



2017-18



BALASORE ALLOYS LIMITED

30th CORPORATE REPORT

Mr Anil Sureka, Managing Director of the Company is receiving "Brand of the Decade 2018" award in manufacturing category by Herald

Global – ERTC Media in Mumbai.



Mr V K Jodhani
(President - Marketing) is receiving "Star Performer Award for the year 2016-17" in the product group - Ferro Alloys, Large Enterprise on an All India basis from EEPG at New Delhi.





BALASORE ALLOYS LIMITED

CIN: L27101OR1984PLC001354

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Anil Sureka, *Managing Director*
Mr. Dhiren Kumar Nath, *Director – Operations*
Mr. Nikunj Pansari, *Director – Finance & CFO*

NON-EXECUTIVE DIRECTORS

Dr. A K Bhattacharyya
Mr. S Mohapatra
Mr. S K Pal
Prof. S K Majumdar
Mr. K P Khandelwal
Dr. Samuel Onyeabor Nwabukei

NOMINEE DIRECTOR – SBI

Mr. K C Raut

PRESIDENT & COMPANY SECRETARY

Mr. Trilochan Sharma

AUDITORS

M/s. Chaturvedi & Shah
Chartered Accountants
714-715, Tulsiani Chambers,
212, Nariman Point,
Mumbai - 400 021, India.
Tel.No.+91-22-3021-8500

INTERNAL AUDITORS

M/s. Das & Prasad
Chartered Accountants
Diamond Chambers,
4, Chowringhee Lane,
8th Floor, Room No. 8F, Block - 3rd,
Kolkata - 700 016, India
Tel. No. +91-33-2252-1911 (3 Lines)

COST AUDITORS

M/s. Shome & Banerjee
Cost Accountants
5A, Nurulla Doctor Lane, 2nd Floor,
Kolkata 700 017
Tel.No.+91-33-2287-9722
+91-33-2290-3295

BANKERS

State Bank of India
Allahabad Bank

REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited
Unit : Balasore Alloys Ltd.
12/1/5 Manoharpukur Road
Kolkata - 700 026, India.
Tel No. +91-33-4072 4051/4052/4053
Fax No. +91-33-4072 4050
E-mail: mcssta@rediffmail.com

REGISTERED OFFICE & WORKS

Balgopalpur - 756 020
Dist. Balasore, Odisha, India
Tel. Nos. +91-6782-275781-85
Fax No. +91-6782-275724
E-mail: mail@balasorealloys.com
investorshelpline@balasorealloys.com
Website : www.balasorealloys.com

ADMINISTRATIVE OFFICE

Park Plaza, 71, Park Street, 1st Floor,
Kolkata - 700 016
Phone No. + 91-33-4029 7000
Fax No. + 91-33-2229 5693
E-mail: mail@balasorealloys.com
investorshelpline@balasorealloys.com
Website : www.balasorealloys.com

MINES OFFICE

Kaliapani Chromite Mine
At / PO : Kaliapani - 755 047
Dist. : Jajpur, Odisha

SECRETARIAL AUDITORS

M/s. MKB & Associates
Company Secretaries
Shantiniketan Building, Room No. 511,
5th Floor, 8 Camac Street, Kolkata - 700017
Tel.No. +91-33-2282-1348



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BALASORE ALLOYS LIMITED

CIN: L27101OR1984PLC001354

Registered Office: Balgopalpur - 756020, Dist. Balasore, Odisha.

