

BIHAR SPONGE IRON LIMITED.

REGISTERED OFFICE & PLANT : UMESH NAGAR, CHANDIL-832401, DISTT. SARAIKELA - KHARSAWAN, JHARKHAND

PHONE (EPABX) : 06591-232410, 232417, Fax : 06591-232412

BSIL/CS/SE/2016/ E-mail : bsilchandil@gmail.com / Web : bsil.org.in, CIN : L27106JH1982PL2501
25th May, 2016

25th May, 2016.

The General Manager
Listing Centre
Bombay Stock Exchange Limited
25 Floor P J Towers,
Dalal Street,
BOMBAY- 400 001

SUB: REGULATION 33 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Dear Sir,

Pursuant to Regulation 33 Of The SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Audited Financial Results for the quarter/year ended on 31st March, 2016 duly approved by the Board of Directors of the Company in their meeting held on 25th May, 2016 along with a copy Auditor's Report and Form-B.

Kindly acknowledge the receipt.

Thanking you

Yours faithfully

For BIHAR SPONGE IRON LTD


Shubhangi Varshney
(Company Secretary)
[M. No.: A43431]

PART I Statement of Audited Financial Results For the Quarter/ Year ended 31st March, 2016

Sr. No.	Particulars	Quarter ended			Year Ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
		Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations					
	(a) Net Sales/Income from operations (Net of excise duty)	2	1	-	3	-
	(b) Other operating income	54	28	62	167	144
	Total income from operations (net)	56	29	62	170	144
2	Expenses					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Purchase of stock - in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	7	12	-	19	-
	(d) Employee benefits expense	70	27	(10)	176	151
	(e) Depreciation and amortization expense	111	109	272	438	447
	(f) Other Expenses	93	9	67	175	179
	Total Expenses	281	157	329	808	777
	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(225)	(128)	(267)	(637)	(633)
4	Other Income	19	15	11	64	65
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(206)	(113)	(256)	(573)	(568)
6	Finance costs	(9)	2	21	13	52
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(197)	(115)	(277)	(587)	(620)
8	Exceptional items-(Income)/Expenditure	-	-	-	-	116
9	Profit/(Loss) from ordinary activities before tax (7-8)	(197)	(115)	(277)	(587)	(736)
10	Tax Expense					
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(197)	(115)	(277)	(587)	(736)
12	Extraordinary items (net of tax expense/liabilities)	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(197)	(115)	(277)	(587)	(736)
14	Paid up equity share capital (face value Rs 10 each)	9,025	9,025	9,025	9,025	9,025
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	2,378	2,378	2,378	2,378	2,378
16.i	Earnings per share (before extraordinary items)(of Rs 10 each) (not annualised):					
	(a) Basic	(0.22)	(0.13)	(0.31)	(0.65)	(0.82)
	(b) Diluted	(0.22)	(0.13)	(0.31)	(0.65)	(0.82)
16.ii	Earnings per share (after extraordinary items)(of Rs 10 each) (not annualised):					
	(a) Basic	(0.22)	(0.13)	(0.31)	(0.65)	(0.82)
	(b) Diluted	(0.22)	(0.13)	(0.31)	(0.65)	(0.82)

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Part-II

Statement of Assets & Liabilities ended 31st March, 2016

Particulars	Rs in Lacs	
	As at 31st March 2016	As at 31st March 2015
I. EQUITY AND LIABILITIES	Audited	Audited
(1) Shareholder's Funds		
(a) Share Capital	9,025	9,025
(b) Reserves and Surplus	(17,299)	(16,712)
(c) Money received against share warrants	-	-
Sub-total	(8,274)	(7,686)
(2) Share Application money pending allotment	-	-
(3) Non-Current Liabilities		
(a) Long-term borrowings	6,579	6,860
(b) Other long term liabilities	81	81
(c) Long term provisions	484	472
Sub-total	7,144	7,413
(4) Current Liabilities		
(a) Short-term borrowings	-	-
(b) Trade payables	1,962	1,931
(c) Other current liabilities	7,705	7,720
(d) Short-term provisions	24	27
Sub-total	9,691	9,678
Total Equity & Liabilities	8,561	9,405
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets	6,417	6,854
(b) Deffered Tax Assets (Net)	-	-
(c) Long term loans and advances	387	389
(d) Other current assets	63	78
Sub-total	6,867	7,320
(2) Current Assets		
(a) Inventories	718	745
(b) Trade receivables	-	11
(c) Cash and cash equivalents	714	1,016
(d) Short-term loans and advances	262	312
Sub-total	1,694	2,084
Total Assets	8,561	9,405

