

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

**TO THE BOARD OF DIRECTORS OF
BALASORE ALLOYS LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **BALASORE ALLOYS LIMITED** ("the Company"), for the quarter and year ended March 31, 2018 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone financial results for the quarter and year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone financial statements as at and for the year ended March 31, 2018; and relevant requirements of the Regulation and the Circular.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in 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. Without qualifying our opinion :
 - a) We draw attention to Note No 2 of the statement regarding slow implementation of underground mining project at Sukinda. As represented by the management, financial tie-ups has been delayed in past, but the company is confident that it would be able to tie-up the requisite finance and implement the project in due course. Hence, no adjustments have been carried out for carrying value of capital work in progress of Rs. 8,621.20 lacs and the advances to vendor of Rs.15,940.64 lacs at this stage.



- b) We draw attention to Note No 3 of the statement regarding advance of Rs. 3,683.57 lacs contracted to a vendor for procurement of raw material. For the reasons stated in said note management is confident of settling the advance and therefore, there is no need to make any adjustment at this stage.
4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:
- are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
 - gives a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India of the profit including other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2018 .
5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review, as required under the Regulation and the Circular.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No.: 101720W



Amit Chaturvedi
Partner
Membership No. 103141



Place : Kolkata
Date : May 28, 2018

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

**TO THE BOARD OF DIRECTORS OF
BALASORE ALLOYS LIMITED**

1. We have audited the accompanying Statement of Consolidated Financial Results of **BALASORE ALLOYS LIMITED** ("the Holding Company") comprising its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the year ended March 31, 2018 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular"). The consolidated financial results for the year ended March 31, 2018 have been prepared on the basis of the audited annual consolidated financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on audit of the annual consolidated financial statements as at and for the year ended March 31, 2018 ; and relevant requirements of the Regulation and the Circular.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in 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. Without qualifying our opinion :
 - a) We draw attention to Note No 2 of the statement regarding slow implementation of underground mining project at Sukinda. As represented by the management, financial tie-ups has been delayed in past, but the company is confident that it would be able to tie-up the requisite finance and implement the project in due course. Hence, no adjustments have been carried out for carrying value of capital work in progress of Rs. 8,621.20 lacs and the advances to vendor of Rs.15,940.64 lacs at this stage.
 - b) We draw attention to Note No 3 of the statement regarding advance of Rs. 3,683.57 lacs contracted to a vendor for procurement of raw material. For the reasons stated in said note management is confident of settling the advance and therefore, there is no need to make any adjustment at this stage.
4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of the associate and management certified statement of subsidiaries referred to in paragraph 5 and 6 below, the Statement:



a. Includes the results of entities as given below:

List of Subsidiaries:-

- i. Milton Holdings Ltd.
- ii. Balasore Metals Pte. Ltd
- iii. Balasore Alloys Nigeria Limited

List of Associate:-

- i. Balasore Energy Limited

- b. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- c. gives a true and fair view in conformity with the Ind-AS and other accounting principles generally accepted in India of the profit including other comprehensive income and other financial information of the Group for the year ended March 31, 2018.

5. The consolidated financial statements include the Group's share of net loss of Rs. Nil lacs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. This financial statement have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate is based solely on the report of the other auditor.
6. We have relied on the unaudited financial statements in respect of three subsidiaries whose financial statements reflects total assets of Rs. 340.81 lacs as at 31st March, 2018 and total revenues of Rs. Nil lacs and Rs. Nil lacs for the quarter and year ended on that date respectively , as considered in consolidated financial statement. These unaudited financial statements have been furnished to us by the Management and our opinion on these statements, in so far as it relates to the amounts included in respect of these subsidiaries is based solely on such unaudited financial statements certified by the management.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the reports of the other auditor and the financial statements certified by the management.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration no. 101720W)