Website : www.balasorealloys.com; Email: mail@balasorealloys.com

Phone: +91-6782-275781-85 Fax: +91-6782-275724

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Balasore Alloys Limited will be held at the Registered Office of the Company at Balgopalpur - 756 020, Dist. Balasore, Odisha, on **Friday, 28th September, 2018, at 9.30 A.M.** to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated Audited Financial Statements) of the Company for the financial year ended March 31, 2018 together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Dr. Samuel Onyeabor Nwabukei (DIN: 07835812) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to provision of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act 2013, and Rules made thereunder, M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) be and is hereby re-appointed as the Statutory Auditors of the Company for the second term of five years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the thirty-fifth Annual General Meeting of the Company on such remunerations as shall be fixed by the Board of Directors from time to time in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

5. **Re-appointment of Mr. Asish Kumar Bhattacharyya (DIN: 00799039) as an Independent Director for another term of five years.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Asish Kumar Bhattacharyya (DIN: 00799039), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to determination by retirement of directors by rotation."

6. **Re-appointment of Mr. Shantanu Mohapatra (DIN:00176836) as an Independent Director for another term of five years.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shantanu Mohapatra (DIN: 00176836), Independent Non-Executive Director of the Company who has submitted a declaration that he



NOTICE - (Contd.)

meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to determination by retirement of directors by rotation."

7. Re-appointment of Mr. Sujit Kumar Majumdar (DIN: 00177344) as an Independent Director for another term of five years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sujit Kumar Majumdar (DIN: 00177344), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to determination by retirement of directors by rotation."

8. Re-appointment of Mr. Susil Kumar Pal (DIN: 00268527) as an Independent Director for another term of five years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Susil Kumar Pal (DIN: 00268527), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to determination by retirement of directors by rotation."

9. Re-appointment of Mr. Kashi Prasad Khandelwal (DIN: 00748523) as an Independent Director for another term of five years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kashi Prasad Khandelwal (DIN: 00748523), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to determination by retirement of directors by rotation."

10. Appointment of Mr. Dhiren Kumar Nath (DIN: 08022082), as Director:

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 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dhiren Kumar Nath (DIN: 08022082), who, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company was appointed as an Additional Director with effect from 14th December, 2017 and who holds the office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**NOTICE - (Contd.)****11. Appointment of Mr. Dhiren Kumar Nath (DIN: 08022082), as the Whole-time Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the recommendations of the Nomination & Remuneration Committee, Audit Committee and the Board of Directors and subject to such consents, approvals or permissions as may be necessary, consent of the Company be and is hereby given for appointment of Mr. Dhiren Kumar Nath (DIN: 08022082) as the Whole-time Director of the Company designated as Director – Operations for a period of five years with effect from 14th December, 2017 till 13th December, 2022 and whose period of office shall be liable to determination by retirement of directors by rotation and also on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to this Notice convening the meeting and as per the Agreement dated 14th December, 2017, entered into between the Company and Mr. Dhiren Kumar Nath, a copy whereof, initialled by the Chairman of the meeting for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Board of Directors and Mr. Dhiren Kumar Nath from time to time and the terms of the aforesaid Agreement shall be suitably modified to give effect to such alteration and/or variation."

12. Appointment of Mr. Nikunj Pansari (DIN: 08023216), as Director of the Company from 14th December, 2017 till 25th July, 2018:

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 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, the directorship of Mr. Nikunj Pansari (DIN: 08023216) as the Director of the Company for a period from 14th December, 2017 till 25th July, 2018 be and is hereby approved."

13. Appointment of Mr. Nikunj Pansari (DIN: 08023216), as Director:

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 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Nikunj Pansari (DIN: 08023216), who, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company was appointed as an Additional Director with effect from 11th August, 2018 and who holds the office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

14. Appointment of Mr. Nikunj Pansari (DIN: 08023216), as the Whole-time Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the recommendations of the Nomination & Remuneration Committee, Audit Committee and the Board of Directors and subject to such consents, approvals or permissions as may be necessary, consent of the Company be and is hereby given for appointment of Mr. Nikunj Pansari (DIN: 08023216) as the Whole-time Director of the Company designated as Director - Finance & Chief Financial Officer (CFO) of the Company, liable to retire by rotation;

(a) from 14th December, 2017 till 25th July 2018; and

(b) for a period of five years with effect from 11th August, 2018

on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to this Notice convening the meeting and as per the Agreements dated 14th December, 2017 and 11th August, 2018, entered into between the Company and Mr. Nikunj Pansari, a copy whereof, initialled by the Chairman of the meeting for the purpose of identification, has been submitted to this meeting, which Agreements also be and is hereby specifically approved."



