

BIHAR SPONGE IRON LIMITED.

REGISTERED OFFICE & PLANT : UMESH NAGAR, CHANDIL-832401, DISTT. SARAIKELA - KHARSAWAN, JHARKHAND
PHONE (EPABX) : 06591-232410, 232417, Fax : 06591-232412
E-mail : bsilchandil@gmail.com / Web : bsil.org.in CIN : L27106JH1982PLC001633

BSIL/CS/SE/2019

25th May, 2019

The General Manager

Listing Centre
BSE Limited
P J Towers, Dalal Street,
MUMBAI- 400 001

Sub: Audited Standalone Financial results for the quarter and year ended 31st March, 2019.

SCRIP CODE: 500058

Dear Sir,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company in their meeting held on today i.e. 25th May, 2019 has approved and taken on record the Audited Standalone Financial Statements for the Quarter and year ended 31st March, 2019. Please find enclosed the following:

- Audited Standalone Financial results of the Company along with the copy of the Auditors' Report of the Statutory Auditors' of the Company.
- Statement on Impact of Audit qualifications (for Audit Report with Modified Opinion).

This is for your information and record.

Thanking you

Yours faithfully

For BIHAR SPONGE IRON LTD

recccc
R.K. Agarwal
Director
DIN: 00298252



Encl :a/a

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

**The Board of Directors
Bihar Sponge Iron Limited**

1. We have audited the quarterly Financial Results of **BIHAR SPONGE IRON LIMITED** ("the Company), for the quarter March 31, 2019 and the year to date results for the period 1st April, 2018 to 31st March, 2019 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results as well as the year to date financial results have been prepared on the basis of interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management.

We believe that our audit provides a reasonable basis for our opinion.

3. We draw attention to the Statement:-

Note No.4: regarding 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. 3,09,886 thousands on 31.03.2019 as provided in the BIFR Scheme dated 29.07.2004 and also confirmed by AAIFR and 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 against the order of Single Bench of High Court, Ranchi;

Note No.5: no provision has been made on penalty recovered by South East Coalfields Ltd. for Rs. 21,528 thousands on account of short lifting of coal quantity in term of FSA, since the matter is pending under writ petition filed by Company before the Hon'ble High Court of Chhattisgarh, Bilaspur the amount has been included in long terms loans and advances.

Note No. 6: regarding non provision of the undernoted items of expense in view of suspension of operations of plant since 10th August, 2013 as well as other reasons contended by the company :-



- a) Interest on unsecured loan from Promoters and other parties from 10.08.2013 to 31.03.2019 (amount unascertained), and
- b) Interest on Soft Loan taken from the Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 3,28,817 thousands from 10.08.2013 to 31.03.2019 which is subject to representations for waiver.
4. Attention is invited to Note No.3 of the financial results on "Rehabilitation Scheme of the Company", the management has explained its reasons for preparing financial statements on 'going concern basis'. The explanation is as under:-

With the revival of the steel industry, considering the substantial accumulated losses, full erosion of working capital and the liabilities including long term borrowings having matured fully along with interest having fallen due, the company has initiated requisite steps for making the plant ready for operations, with a view to generate revenue and make the plant operational. The company has, on 01-04-2017 entered in to a Facility User Agreement with a company specializing in contract manufacturing. Under the said agreement, part of the plant and machinery shall be operated by the said company. With the restart of the plant by them, the management believes that the company shall gradually start earning surplus and losses incurred in past will get wiped out in due course and there after the company will be able to operate in normal course of its business. The financial statements, as such have been prepared on going concern basis on the strength of management's plan of revival including restructuring of liabilities, providing the adequate finance for the operations and reorganization of business of the company.

Our opinion is not modified in respect of this matter since the company contemplates, as explained above, to run and operate the company on going concern basis.

5. In our opinion and to the best of information and according to the explanation given to us, the Statement these quarterly financial results as well as the year to date results:
- i) is prepared in accordance with the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015; and
- ii) give a true and fair view of the net profit/ loss and other financial information for the quarter ended 31.03.2019 as well as the year to date results for the period from 01.04.2018 to 31.03.2019.