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Note:-

- 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 AS 17 are not applicable.
- 3 As on 31.03.2016 Disputed liability amounting to Rs.2731.10 Lacs 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/ Single Bench of Jharkhand High Court, has not been provided by the company pending disposal of Letters Patent Appeal Jurisdiction (LPA) filed before the larger bench of Jharkhand High Court, Ranchi, against the above order.
- 4 No provision has been made for penalty recovered by South East Coalfields Ltd. for Rs. 215.28 Lacs on account of short lifting of coal qty. in term of FSA, Since the matter is pending under writ petition filed by Company before the Hon'ble High Court of Chattisgarh, Bilaspur and hence the amount has been included in long term loans and advances.
- 5 As the net worth of the Company has not become positive during the implementation of the BIFR Scheme from 29.07.2004 to 30.09.2011, the Company has submitted the Modified Draft Rehabilitation Scheme (MDRS) with the BIFR on 3rd December, 2012 and the Monitoring AGENCY (IFCI), the MDRS is pending for consideration for which was last review on 20.01.2014.
- 6 Central Coal Fields Ltd. (CCL) has stopped the supply of linkage coal w.e.f. 5th February, 2013 and the Fuel Supply Agreement (FSA) with the existing terms and conditions with CCL has expired w.e.f. 30.04.2013 thereafter CCL refused to enter into fresh FSA with the same terms & conditions. The aforesaid action of CCL was challenged by way of Writ Petition filed by the company before the Hon'ble Jharkhand High Court. However, as per the direction of the BIFR, the company has withdrawn the Writ Petition by filing interlocutor application and thereafter Writ stand dismissed.
- 7 Ministry of Coal, Govt. of India is still in the process of finalisation of Policy for Auction of Coal Linkages for non-regulated sector. The Company is now pursuing the supply of sufficient quantity of Linkage Coal from Jharkhand State Mineral Development Corporation (JMDC) for its requirement of running the Plant.
- 8 MDRS submitted to BIFR by the Company in December, 2012 when the company was under the operations, however situations thereafter had changed substantially on shutdown and suspension of production since 10.08.2013 and the accumulated losses increased substantially, working capital eroded fully and the liabilities including the long term borrowings matured fully alongwith the interest thereon. The management is taking necessary steps for tie-up of coal from the CCL/JSMDC and also making updation in the MDRS for being submitted to BIFR for considerations of reliefs and concession with financial restructuring so as to make the company economically viable and losses incurred in past be wiped out in due course. The financial statements as such have been prepared on 'going concern basis'.
- 9 In view of the facts stated under Note No.(6) to (8) above and the shut down of the Plant and the operations suspended w.e.f. 9th August, 2013 the provisions for undernoted items of expense have not been made in the accounts for the period from 10th August, 2013 to 31st March, 2016.
 - (a) Interest on Unsecured Loans taken from Promoters and Other Parties (amounts unascertained).
 - (b) Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs.135747 thousands which is subject to representations for waiver, and
 - (c) Salaries, Wages and allowances as well as employee benefits expenses and interest on statutory dues related to PF & Family Pension etc. (amount unascertained).The Statutory Auditor's have expressed qualification in respect of item No. (3), (4), & (9) as above.
- 10 Previous period figures have been regrouped / recast / rearranged wherever necessary.
- 11 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 25, 2016.
- 12 The above Financial result and the Statement of Assets & Liabilities for the period ended 31st March, 2016 have been audited by the statutory auditors of the Company.
- 13 The figures of the last quarter of current financial year are the balancing figures between audited results in respect of the full Financial year and the published year to date figures upto the third quarter of the current financial year.

For BIHAR SPONGE IRON LTD.

(S.K. Gupta)
(Director - Works)
DIN: 30537417



Place : New Delhi
Date : 25.05.2016

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Independent Auditor's Report

The Board of Directors
Bihar Sponge Iron Limited
Umesh Nagar, Chandil
Dist. Saraikela – Kharsawan
Pin – 832 401

1. We have audited the accompanying statement of Financial Results of Bihar Sponge Iron Limited ("the Company"), for the quarter ended 31st March, 2016 and for the year ended March 31, 2016, being submitted by the company pursuant the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which are in accordance with the Accounting Standards prescribed under section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion.

3. We draw attention to the statement:-

Note No.3 regarding non recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon (as required under Accounting Standard – 11, Revised) amounting to Rs. 2731.30 lacs as provided in the BIFR Scheme dt. 29.07.2004 and also confirmed by AAIFR/ Single Bench of Jharkhand High Court, Ranchi since the company against the order of Single Bench of High court, has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi;



Note No. 4 : no provision has been made on penalty recovered by South East Coalfields Ltd. for Rs 215.28 Lacs on account of short lifting of coal qty. in term of FSA , Since the matter is pending under writ petition filed by Company before the Hon'ble High Court of Chhattisgarh , Bilaspur and hence the amount has been included in long terms loans and advances.