BALASORE ALLOYS LIMITED

NOTICE - (Contd.)

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Board of Directors and Mr. Nikunj Pansari from time to time and the terms of the aforesaid Agreement shall be suitably modified to give effect to such alteration and/or variation."

15 Ratification of remuneration of Cost Auditor of the Company for the financial year 2018-19.

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 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the Company hereby approves the remuneration of Rs. 2,25,000/- (Rupees Two Lacs Twenty Five Thousand only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses to be paid to M/s Shome & Banerjee, Cost Accountants (Firm Registration No. 000001) appointed as Cost Auditors of the Company by the Board of Directors at its meeting held on 28th May, 2018, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Kolkata
11th August, 2018

By Order of the Board
Trilochan Sharma
President & Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (both days inclusive) for determining the entitlement of the shareholders to the dividend for the financial year 2017-18, if declared at the Annual General Meeting (AGM).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business as set out at Item No. 5 to 15 of the AGM Notice to be transacted at the meeting is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Member or Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is attached herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.

4. The dividend of Rs. 0.75 per share has been recommended by the Board of Directors for the year ended 31st March, 2018 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid to members whose names appear on the Company's Register of Members as on 22nd September, 2018 and is proposed to be paid on and after 5th October, 2018.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent (RTA) cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates or for change in their address. Such changes are to be advised only to the Depository Participant of the Members.

**NOTICE - (Contd.)**

6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. Disclosure pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings, in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of this notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
8. Corporate members intending to send their authorized representatives to attend and vote at the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. Members may note that a separate Notice is being sent to all the shareholder whose shareholding are in physical form through Registered and Share Transfer Agent, in compliance of the SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P /2018/73 dated 20.04.2018, to take special efforts to collect copy of PAN, Bank Account details, E-mail etc.
10. Members may note the recent amendment to Regulation 40 of SEBI (LODR) Regulations, 2015 which mandated that transfer of securities would be carried out in dematerialized form only with effect from 5th December, 2018. Therefore, members holding shares in physical form are requested to convert their holding in dematerialized form at the earliest. Otherwise, physical Shares will not be transferred with effect from 5th December, 2018.
11. Electronic copy of the Notice of the 30th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map showing direction to reach the venue of the 30th AGM is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 30th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map showing direction to reach the venue of the 30th AGM is being sent in the permitted mode.
12. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.balasorealloys.com. The physical copies of the aforesaid documents will also be available at the Company's registered office and copies of the same shall also be available at the administrative office in Kolkata for inspection during normal business hours (1.00 P.M. to 5 P.M.) on all working days except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: investorshelpline@balasorealloys.com
13. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Meeting and such document shall also be available for inspection at the registered office and at the administrative office of the Company in Kolkata during normal business hours (1.00 P.M. to 5.00 P.M.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

The Register of Directors and Key managerial Personnel and their Shareholdings, maintained under Section 170 of the Companies Act, 2013 ("the Act") and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act read with Rules made thereunder will be available for inspection by the members at the Meeting.
14. As an austerity measure, copies of the Annual Report will not be distributed at the Meeting; members are requested to bring their copies to the meeting.
15. Members are requested to intimate to the Company, queries, if any, regarding the audited accounts atleast ten days before the Meeting to enable the Management to keep the information ready at the Meeting.
16. Members / Proxies are requested to bring their Attendance Slip sent herewith, duly filled in, for attending the Meeting.
17. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, and amendments thereto and Regulations 44 of the SEBI (LODR) Regulations, 2015 the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Ltd. (CDSL).



NOTICE - (Contd.)