For K. K. Jain & Co.
Chartered Accountants
FRN :02465N

Simmi Jain

(Simmi Jain)
Partner
M.No. 086496



Place: New Delhi

Date: 25.5.2019

BIHAR SPONGE IRON LIMITED, CHANDIL

Registered Office: Umesh Nagar, Chandil District, Sarakela Khasawan, Jharkand-832401
Email: Companysecretary@bsil.org.in / web:www.bsil.org.in CIN: L27106JH1982PLC001633

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH, 2019
(Rs. in Thousands)

Sr. No.	Particulars	QUARTER ENDED			YEAR TO DATE	
		March 31, 2019 Audited	December 31, 2018 Unaudited	March 31, 2018 Audited	March 31, 2019 Audited	March 31, 2018 Audited
I	Revenue from operations	19,479	22,991	17,456	86,497	70,433
II	Other Income	-	-	-	-	-
III	Total Income (I + II)	19,479	22,991	17,456	86,497	70,433
IV	Expenses:					
a)	Cost of materials consumed	-	-	-	-	-
b)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	240	-	240
c)	Employee benefits expense	6,016	3,492	5,917	17,727	19,398
d)	Finance costs	(105)	210	1,132	861	3,927
e)	Depreciation and amortization expense	10,670	10,778	10,778	42,895	43,111
f)	Other expenses	3,932	2,750	2,571	13,049	10,591
	Total Expenses (IV)	20,513	17,230	20,638	74,532	77,267
V	Profit / (Loss) before exceptional items and tax (III - IV)	(1,034)	5,761	(3,182)	11,965	(6,834)
VI	Exceptional Items -Expenses/(Income)net	(359)	5,817	(10,316)	13,052	(5,607)
VII	Profit / (Loss) before tax (V - VI)	(675)	(56)	7,134	(1,087)	(1,227)
VIII	Tax expense:					
	Current tax	-	-	-	-	-
	Deferred tax	-	-	-	-	-
	Total	(675)	(56)	7,134	(1,087)	(1,227)
IX	Profit/(Loss) for the period	(675)	(56)	7,134	(1,087)	(1,227)
x	Other Comprehensive Income	NIL	NIL	NIL	NIL	NIL
xi	Total Comprehensive Income for the period	(675)	(56)	7,134	(1,087)	(1,227)
Xii	Paid up Equity Share Capital(Face value of Rs.10/each)	9,02,054	9,02,054	9,02,054	9,02,054	9,02,054
Xiii	Earning per equity share: (Not annualised)					
	(1) Basic (Rs.)	(0.01)	(0.00)	0.08	(0.01)	(0.01)
	(2) Diluted (Rs.)	(0.01)	(0.00)	0.08	(0.01)	(0.01)



Statement of Assets & Liabilities

Particulars	(Rs. In Thousands)	
	As on 31st March, 2019	As on 31st March, 2018
	Audited	Audited
II. ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment	4,79,056	5,22,074
(b) Capital work-in-progress	28,207	28,207
(c) Intangible assets under development	-	4,725
(d) Other non-current assets	36,630	37,972
Sub-total	5,43,893	5,92,978
(2) Current Assets		
(a) Inventories	46,325	57,905
(b) Financial Assets		
(i) Trade receivables	4,802	-
(ii) Cash and cash equivalents	5,734	4,452
(iii) Bank balances other than mentioned above	4,640	4,640
(iv) Others	1,056	936
(c) Other assets	21,809	22,050
Sub-total	84,366	89,983
Total Assets	6,28,259	6,82,961
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	9,02,531	9,02,531
(b) Other Equity	(17,69,848)	(17,68,761)
Sub-total	(8,67,317)	(8,66,230)
(2) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Other financial liabilities	6,20,459	6,16,560
(b) Provisions	27,807	25,601
(c) Other non-current liabilities	8,155	12,155
Sub-total	6,56,421	6,54,316
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Trade payables	92,858	1,48,043
(ii) Other financial liabilities	6,98,599	6,98,599
(b) Other current liabilities	45,030	46,363
(c) Provisions	2,668	1,870
Sub-total	8,39,155	8,94,875
Total Equity & Liabilities	6,28,259	6,82,961