Amit Chaturvedi
Partner
Membership No.: 103141



Place : Kolkata
Date : May 28, 2018

BALASORE ALLOYS LIMITED

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CIN NO : L27101OR1984PLC001354

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(₹ in lacs, except per share data)

PARTICULARS	STANDALONE				CONSOLIDATED	
	Quarter ended		Year ended		Year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total Income from Operations	33,242.71	35,965.67	1,28,948.82	1,06,381.47	1,28,948.82	1,06,388.18
Net Profit for the period (before tax and exceptional item)	2,824.14	7,439.06	13,467.15	13,485.33	10,315.87	13,481.97
Net Profit for the period before tax (after exceptional item)	162.33	7,439.06	10,805.34	13,485.33	7,654.06	13,481.97
Net Profit for the period after tax (after exceptional item)	68.74	4,443.40	6,555.56	8,364.25	3,404.28	8,360.88
Total Comprehensive Income for the period (after tax)	48.65	4,443.40	6,535.47	8,297.31	3,384.19	8,293.94
Paid up equity share Capital (Face value of the share : ₹ 5/- each)	4,666.27	4,444.52	4,666.27	4,444.52	4,666.27	4,444.52
Other Equity (as per last audited balance sheet)	NA	NA	91,990.16	85,755.60	91,860.62	83,770.00
Earning Per Share(Face value of ₹ 5/- each) *						
(i) Basic	0.05	5.83	7.35	10.52	3.83	10.51
(ii) Diluted	0.05	5.46	6.70	9.85	3.34	9.85

* Not Annualised for the quarter

Note: The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015.

The full format of the Quarterly/Annual financial Results are available on the Stock Exchange Website. (www.bseindia.com/www.cseindia.com) and company's website www.balasorealloys.com.



For and on behalf of the Board



Anil Sureka
Managing Director
DIN No-00058228

Place: Kolkata
Date: 28th May 2018

BALASORE ALLOYS LIMITED

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CIN NO : L27101OR1984PLC001354

AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31ST MARCH, 2018

(₹ in lacs, except per share data)

PART I PARTICULARS	STANDALONE					CONSOLIDATED	
	Quarter ended		Year ended			Year ended	
	31.03.2018 Audited	31.12.2017 Unaudited	31.03.2017 Audited	31.03.2018 Audited	31.03.2017 Audited	31.03.2018 Audited	31.03.2017 Audited
1. Income from operations							
a) Sales/Income from Operations	32,530.52	31,760.32	35,807.81	1,22,880.66	1,04,171.89	1,22,880.66	1,04,171.89
b) Other Income	712.19	1,366.63	1,157.86	6,068.16	2,209.58	6,068.16	2,216.29
Total Income from Operations {1(a)+1(b)}	33,242.71	33,126.95	36,965.67	1,28,948.82	1,06,381.47	1,28,948.82	1,06,388.18
2. Expenses							
a) Cost of material consumed	13,026.03	12,284.50	10,283.62	46,040.99	29,306.40	46,040.99	29,306.40
b) Purchase of Stock - in- trade	-	-	-	-	-	182.46	-
c) Change in inventories of finished goods and work in progress	(334.52)	403.26	290.67	(699.85)	(523.04)	(882.30)	(523.04)
d) Power	8,840.45	8,388.86	7,249.60	32,601.04	27,840.68	32,601.04	27,840.68
e) Excise Duty	-	-	1,108.72	1,846.38	2,990.46	1,846.38	2,990.46
f) Employee benefits expense	1,955.62	1,850.86	2,230.88	7,038.43	6,300.40	7,038.43	6,300.40
g) Depreciation and amortisation expense	789.52	780.89	724.30	3,031.47	2,708.86	3,031.47	2,708.86
h) Other Expenses	4,958.17	5,245.17	6,188.92	21,008.05	20,338.16	24,158.10	20,348.23
i) Finance Cost (Net)	1,183.30	1,224.49	1,449.90	4,615.16	3,934.22	4,616.38	3,934.22
Total Expenses {2(a) to 2(i)}	30,418.57	30,178.03	29,526.61	1,15,481.67	92,896.14	1,18,632.95	92,906.21
3. Profit from operations before exceptional item (1-2)	2,824.14	2,948.92	7,439.06	13,467.15	13,485.33	10,315.87	13,481.97
4. Exceptional Item (refer note - 4)	2,661.81	-	-	2,661.81	-	2,661.81	-
5. Profit from operations after exceptional item and before tax (3-4)	162.33	2,948.92	7,439.06	10,805.34	13,485.33	7,654.06	13,481.97
6. Tax Expense	93.59	1,013.73	2,995.66	4,249.78	5,121.08	4,249.78	5,121.09
7. Net Profit/Loss for the period (5-6)	68.74	1,935.19	4,443.40	6,555.56	8,364.25	3,404.28	8,360.88
8. Other Comprehensive Income (OCI) (Net of Tax)	(20.09)	-	-	(20.09)	(66.94)	(20.09)	(66.94)
9. Total comprehensive income for the period (7+8)	48.65	1,935.19	4,443.40	6,535.47	8,297.31	3,384.19	8,293.94
10. Paid up equity share Capital (Face value of the share : ₹ 5/- each)	4,666.27	4,444.52	4,444.52	4,666.27	4,444.52	4,666.27	4,444.52
11. Other Equity				91,990.16	85,755.60	91,860.62	88,770.00
12. Earning Per Share(Face value of ₹ 5/- each) (Not annualised for quarter)							
(i) Basic	0.05	2.18	5.83	7.35	10.52	3.83	10.51
(ii) Diluted	0.05	1.90	5.46	6.70	9.85	3.34	9.85