The members may cast their votes using an electronic voting system from a place other than the venue of AGM (remote e-voting). The instruction for remote E-voting are annexed separately and forms part of this Notice.

18. The facility for voting through Ballot paper shall be available at the AGM and the Members attending AGM who have not cast their vote by remote e- voting shall be able to exercise their right at the AGM.
19. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
20. The members, whose name appear in the Register of Members / list of Beneficial Owners as on 21st September, 2018, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. A person who is not a member as on the cut-off date 21st September, 2018 should treat this Notice for information purposes only.
21. The Remote e-voting period commences on Tuesday, 25th September, 2018 from 9.00 a.m. and ends on Thursday, 27th September, 2018 at 5.00 p.m. During this period, Members of the Company, holding Shares either in physical form or dematerialised form, as on the cut-off date 21st September, 2018, may cast their vote by remote e- voting. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 27th September, 2018. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
22. The Board of Directors has appointed CS Raj Kumar Banthia, (Associate Membership No. 17190) as the Scrutinizer for Scrutinizing the process of remote e- voting and voting at the Meeting venue in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the vote cast through remote e-voting in presence of at least two witnesses not in the employment of the Company, the scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of and against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the results of remote e-voting and voting at the meeting Venue shall be declared by the Chairman of the Company or any other director duly authorised in this regard. The result along with the Scrutinizer's Report shall be placed on the Company's website (www.balasorealloys.com) and on the website of CDSL (www.cdslindia.com) immediately after the results are declared and simultaneously communicate to the Stock Exchanges. The results of e-voting shall also be displayed on the Notice Board of the Company at its Registered Office and its Administrative Office at Kolkata.
23. Members may note that, the Company shall transfer **dividends remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account** along with interest accrued, if any, to the **Investor Education and Protection Fund (IEPF)** within 30 days of the date on which the same falls due i.e. 04.11.2018 in respect of financial year 2010-2011.

Members may further note that, **all the shares** shall be transferred to the IEPF in respect of which dividend has not been paid or claimed by the concerned shareholders for seven (7) consecutive years. In this regard, a separate Notice has already been sent to all concerned Shareholders on 20th July, 2018.

These are in compliance of the relevant provisions of Sections 124 and 125 of the Companies Act, 2013 read along with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and any amendment thereof.

Therefore, all the concerned shareholders are requested to make an application to the Company / Registrar for claiming the unpaid dividend 2010 -11 onwards at the earliest.

**NOTICE - (Contd.)****EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****Item No. 5 to 9**

Pursuant to the provisions of Section 149 (10) and other applicable provisions of the Companies Act, 2013 ("Act") with respect to appointment and tenure of the Independent Directors, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Accordingly, at the 26th Annual General Meeting (AGM) held on 25th September, 2014 Mr. Asish Kumar Bhattacharyya, Mr. Shantanu Mohapatra, Mr. Sujit Kumar Majumdar, Mr. Susil Kumar Pal and Mr. Kashi Prasad Khandelwal, were appointed as Independent Directors of the Company for a term of five years till 31st March, 2019.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 11th August, 2018 has proposed re-appointment of the aforesaid Independent Directors of the Company for another term of five consecutive years from 1st April, 2019 to 31st March, 2024 and whose offices shall not be liable to retire by rotation.

In the opinion of the Board, all the above Independent Directors fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management. The Independent Directors have also given to the Board, a declaration of their meeting the criteria of independence as provided in section 149(6) of the Act. Copy of the draft letters for appointment of all the above persons as Independent Directors would be available for inspection without any fee by the members at the Registered Office and also at the administrative Office of the Company in Kolkata during normal business hours (1.00 P.M. to 5.00 P.M.) on all working days except Saturdays.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of all the above Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of all the above persons as Independent Directors, for the approval by the shareholders of the Company. A brief profile of proposed Independent Directors, including nature of their expertise, is provided as Annexure to the Notice.

Your Directors seek your approval to the resolutions as set out at Item Nos. 5 to 9. None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these resolutions.