[Handwritten Signature]



Notes:

- 1 On conservative basis, the Deferred Tax Assets have not been recognised.
- 2 The Company is a single location single product company and hence the requirements of IND AS 108 are not applicable.
- 3 The Company had fuel supply agreement with Central Coalfields Limited, a Unit of Coal India Limited and thereafter the supply of coal was discontinued. Due to stoppage of coal supply, the operations of the plant were suspended w.e.f 9th August, 2013.

With the revival of the steel industry, considering the substantial accumulated losses, full erosion of working capital and the liabilities including long term borrowings having matured fully along with interest having fallen due, the company has initiated requisite steps for making the plant ready for operations and with a view to generate revenue and make the plant operational, the company has, on 01-04-2017 entered in to a facility user agreement with a company specializing in contract manufacturing. Under the said agreement, part of the plant and machinery shall be operated by the said company. With the restart of the plant by them, the management believes that losses incurred in past will get wiped off and in due course the company will be able to operate in normal course of its business. The financial statements, as such have been prepared on going concern basis on the strength of management's plan of revival including reorganization of business and providing the adequate finance for the operations.

- 4 As on 31.03.2019 Disputed liability amounting to Rs. 3,09,886 thousands 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 High Court of Jharkhand, Ranchi, has not been provided by the company pending disposal of Letters Patent Appellate Jurisdiction (LPA) filed before the Divisional bench of High Court of Jharkhand, Ranchi, against the above order.
- 5 No provision has been made for penalty recovered by South East Coalfields Ltd. for Rs. 21,528 thousands on account of short lifting of coal qty. in terms of FSA. Since the matter is pending under writ petition filed by Company before the Hon'ble High Court of Chattisgarh, Bilaspur, the amount has been included in long term loans and advances.
- 6 In view of the facts stated under Note No 3 above, the Plant has been shut down and the operations suspended w.e.f. 9th August, 2013 and accordingly the provisions for undernoted items of expense have not been made in the accounts for the period from 10th August, 2013 to 31st March, 2019.
 - (a) Interest on Unsecured Loans taken from Promoters and Other Parties (amounts unascertained), and
 - (b) Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme, 2003 amounting to Rs. 3,28,817 thousands which is subject to representations for waiver
- 7 Exceptional items include expenses of Rs. 11,581 thousands related to the write down in value of the inventories of Raw material ans Stores & Spares to net realisable value and Rs.743 thousands related to remeasurements recognised in OCI (Gain)/Loss in gratuity and leave encashments actuarial valuation and Rs.864 thousands related to waive off of remuneration by Director (Works) and Rs 4,725 thousands for impairment/write off of Mining Development Expenditure and Rs 3,133 thousands for unclaimed amounts written back.
- 8 Previous period figures have been regrouped / recast / rearranged wherever necessary.
- 9 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 25th May, 2019.
- 10 The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year.
- 11 The Limited review, as required under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been completed by Statutory Auditors.

Place : New Delhi
Date : 25th May, 2019

For BIHAR SPONGE IRON LTD.