Notes:

- This statement has been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1st April 2017 the Company has for the first time adopted Ind AS with a transition date of 1st April 2016. Consequently, results for the corresponding quarter and year ended 31st March 2017 have been restated in accordance with the notification issue by the Minister of Corporate Affairs, to comply with Ind AS to make them comparable. The figures for quarter ended 31st March 2018 are the balancing figures between the audited figures in respect of the full financial year and the year-to-date figures up to the third quarter of the financial year.
- Company started incurring cost for development of underground mines at Sukinda to secure the additional raw materials for its ferro chrome plants. As at March 31, 2018 company has incurred cost of ₹ 8,621.20 lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,940.64 lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project. A significant part of the project cost would be financed through long term borrowings. Pending financial closure, nominal cost has been incurred during the year. Management is confident of achieving the financial closure for the project and revitalise the project activities and therefore, no adjustments to the carrying value of capital work in progress and advances relating to project is considered. Further, vendors have confirmed outstanding advances of ₹ 15,898.88 lacs and have also committed to provide the contracted equipment and services as and when required.
- An advance of ₹ 3,683.57 lacs was contracted in March 2015 to a supplier for supply of raw material at fixed price over a period of eighteen months. Due to adverse price movements, supplier was not able to meet the contractual commitments and did not supply raw material. In March 2017 company entered into a memorandum of understanding (MOU), whereby the supplier had agreed to repay the advance, in a phased manner starting June 2017 and ending March, 2019, without interest. Supplier has not paid any instalment as per MOU. However, it has confirmed the outstanding balance of ₹ 3,683.57 lacs as at year end. Based on the negotiations with the supplier where he expressed his inability to honour the financial commitments as agreed in past has now offered to supply material which is accepted by the company and will be supplied by the supplier during contracted period.
- The Company being one of the Promoter of Ispat Profile India Limited (IPIL), had given an interest bearing loan of ₹ 2,267 Lacs to IPIL in Past, to facilitate the one time settlement of outstanding dues of IPIL with its some of the common lenders, so that Company can continue to get financial facilities for its working capital requirements, ongoing projects, growth and expansion plans. IPIL has submitted a revival plan to Hon'ble Kolkata High Court which is pending for approval. Company based on conservative approach, written off the said loan along with its accumulated interest aggregating to ₹ 2,661.82 lacs and shown as an exceptional item.
- The Company is mainly engaged in the Manufacturing of Ferro Chrome. As such there are no separate reportable segment as per the Ind-AS 108 Segment Reporting.
- The reconciliation of net profit and other equity reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