Other details in respect of appointment of Independent Directors in terms of Regulation 36(3) of the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and Secretarial Standards on General Meetings is annexed to this notice.

Item No. 10 and 11

The Board of Directors of the Company, at its meeting held on 14th December, 2017, appointed Mr. Dhiren Kumar Nath as an Additional Director of the Company with effect from that date. In terms of Section 161 of the Companies Act, 2013 (the 'Act') read with Article 169 of the Articles of Association of the Company, Mr. Dhiren Kumar Nath will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Act from a member proposing his appointment as a director at the ensuing Annual General Meeting.

The Board of Directors in its above meeting also appointed Mr. Dhiren Kumar Nath, as the Whole-time Director of the Company designated as Director-Operations for a period of five years with effect from 14th December, 2017 subject to approval of the shareholders by way of a Special Resolution in the ensuing Annual General Meeting of the Company.

The Nomination & Remuneration Committee has approved terms of appointment and remuneration of Director-Operations in its meeting held on 14th December, 2017. For the purpose, an agreement has been entered into by the Company with the Director-Operations on 14th December, 2017. The main terms and conditions of appointment of Director-Operations, as contained in the said agreement dated 14th December, 2017 are furnished below:

The said agreement, inter-alia, contains the following terms and conditions:

- (i) Basic Salary ₹ 91,833/- (Rupees Ninety one thousand eight hundred thirty three only) per month. The annual increment shall be effective from 1st April each year and shall be decided by the Board on the basis of his performance.
- (ii) In addition to the above basic salary, Mr. Dhiren Kumar Nath shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-

(i) Basis Salary	₹ 11,01,996 per annum
(ii) Perquisites	₹ 25,65,764 per annum
(iii) Others	₹ 1,32,240 per annum
	<u>₹ 38,00,000 per annum</u>



BALASORE ALLOYS LIMITED

NOTICE - (Contd.)

- (iii) The Whole-time Director shall be entitled to leave according to the Rules of the Company in this regard.
- (iv) The Whole-time Director shall be liable to retire by rotation and his re-appointment at the AGM as a Director retiring by rotation would not constitute a break in his appointment as Whole-time Director.
- (v) The Whole-time Director shall not be paid any Sitting Fees for attending the meetings of the Board or any Committee thereof.

The Board recommends the resolutions at Item No. 10 & 11 for your approval in the interest of the Company.

None of the Directors or Key Managerial Personnel of the company and/or their relatives, except Mr. Dhiren Kumar Nath and his relatives, are concerned or interested, financial or otherwise in the resolution set out at item no. 10 and 11.

Copy of the agreement dated 14th December, 2017 referred to the above is available for inspection at the administrative office of the Company during normal business hours (1.00 P.M. to 5 P.M.) on all working days except Saturdays.

Item No. 12, 13 and 14

The Board of Directors of the Company, at its meeting held on 14th December, 2017, appointed Mr. Nikunj Pansari as an Additional Director cum Whole-time Director of the Company designated as Director- Finance & Chief Financial Officer (CFO) for a period of five years with effect from 14th December, 2017 subject to approval of the shareholders by way of a Special Resolution in the next Annual General Meeting of the Company.

Subsequently, Mr. Nikunj Pansari vide his letter dated 26th April, 2018 had resigned due to personal reasons from the post of Director-Finance & CFO w.e.f. close of business hours of 25.07.2018. However, he continued his service with the Company as President-Finance.

The Board considering Mr. Nikunj Pansari's rich, vast knowledge, expertise and experience of more than ten years and in particular his contribution to the Board in all Financial matters, the management persuaded him to rejoin the Board as a Whole-time Director. The management believes that Mr. Nikunj Pansari is a suitable professional for shouldering responsibilities pertaining to Finance to strengthen the management and would be beneficial for the Company.

