
BIHAR SPONGE IRON LIMITED

REGISTERED OFFICE & PLANT : UMESH NAGAR, CHANDIL-832401, DISTT. SARAIKELA- KHARSAWAN, JHARKHAND
Ph. +91 9955542302, E-mail: companysecretary@bsil.org.in / bsilchandil@gmail.com Website : www.bsil.org.in
CIN: L27106JH1982PLC001633

Dated: 26th May, 2023

To
The General Manager
Listing Centre
BSE Limited
P J Towers, Dalal Street,
Mumbai- 400001.

Scrip Code: 500058

Subject : Outcome of Board Meeting held on 26th May, 2023.

Refer : Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

With reference to above cited subject, this is to inform you that the Board of Directors has inter-alia approved and taken on record the following at its meeting held today i.e., 26th May, 2023:

1. Audited Financial Results (Standalone) for the quarter and financial year ended 31st March, 2023 along with Auditors Report thereon with Statement on Impact of Audit Qualifications (for audit report with modified opinion) under Regulation 33(3)(d) of the Listing Regulations.
2. Appointment of M/s. Sarat Jain & Associates, Chartered Accountants, (FRN: 014793C), as an Internal Auditor of the Company for the Financial Years 2023-24 & 2024-25.
3. The revised some policies of the Company including policy of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" of the Company pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.
4. Considered the preliminary project report to install Waste Heat Recovery Boiler (WHRB) at Plant site, Chandil.

The said Board Meeting commenced at 12:30 p.m. and concluded at 03:30 p.m.

The same will also be available on Company's website at www.bsil.org.in.

This is for your information and Record.

Thanking you,

For Bihar Sponge Iron Limited

Vimal Prasad Gupta
Company Secretary &
Compliance Officer
FCS 6380

Attached - As above

BIHAR SPONGE IRON LIMITED

REGISTERED OFFICE & PLANT : UMESH NAGAR, CHANDIL-832401, DISTT. SARAIKELA- KHARSAWAN, JHARKHAND
Ph. +91 9955542302, E-mail: companysecretary@bsil.org.in / bsilchandil@gmail.com Website : www.bsil.org.in
CIN: L27106JH1982PLC001633

Appointment of M/s. Sarat Jain & Associates, Chartered Accountants (FRN: 014793C), as an Internal Auditor of the Company for the Financial Years 2023-24 & 2024-25

Particulars	Details
Reason for change	Re-appointment
Date of Appointment/ Re-appointment and term of Appointment/ Re-appointment	The Board in its meeting held on 26-05-2023 has re-appointed M/s. Sarat Jain & Associates, Chartered Accountants (FRN: 014793C), as the Internal Auditors of the Company for the Financial Years 2023-24 & 2024-25.
Brief Profile	M/s. Sarat Jain & Associates, Chartered Accountants (FRN: 014793C), comprises of well-educated Professionals and having rich experience of more than 45 years in conducting the various audits of Pharma, Sugar, Corrugated Box, Distillery, Welding Electrode, Trading & Distribution and Cosmetic Manufacturing Companies etc.
Disclosure of relationships between Directors inter-se	NA

Independent Auditor's Report On Quarterly And Year To Date Standalone Financial Results Of The Company Pursuant To The Regulation 33 Of The SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015 (As Amended).

To
The Board of Directors
Bihar Sponge Iron Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Results of Bihar Sponge Iron Limited ("the Company"), for the quarter and year ended 31st March, 2023 ('Statement), attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and *except for the effect of the matter described in the Basis for Qualified Opinion section of our report*, para below,

These standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulation in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and comprehensive income and other financial information for the quarter and year ended March 31, 2023.

Basis of Qualified opinion

We draw attention to the Statement:-

Note No.2 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. 4065.68 lacs on 31.03.2023 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. 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.



Note No.3: 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 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. 4: 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.

Note No.5: Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 6576.83 lacs not been provided and is subject to representations for waiver. The Hon'ble High Court of Jharkhand, Ranchi vide its order dates 09.06.2022 has directed the Company to pay Rs.1.25 crores per month to be adjusted in the principal amount. The Company has started payment from July,2022.

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013, and the rules there under, 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 opinion.

Management's Responsibilities for the Financial Statements

The statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement 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 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 part of an audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, we are also responsible for expressing our opinion on whether the company 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.

Other Matter

The statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to date figures up to the third quarter of the current financial year which were subjected to limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of the above matter.