(U. K. Modi)
Chairman
DIN: 00002757



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount in Thousands)

I.	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjustment for Audit qualifications	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	86497	-	86497
	2.	Total Expenditure	87584	660231	747815
	3.	Net Profit/(Loss)	(1087)	(660231)	(661318)
	4.	Earnings Per Share (in Rs.)	(0.01)	(7.32)	(7.33)
	5.	Total Assets	628259	(21528)	606731
	6.	Total Liabilities	1495576	(628703)	2134279
	7.	Net Worth	(1278634)	(660231)	(1938865)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil	Nil
II. Audit Qualification (each audit qualification separately):					
a. Details of Audit Qualification: As per Annexure 1					
b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion					
c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing. Point No. I is appearing since F.Y. 2011-12, but the figures of foreign currency loan and interest has changed every year due to currency fluctuation. Point No. II and III (a & b) is appearing since F.Y. 2013-14.					
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:As per Annexure 1					
e. For Audit Qualification(s) where the impact is not quantified by the auditor:					
(i) Management's estimation on the impact of audit qualification: As per Annexure 1					
(ii) If management is unable to estimate the impact, reasons for the same: As per Annexure 1					
(iii) Auditors' Comments on (i) or (ii) above: As per Annexure 1					
III. Signatories:					
<ul style="list-style-type: none"> S. K. Gupta (Director-Works) (DIN: 03537417) 					
<ul style="list-style-type: none"> A. K. Sinha (Chief Financial Officer) 					
<ul style="list-style-type: none"> R. K. Agarwal (Audit Committee Chairman) (DIN: 00298252) 					
<ul style="list-style-type: none"> Simmi Jain M.No. 086496 Partner-K K Jain & Co. (Statutory Auditor) (FRN. 02465N) 					
Place: New Delhi					
Date: 25 th May, 2019					

ANNEXURE-1

Impact is quantified by the auditor:

Details of Audit Qualification	Management's View
I. Non recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon (as required under Indian Accounting Standard-11, amounting to Rs. 309,886 Thousands as provided in the BIFR Scheme dt. 29.07.2004 and also confirmed by AAIFR and 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 against the order of single Bench of High Court, Ranchi. (refer other note no. 3)	Since the matter is disputed and pending before the Divisional Bench of the Hon'able Jharkhand High Court, recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon has not been recognized as expenses and liability as at 31-03-2019 and the same will be treated as per the decision of the said court.
II. No provision has been made on penalty recovered by South Eastern Coal Fields Ltd. of Rs. 21528 Thousands on account of short lifting of coal quantity in terms of FSA. Since the matter is pending under writ petition filed by the Company before the Hon'ble High Court of Chhattisgarh, Bilaspur the amount has been included in long term loans and advances. (refer not no 3)	No provision has been made for penalty recovered by South Eastern Coalfields Limited for Rs. 21528 Thousands in the FY 2011-12 on account of short lifting of coal quantity in terms of Fuel Supply Agreement (FSA) since the matter is pending before Hon'ble High Court of Chattisgarh, Bilaspur and the same will be treated as per the decision of the said court.
III. No provision of the undernoted items of expenses in view of Shutdown of Plant & Suspension of operations since 10 th August, 2013 by the company:- (b). Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 328817 Thousands from 10.08.2013 to 31.03.2019 which is subject to representation for waiver. (refer note 3)	No provision has been made on Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 in view of shutdown of plant & suspension of operations from 10.08.2013 to 31.03.2019 which is subject to representation for waiver.

Sunita Jain

needed

10/11/19

A. Singh



Impact is not quantified by the auditor:

Details of Audit Qualification	Management's View	Auditor's Comment
<p>III. No provision of the undernoted items of expenses in view of Shutdown of the Plant & Suspension of operations since 10th August, 2013 as well as other reasons contented by the company:-</p> <p>a. Interest on unsecured loan from Promoters and other parties from 10.08.2013 to 31.03.2019 (refer note 3) (amount unascertained).</p>	<p>In view of the shutdown of the plant & suspension of operations since 10th August, 2013, no provision has been made in the books of accounts for the following:</p> <p>a. Interest on unsecured loan from Promoters and other parties from 10.08.2013 to 31.03.2019 is subject to representation for waiver. Thus the impact can't be estimated.</p>	<p>Since the matter is subject to representation for waiver to concerned parties the amount is unascertainable at this stage.</p>

Suniti Jain

Neeraj

Neeraj

Chaitanya