After several discussion and persuasion by the management Mr. Nikunj Pansari has finally agreed to be part of the Board as a Whole-time Director of the Company to be designated as Director-Finance & Chief Financial Officer of the Company.

Accordingly, the Board of Directors of the Company, at its meeting held on 11th August, 2018, once again appointed Mr. Nikunj Pansari as an Additional Director of the Company with effect from that date. In terms of Section 161 of the Companies Act, 2013 (the 'Act') read with Article 169 of the Articles of Association of the Company, Mr. Nikunj Pansari will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Act from a member proposing his appointment as a director at the ensuing Annual General Meeting.

The Board of Directors in its above meeting also appointed Mr. Nikunj Pansari, as the Whole-time Director of the Company designated as Director-Finance & CFO for a period of five years with effect from 11th August, 2018 subject to approval of the shareholders by way of a Special Resolution in the ensuing Annual General Meeting of the Company.

The Nomination & Remuneration Committee has approved terms of appointment and remuneration of Director - Finance & CFO in its meeting held on 11th August, 2018. For the purpose, an agreement has been entered into by the Company with the Director-Finance & CFO first on 14th December, 2017 and thereafter on 11th August, 2018. The main terms and conditions of appointment of Director-Finance & CFO, as contained in the latest agreement dated 11th August, 2018 are furnished below:

The said agreement, inter-alia, contains the following terms and conditions:

- (i) Basic Salary ₹ 2,69,167/- (Rupees Two lacs sixty nine thousand one hundred sixty seven only) per month. The annual increment shall be effective from 1st April each year and shall be decided by the Board on the basis of his performance.
- (ii) In addition to the above basic salary, Mr. Nikunj Pansari shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-

(i) Basis Salary	₹ 32,30,004 per annum
(ii) Perquisites	₹ 48,82,396 per annum
(iii) Others	₹ 3,87,600 per annum
	<u>₹ 85,00,000 per annum</u>



NOTICE - (Contd.)

- (iii) The Whole-time Director shall be entitled to leave according to the Rules of the Company in this regard.
- (iv) The Whole-time Director shall be liable to retire by rotation and his re-appointment at the AGM as a Director retiring by rotation would not constitute a break in his appointment as Whole-time Director.
- (v) The Whole-time Director shall not be paid any Sitting Fees for attending the meetings of the Board or any Committee thereof.

The Board recommends the resolutions at Item No. 12, 13 & 14 for your approval in the interest of the Company.

None of the Directors or Key Managerial Personnel of the company and/or their relatives, except Mr. Nikunj Pansari and his relatives, are concerned or interested, financial or otherwise in the resolution set out at item no. 12, 13 and 14.

Copy of the agreement dated 14th December, 2017 and 11th August, 2018 referred to the above are available for inspection at the administrative office of the Company during normal business hours (1.00 P.M. to 5 P.M.) on all working days except Saturdays.

Item No. 15

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s Shome & Banerjee, Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at a remuneration of ₹ 2,25,000/- (Rupees Two Lacs Twenty Five Thousand only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred to conduct the audit of the cost records.

M/s Shome & Banerjee, Cost Accountants have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the shareholders of the Company.

The Board therefore, submits the proposed resolution for your consideration and recommends it to be passed as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 15.

By Order of the Board

Place: Kolkata
Date: 11th August, 2018

Trilochan Sharma
President & Company Secretary

ANNEXURE TO NOTICE**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 30TH ANNUAL GENERAL MEETING.**

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, Companies Act, 2013 and Secretarial Standard (SS) - 2:


BALASORE ALLOYS LIMITED
NOTICE - (Contd.)