SL No.	Nature of adjustments	Note ref.	STANDALONE			CONSOLIDATED	
			Profit Reconciliation		Other Equity	Profit Reconciliation	Other Equity
			Quarter ended 31.03.2017	Year Ended 31.03.2017	Year Ended 31.03.2017	Year Ended 31.03.2017	Year Ended 31.03.2017
	Net Profit as per previous Indian GAAP		4,599.97	8,951.99	83,840.75	8,948.62	84,658.64
	Fair valuation of investments	2	1.14	3.24	-2114.53	3.24	(2,114.53)
	Fair valuation of security deposit	2	7.93	(11.22)	-34.14	(11.22)	(34.14)
	Shares Forfeited	5	-	-	151.86	-	151.86
	Accounting for mark to market on derivative	2	-	(333.24)	-	(333.24)	-
	Remeasurement of post employment benefit obligations	4	-	102.37	-	102.37	-
	Deferred tax on above adjustments	3	7.31	79.91	-	79.91	-
	Depreciation on Mining Lease	1A & 1B	(142.17)	(428.82)	3913.35	(428.82)	3,913.35
	Fair valuation of financial assets	2	(30.78)	-	-	-	-
	Net profit before OCI as per Ind-AS		4,443.40	8,364.23	85,757.29	8,360.86	86,575.18

1A Deemed Cost for Property, Plant and Equipment (PPE) and Intangible Assets

Ind AS 101 permits to consider the carrying value for all its PPE and intangible assets as recognised in the financial statements as at the date of transition to Ind AS i.e. 1.4.2016 measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Opening values of PPE as on 1.4.2016 were adjusted as per the transition provisions of Revised AS 10 to adjust revalued component of PPE against the revaluation reserve. The deemed cost adopted as per Ind AS 101 is after considering the transition effect to opening reserves.

1B Under the previous GAAP, depreciation on the revalued portion of the mining lease was withdrawn from revaluation reserve. Under Ind AS, depreciation is charged to the Statement of Profit and Loss based on depletion using unit of production method instead of depreciation based on remaining life of the lease under IGAAP.

2 Fair valuation for financial assets

The company has valued financial assets at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserve and changes thereafter are recognised in Profit and Loss Account.

3 Deferred Tax

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.



4 Remeasurement of defined benefit liabilities:

Under previous GAAP, the Company recognised remeasurement of defined benefit plans under profit or loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

5 Reclassification as per Ind As Schedule III

7 The Board of Directors, have recommended final dividend of ₹ 0.75 per equity share to the equity shareholders. The dividend will be paid after the approval of shareholders at the ensuing Annual General Meeting.


8 The above financial results were duly reviewed by the Audit Committee and were approved in the Board Meeting held on 28th May, 2018.



Place: Kolkata
Date: 28th May, 2018

For and on behalf of the Board




Anil Sureka
Managing Director
DIN No-00056228



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CIN : L27101OR1984PLC001354

DECLARATION

Pursuant to the provisions of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 as amended, we, hereby declare that the Statutory Auditors of the Company, M/s Chaturvedi & Shah, Chartered Accountants (Firm Registration No.101720W) have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results (Standalone and Consolidated) of the Company for the financial year ended on 31st March, 2018.

For Balasore Alloys Ltd

Anil Sureka
Managing Director
DIN: 00058228

For Balasore Alloys Ltd

Nikunj Pansari
Director-Finance & CFO
DIN: 08023216

Date 28.05.2018

Place: Kolkata