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

Simmi Jain

Simmi Jain

Partner

M. No. 086496

UDIN: 23086496BGWOU2350



Place: New Delhi

Date: 26th May, 2023

BIHAR SPONGE IRON LIMITED, CHANDIL

Registered Office: Umesh Nagar, Chandil District, Saraikela Khasawan, Jharkhand-832401

Email: companysecretary@bsil.org.in/web:www.bsil.org.in CIN: L27106JH1982PLC001633

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

		Rs. in Lacs				
S. No	Particulars	QUARTER ENDED			YEAR ENDED	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited	Unaudited	Audited	Audited	Audited
	Sales	13,316.22	12,780.64	7,176.67	54,678.21	10,195.20
	Less: GST	2,031.29	1,949.58	1,094.74	8,340.74	1,555.20
I	Net Revenue from Operation	11,284.93	10,831.06	6,081.93	46,337.47	8,640.00
II	Other Income	158.93	8.31	449.47	224.94	818.02
III	Total Income (I+II)	11,443.86	10,839.37	6,531.40	46,562.41	9,458.02
IV	Expenses:					
a)	Cost of Materials Consumed	7,909.35	8,577.15	7,395.69	36,656.94	7,395.69
b)	Purchases Trading Goods	447.33	518.39	540.89	1,815.06	2,275.63
c)	Changes in inventories of Stock-in-Trade	1,526.66	234.47	(2,887.24)	1,881.73	(2,887.24)
d)	Employee benefits expense	72.87	49.71	68.47	220.40	242.14
e)	Finance costs	11.20	1.95	(2.40)	14.57	3.29
f)	Depreciation and amortization expense	106.19	106.13	83.02	424.63	298.75
g)	Power & Fuel	145.48	268.71	279.16	1,415.10	279.16
h)	Conversion Charges	220.32	305.61	373.43	1,283.31	373.43
i)	Other expenses	347.46	125.38	266.32	712.46	505.81
j)	Deferred Expenditure Written off	242.60	242.60	154.19	940.94	154.19
	Total Expenses (IV)	11,029.46	10,430.10	6,271.53	45,365.14	8,640.85
V	Profit / (Loss) before exceptional items and tax (III - IV)	414.40	409.27	259.87	1,197.27	817.17
VI	Exceptional Items - Expenses/(Income)net	(16.28)	-	(9.52)	(16.28)	(9.52)
VII	Profit / (Loss) before tax (V - VI)	430.68	409.27	269.39	1,213.55	826.69
VIII	Tax expense:					
	Current tax	-	-	-	-	-
	Deferred tax	-	-	-	-	-
	Total	-	-	-	-	-
IX	Profit/(Loss) for the period	430.68	409.27	269.39	1,213.55	826.69
X	Other Comprehensive Income	NIL	NIL	NIL	NIL	NIL
XI	Total Comprehensive Income for the period	430.68	409.27	269.39	1,213.55	826.69
XII	Paid up Equity Share Capital(Face value of Rs.10/each)	9,020.54	9,020.54	9,020.54	9,020.54	9,020.54
XIII	Other Equity excluding Revaluation Reserves as at 31st March				(19,457.87)	(20,671.42)
XIV	Earning per equity share: (Not annualised)					
	(1) Basic (Rs.)	0.48	0.45	0.30	1.35	0.92
	(2) Diluted (Rs.)	0.48	0.45	0.30	1.35	0.92



M



Rs. in Lacs

Statement of Assets & Liabilities

Particulars	As at 31st March'2023	As at 31st March'2022
	Audited	Audited
ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment	5,729.86	6,136.59
(b) Capital work-in-progress	161.04	-
(c) Other Intangible Assets	0.35	0.44
(d) Other non-current assets	545.70	366.30
Sub-total	6,436.95	6,503.33
(2) Current Assets		
(a) Inventories	6,416.43	4,247.18
(b) Financial Assets		
(i) Trade receivables	0.17	0.29
(ii) Cash and cash equivalents	74.32	133.77
(iii) Other Bank balances other than @above	213.21	213.21
(iv) Others financial Assets	23.90	15.76
(c) Other Current Assets	352.97	818.75
(d) Income Tax Assets	123.36	70.01
Sub-total	7,204.36	5,498.97
(3) Miscellaneous Expenditure	2,786.52	2,312.89
Total Assets	16,427.83	14,315.19
EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	9,025.31	9,025.31
(b) Other Equity	(15,344.70)	(16,558.25)
Sub-total	(6,319.39)	(7,532.94)
(2) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	8,709.55	5,604.25
(b) Provisions	179.85	209.73
(c) Other non-current liabilities	843.35	681.55
Sub-total	9,732.75	6,495.53
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,871.19	6,289.70
(ii) Trade payables	7,110.24	8,493.14
(iii) Other financial liabilities	52.93	69.89
(b) Other current liabilities	939.40	449.07
(c) Provisions	40.71	50.80
Sub-total	13,014.47	15,352.60
Total Equity & Liabilities	16,427.83	14,315.19