Name of Director	:	Dr. Samuel Onyeabor Nwabuokei	Mr. Dhiren Kumar Nath	Mr. Shantanu Mohapatra	Mr. Sujit Kumar Majumdar
Director Identification Number (DIN)	:	07835812	08022082	00176836	00177344
Date of Birth	:	21-03-1949	01-06-1961	06.01.1936	04.10.1946
Date of Appointment	:	14-06-2017	14-12-2017	27.06.2001	20.01.2005
Qualifications	:	Bachelor of Engineering from Ahmadu Bello University, Zaria, Master of applied Science, Civil Engineering from Canada and also PhD in Civil Engineering, specialised in Geotechnical Engineering from Purdue University, West Lafayette, Indiana, USA.	Bachelor of Engineering (Metallurgy) from Indian Institute of Metals, MBA in Marketing from IGNOU, New Delhi.	B.Sc. - Tech (Hons), I.I.T. Kharagpur - Applied Geology & Geo-physics.	BE (Metallurgical) CU, PG-Diploma - SOC & Operations Research (ISI), Phd (Engineering) IIT.
Expertise in specific functional areas	:	Dr. Samuel is having more than 43 years of rich and vast experience in Techno Commercial and General Management functions. Dr. Samuel's array of exposure percolates to areas like Project Execution, Operation, manufacturing, commercial matters including Quality System and Modern Management Initiatives etc.	Mr. Dhiren Kumar Nath is having more than 36 years of rich experience in Techno Commercial and General Management functions. Mr. Nath's array of exposure percolates to areas like Operation, manufacturing, commercial matters including Management of Quality System and Modern Management Initiatives etc.	Retired Ex-Director of Mining & Geology Government of India, having rich experience of mining & exploration.	Expertise in Quality Management, Six Sigma, Risk Management, Product & Process Optimisation, Product Reliability Modelling, Marketing Analytics, Business Analytics.
Names of Listed Companies in which outside Directorship held	:	Nil	Nil	Lloyds Metals and Energy Ltd.	Nil
Chairman/Member of the committees of the Board of other Listed Companies in which he is a Director	:	Nil	Nil	Audit Committee Lloyds Metals and Energy Ltd. - Chairman	Nil
Details of shareholding (Both own or held by/ for other persons on a beneficial basis), if any, in the Company.	:	Nil	Nil	Nil	Nil
Disclosure in terms of Regulation 36(3)(c) of the SEBI (LODR) Regulations, 2015; Disclosure of relationships between directors inter-se	:	N.A.	N.A.	N.A.	N.A.



NOTICE - (Contd.)

ANNEXURE TO NOTICE
DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 30TH ANNUAL GENERAL MEETING.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard (SS)-2:

Name of Director	Mr. Susil Kumar Pal	Mr. Kashi Prasad Khandelwal	Mr. Asish Kumar Bhattacharyya	Mr. Nikunj Pansari
Director Identification Number (DIN)	00268527	00748523	00799039	08023216
Date of Birth	03.01.1943	04.03.1951	11.04.1950	31.12.1985
Date of Appointment	27.06.2003	30.04.2008	30.06.2004	11.08.2018
Qualifications	B.Sc. (Hons), M.Tech. (Chem. Engg & Chem. Technology)	B.Com(H), LL.B, FCA, DISA, CAAT (The Institute of Chartered Accountant of India)	B.Com(Honours), M.Com, FCA, FCMA, ACMA (UK), Diploma in Management Accountancy, D.Phil.	B.Com (Hons), MBA in Finance from International Management Institute, Belgium. Post Graduate Programme in Planning and Entrepreneurship from Indian Institute of Planning and Management (IIPM).
Expertise in specific functional areas	Has a long term profile and experience in Finance, Risk Management. He is a retired General Manager (Credit) Allahabad Bank.	Practicing CA for more than 40 yrs. with wide experience of Audit, taxation, Finance & Banking. Ex-Member of Centre Council of the Institute of Chartered Accountants of India (ICAI).	Director Institute of Management Technology (IMT), Ghaziabad, Member of Accounting Standard Board of Institute of Chartered Accountants of India, Ex-Director International Management Institute (IMI) Kolkata, Ex-Professor of Finance and Control, Indian Institute of Management Calcutta (IIMC), Ex-Technical Director of Institute of Chartered Accountants of India.	Mr. Pansari has a long experience of about 10 years in Accounting & Audit Function, Finance, Treasury & Risk Management, Management & Cost Accounting, MIS, Legal, Statutory & Regulatory Compliances, SAP, Head of Pricing Committee, Export & Import Functions etc.
Names of Listed Companies in which outside Directorship held	Greenply Industries Ltd. Hasimara Industries Ltd.	Kesoram Industries Ltd. GPT Infraprojects Ltd.	Nil	Nil
Chairman/Member of the committees of the Board of other Listed Companies in which he is a Director	Audit Committee Greenply Industries Ltd. - Chairman Stakeholders Relationship Committee Greenply Industries Ltd. - Member Nomination and Remuneration Committee Greenply Industries Ltd. - Member	Audit Committee Kesoram Industries Ltd. - Member GPT Infraprojects Ltd. - Member Nomination and Remuneration Committee Kesoram Industries Ltd. - Member Stakeholders Relationship Committee Kesoram Industries Ltd. - Member Share Transfer & Finance Committee Kesoram Industries Ltd. - Member	Nil	Nil
Details of shareholding (Both own or held by / for other persons on a beneficial basis), if any, in the Company.	Nil	Nil	Nil	Nil
Disclosure in terms of Regulation 36(3)(c) of the SEBI (LODR) Regulations, 2015: Disclosure of relationships between directors inter-se	N.A	N.A	N.A	N.A