Note No. 9: regarding non provision of the undernoted items of expense in view of shutdown of the plant & suspension of operations 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 31.03.2016 (amount unascertained).
 - b) Interest on Soft Loan taken from the Government of Jharkhand under and Industrial Rehabilitation Scheme 2003 amounting to Rs. 1357.47 lacs from 10.08.2013 to 31.03.2016 which is subject representations for waiver and
 - c) Salaries, Wages, Allowances as well as employee benefit expenses w.e.f. 10.08.2013 to 31.03.2016, (amount unascertained).
 - d) Provision for interest on unpaid statutory dues as per the books the books w.r.t Provident Fund and Family Pension Fund as per the books of account.
4. In our opinion and to the best of information and according to the explanation given to us, the statement:
- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - ii. except for the possible effects of the matter described in paragraph 3 above ,gives a true and fair view in conformity with the aforesaid accounting standards and other accounting principal generally accepted in India of the net loss for the quarter ended March 31, 2016 as well as for the year ended on that date.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN 000038N



(M.P. Thakur)

Partner

M.No. 052473

Place: New Delhi

Date : 25.05.2016



FORM B

(Audit Report with modified opinion)

Pursuant to Regulation 33(4) of SEBI (LODR) Regulations, 2015

1.	Name of the company	BIHAR SPONGE IRON LIMITED.
2.	Annual financial statements for the year ended	31 st March 2016
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification, draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>I. Non recognition of liability on account of currency fluctuations on foreign currency loan and interest thereon (as required under Accounting Standard – 11, Revised) amounting to Rs. 2,73,110 thousand as provided in the BIFR Scheme dt. 29.07.2004 and also confirmed by AAIFR/ Single Bench of Jharkhand High Court, Ranchi since the company against the order of Single Bench of High court, has filed Letters Patent Appellate Jurisdiction (LPA) before the Divisional Bench of High Court of Jharkhand, Ranchi (refer other note no. 3(II) appearing in Annexure 1).</p> <p>II. Non recognition penalty of Rs. 21,528 thousand recovered by South Eastern Coal Fields Ltd. On account of short lifting of coal quantity 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 (refer other note no 5 of Annexure I).</p> <p>III. No provision has been made in the books of accounts in respect of the undernoted items of expense 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 of Rs. 6,57,901 thousand taken from Promoters and other parties from 10.08.2013 to 31.03.2016(amount unascertained) (refer note 7(a) of Annexure I).</p> <p>b. Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 amounting to Rs. 1,35,747 thousand from 10.08.2013 to 31.03.2016 which is subject to representation for waiver (refer note 7(b) of Annexure I).</p> <p>c. Salaries, Wages and allowances as well as employee benefits expenses and interest on statutory dues related to PF & Family Pension etc w.e.f. 10.08.2013 to 31.03.2016, (amount unascertained) (refer note 7(c & d) of Annexure I)</p> <p>Management Response:</p> <p>I. 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 31-03-2016 and the same will be treated as per the decision of the said court. It is explained under Note 3 (a) and under the heading of Long Term Borrowing and Annexure –I, Part –III, Clause 3 (ii), in the Notes to the Financial Statement, which is self explanatory This qualification is repetitive since F.Y. 2011-12.</p> <p>II. No provision has been made for penalty recovered by South Eastern Coalfields Limited for Rs. 21,528 thousand in the FY 2011-12 on account 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. It is explained under Annexure –I, Part –III, Clause 5, in the Notes to the Financial Statement, which is self explanatory . This qualification is repetitive since F.Y. 2013-14.</p> <p>III. 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 items of expenses mentioned above in the</p>

<p>Additional comments from the board/audit committee chair:</p>	<p>clause III(a) to III(c). This qualification is repetitive since F.Y. 2013-14.</p> <p><u>Comment of the Audit Committee Chairman:</u></p> <p>The Board/ Audit Committee suggested that since the matter in Clause I & II is disputed and pending before various Courts in India, and recognition of liability and expenses has not been accounted as liability and the same will be treated as per the decision of the concerned Courts.</p> <p>In view of Shutdown of the Plant & Suspension of operations since 10th August, 2013 as well as other reasons contended by the company in Clause III the Board and Audit Committee is not in agreement till the matter is finally disposed off and hence the amount has not been recognized as expenses and liability as at 31-03-2016.</p>
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For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N



(M.P. THAKUR)
Partner
M. No. : 052473

Dated: 25th May, 2016.
Place: New Delhi.



Accepted
S. K. GUPTA
[Director- Works]
[DIN:03537417]

Received

R. K. AGARWAL
[Audit Committee Chairman]
[DIN: 00298252]



B. K. GOEL
[CFO]