CASH FLOW STATEMENT

Rs. in Lacs

	AS AT MARCH 31,2023 Audited	AS AT MARCH 31,2022 Audited
A. CASH FLOW FROM OPERATING ACTIVITIES :		
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 writtenoff	(2.16)	(159.22)
Raw Materials/Stores and Spares Written Off	-	16.12
Deferred Expenditure Written off	940.94	154.19
Remeasurements recognised in OCI/(Gain)Loss in Gratuity	(16.28)	(9.22)
(Profit)/Loss on Sales of Fixed Assets	-	(134.21)
	1,352.54	168.95
Operating profit/(Loss) before working capital changes	2,566.09	995.64
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 except Write Down in Value	(2,169.25)	(3,966.95)
Increase /(Decrease) in Trade Payable and Provisions	(769.24)	7,426.82
	(4,066.57)	1,352.21
Cash (used in) / Generated from operations	(1,500.48)	2,347.85
Income Tax/ TDS Paid/Refund	(53.35)	(16.83)
Net Cash (used) in / generation from operating activities	(1,553.83)	2,331.02
B. CASH FLOWS FROM INVESTING ACTIVITIES		
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
Net Cash (used) in/flow from investing activities	(177.83)	(1,846.27)
C. CASH FLOW FROM FINANCING ACTIVITIES		
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)
NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES	1,672.21	(236.13)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(59.45)	248.62
Cash and Cash equivalents at beginning of period including Fixed Deposite	346.98	98.36
Cash and Cash equivalents at end of the period including Fixed Deposite	287.53	346.98



[Handwritten signature]



Rs.in Lacs

SEGMENT-WISE REVENUE, RESULTS , ASSETS & LIABILITIES						
Sr. No	Particulars	QUARTER ENDED			YEAR ENDED	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited	Unaudited	Audited	Audited	Audited
1	SEGMENT REVENUE					
A	Sponge Iron Sales					
	Sales	12593.51	11916.67	6184.56	51600.13	6184.56
	Less: GST	1921.04	1817.79	943.41	7871.20	943.41
	Net Sponge Iron Sale	10672.47	10098.88	5241.15	43728.93	5241.15
	Others Income	158.93	8.31	449.47	224.94	818.02
	Total (A)	10831.40	10107.19	5690.62	43953.87	6059.17
B	Trading Sales					
	Sales	722.71	863.97	992.11	3078.08	4,010.64
	Less: GST	110.25	131.79	151.33	469.54	611.79
	Net Trading Sale (B)	612.46	732.18	840.78	2608.54	3,398.85
	TOTAL(A+B)	11,443.86	10,839.37	6,531.40	46,562.41	9,458.02
2	SEGMENT RESULT-PROFIT/(LOSS) BEFORE TAX					
	Trading	165.13	213.79	299.89	793.48	1,123.22
	Sponge Iron	265.55	195.48	(30.50)	420.07	(296.53)
	Total	430.68	409.27	269.39	1,213.55	826.69
3	SEGMENT ASSETS					
	Trading	17.62	-	-	17.62	-
	Sponge Iron	16,410.21	16,783.57	14,245.19	16,410.21	14,245.19
	Total	16,427.83	16,783.57	14,245.19	16,427.83	14,245.19
4	SEGMENT LIABILITIES					
	Trading	-	254.80	292.87	-	292.87
	Sponge Iron	22,747.22	23,157.16	21,555.26	22,747.22	21,555.26
	Total	22,747.22	23,411.96	21,848.13	22,747.22	21,848.13



[Handwritten Signature]




Notes:

