COMPANY SECRETARY

Place : New Delhi  
Dated : 29th May, 2014

## BIHAR SPONGE IRON LIMITED

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

32nd Annual General Meeting held on Monday, the 29th September, 2014 at 11.00 A.M.

### PROXY FORM

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

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

Registered Address : .....

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

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

1. Name : ..... of ..... having an E-mail ID: ....., failing him/her;
2. Name : ..... of ..... having an E-mail ID: ....., failing him/her;
3. Name : ..... of ..... having an E-mail ID: ....., failing him/her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, the 29<sup>th</sup> September, 2014 at 11.00 a.m. at the Registered Office : Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401 and at any adjournment thereof in respect of such resolution as are indicated below :

S. No.	Resolution	Vote (Optional (Refer Note))		
		For	Against	Abstain
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014			
2	Re-appointment of Mrs Kum Kum Modi, as director who retires by rotation..			
3	Re-appointment of Mr. Jayesh Modi, as director who retires by rotation.			
4	Appointment of M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants from the conclusion of 32 <sup>nd</sup> Annual General meeting until the conclusion of the 33 <sup>rd</sup> Annual General Meeting.			
<b>Special Business:</b>				
5	Re-appoint Mr. G. C. Jain as an independent director for five years which w.e.f. 29th May 2014			
6	Re-appoint Mr. J. C. Chawla as an independent director for five years which w.e.f. 29th May 2014			
7	Re-appoint Dr. Shyam Vyas as an independent director for five years which w.e.f. 29th May 2014			
8	Re-appoint Mr. G. W. Elsenhaimer as an independent director for five years which w.e.f. 29th May 2014			
9	Re-appoint Mr. B. D. Garg as an independent director for five years which w.e.f. 29th May 2014			
10	Appointment of Mr. Satish Kumar Gupta as director of the Company pursuant to Section 161 of the Companies Act, 2013.			
11	Special Resolution for appointment of Mr. Satish Kumar Gupta as whole-time director of the Company and to fix his remuneration pursuant to Section 197 and 203 of the Companies Act, 2013.			
12	Special Resolution under Section 180 (1) of the Companies Act, 2013 for borrowing money upto Rs. 800 crores and for creation of charge/mortgage on the properties of the Company to secure the borrowing upto Rs. 800 crores.			
13	Retify appointment of M/s M.K. Singhal & Company, Cost Accountants as Cost Auditor of the Company for the financial year 2014-15.			

Signed this ..... day of ..... 2014

Signature of shareholder

Signature of first proxy

Affix  
Revenue  
Stamp

**Notes :**

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

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

## BIHAR SPONGE IRON LIMITED

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

### ATTENDANCE SLIP

32nd Annual General Meeting held on Monday, the 29th September, 2014 at 11.00 A.M.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint Shareholders may obtain additional Slips on request.

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

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

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company held at Registered Office : Umesh Nagar, Chandil, Dist. Saraikela-Kharsawan, Jharkhand -832401 on Monday, the 29<sup>th</sup> September, 2014 at 11.00 A.M.

**SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING**

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

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

## GREEN INITIATIVE

### FOR THE KIND ATTENTION OF MEMBERS

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs (MCA), Government of India, vide its Circular No. 17/2011 dated 21<sup>st</sup> April 2011 and 18/2011 dated 29<sup>th</sup> April 2011.

The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of Annual Reports and other documents of your Company.

In terms of enabling provisions of these Circulars, the Company will henceforth effect electronic delivery of documents including Annual Report, Notice of Meeting/ Postal Ballot, other shareholder communications, etc. to the members at their e-mail addresses available / registered with the Company.

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

- a. **Electronic form**, please intimate your e-mail address to your Depository Participant (DP). The same will be deemed to be your registered e-mail address for serving notices/ documents including those covered under Section 136 of the Companies Act, 2013.
- b. **Physical form**, please send a duly signed letter quoting the name of First / sole holder and Registered Folio addressed to the Company Secretary of the Company or the Registrar & Share Transfer Agent at :

<b>Company Secretary</b> <b>Bihar Sponge Iron Ltd.</b> Umesh Nagar, Chandil Distt. Saraikela Kharsawan - 832401 Jharkhand.	<b>M/s Beetal Financial &amp; Computer Services Ltd.</b> Beetal House, 3rd Floor, Behind Local Shopping Complex 99, Madangir, New Delhi-110062
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Kindly note that if you desire, a physical copy of the Annual Report and other communication/ documents will be sent to you free of cost, as per the current practices. Such documents will also be displayed on the Company's website : [www.bsil.org.in](http://www.bsil.org.in)

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

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