- 1 On conservative basis, the Deferred Tax Assets have not been recognised.
- 2 As on 31.03.2023 Disputed liability amounting to Rs.4065.68 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 has not been provided in the books of account pending disposal of Letters Patent Appealant Jurisdiction (LPA) filed before the larger bench of Jharkhand High Court, Ranchi. It is pertinent to note that IFC (Washington) had filed C.A. No. 4075 of 2016 in the matter which has been withdrawn by them on 27.07.2018. In view of the same interest has not been provided in the books of accounts.
- 3 No provision has been made for penalty of Rs. 215.28 lacs recovered by South East Coalfields Ltd. on account of short lifting of coal in terms of FSA. The matter is pending under writ petition filed by Company before the Hon'ble High Court of Chattisgarh, Bilaspur and the amount has been included in long term loans and advances.
- 4 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.
- 5 Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme, 2003 amounting to Rs.6576.83 lacs not been provided and 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 amount. The Company has started payment from July, 2022.
- 6 The above audited financial results for the quarter and Year ended 31st March, 2023 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the company at their meetings held on 26th May, 2023.
- 7 The quarterly results are the derived figures between the Audited figures in respect of the year ended March 31, 2023 and year -to -date figures up to December 31, 2022, being the date of the end of the third quarter of the financial year.
- 8 Previous period figures have been regrouped / recast / rearranged wherever necessary.

Place :New Delhi
Date : 26/05/2023




Umesh Kumar Modi
(Chairman & President)
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, 2023
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount in Lacs)

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	46562.41	-	46562.41
	2.	Total Expenditure	45348.86	10857.79	56206.65
	3.	Net Profit/(Loss)	1213.55	(10857.79)	(9644.24)
	4.	Earnings Per Share (in Rs.)	1.35	(12.04)	(9.71)
	5.	Total Assets	16427.83	(215.28)	16212.55
	6.	Total Liabilities	22747.22	10642.51	33389.73
	7.	Net Worth	(10432.56)	(10857.79)	(21290.35)
	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.
 Note No. 2 is appearing since F.Y. 2011-12, but the figures of foreign currency loan and interest has changed every year due to currency fluctuation.
 Note Nos. 3 and 5 are 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:

Vijay Kumar Modi
 (Audit Committee Chairman)
 (DIN: 00004606)

Aditya Kumar Modi
 (Whole Time Director)
 (DIN 09303804)

Sachin
 (Chief Financial Officer)
 M.N.504288

Simmi Jain
 M.No. 086496
 Partner-K K Jain & Co.
 (Statutory Auditor)
 (FRN. 02465N)

[Handwritten signatures]

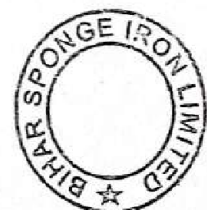
[Handwritten signature: Sumat]

[Handwritten signature: Simmi Jain]



Place: New Delhi

Date: 26-05-2023



ANNEXURE-1

Impact is quantified by the auditor:

Note No.	Details of Audit Qualification	Management's View
2.	<p>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. 4065.68 lacs on 31.03.2023 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. 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. 2)</p>	<p>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 amounting to Rs. 4065.68 lacs has not been recognized as expenses and liability as at 31-03-2023 and the same will be treated as per the decision of the said court.</p>
3.	<p>No provision has been made on penalty recovered by South Eastern Coal Fields Ltd. of Rs. 215.28 lacs 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 note no 3)</p>	<p>No provision has been made for penalty recovered by South Eastern Coalfields Limited for Rs. 215.28 lacs 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.</p>
5.	<p>Interest on Soft Loan from Government of Jharkhand under Jharkhand Industrial Rehabilitation Scheme 2003 amounting to Rs. 6576.83 lacs not been provided and is subject to representations for waiver (refer note no 5).</p>	<p>No provision has been made on Interest on Soft Loan taken from the Government of Jharkhand under the Industrial Rehabilitation Scheme 2003 which is subject to representation for waiver. The Hon'ble High Court of Jharkand, Ranchi vide its order dates 09.06.2022 has directed the Company to pay Rs.1.25 crores per month to be adjusted in the principal amount. The Company has started payment from July, 2022.</p>



ll.

l.

Suma



Impact is not quantified by the auditor:

Details of Audit Qualification	Management's View	Auditor's Comment
4. 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. (refer note no 4).	Interest on unsecured loan from Promoters and other parties from 10.08.2013 to 31.03.2023 is subject to representation for waiver.	Since the matter is subject to representation for waiver before concerned parties the amount is not provided at this stage.



Handwritten signature

Handwritten signature

Sumat