BALASORE ALLOYS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 30th Annual Report and the Company's audited accounts for the financial year ended 31st March, 2018.

FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended 31st March, 2018 is summarized below:

(₹ in Lacs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Total Income (net of excise duty)	1,27,102.44	1,03,391.01	1,27,102.46	1,03,397.71
Profit/(Loss) Before Interest, Depreciation & Tax (PBITD)	21,113.80	20,128.41	17,963.73	20,125.04
Finance Charges	4,615.16	3,934.22	4,616.38	3,934.22
Depreciation	3,031.47	2,708.86	3,031.47	2,708.86
Exceptional Items	2,661.81	-	2,661.81	-
Provision for Income Tax (Including for earlier years)	4,249.78	5,121.09	4,249.78	5,121.09
Share of Loss of Associate Company				
Net Profit After Tax (PAT)	6,555.58	8,364.24	3,404.31	8,360.87
Other Comprehensive Income	(20.09)	(66.94)	(20.09)	(66.94)
Total Comprehensive Income For the Year	6,535.49	8,297.30	3,384.22	8,293.93
Profit brought forward from Previous Years	71,255.44	63,087.96	74,339.29	66,175.18
Profit Carried to Balance Sheet	77,375.65	71,255.44	77,308.24	74,339.29

STATE OF AFFAIRS OF YOUR COMPANY

Your Company's performance reflects the strong improvement in the India's business sentiment fuelled by the positive trend of international market and progressive policies of the Government.

Your Company's total income increased by 22.93% from ₹ 1,03,391.01 lacs in 2016-17 to ₹ 1,27,102.44 lacs in 2017-18. PBITD increased by 4.90% from ₹ 20,128.41 lacs in 2016-17 to ₹ 21,113.80 lacs in 2017-18. The Profit (PAT) for the Year decreased by 21.62% from ₹ 8,364.24 lacs in 2016-17 to ₹ 6,555.58 lacs in 2017-18. Total Comprehensive Income for the year decreased by 21.23% at ₹ 6,535.49 Lacs as against ₹ 8,297.30 Lacs in 2016-17. Consequently, the earnings per share stood at ₹ 7.35 (basic) and ₹ 6.70 (diluted) for 2017-18 against ₹ 10.52 (basic) and ₹ 9.85 (diluted) for 2016-17.

DIVIDEND

Your Board needed to strike a prudent balance between rewarding shareholders and reinvesting business surplus in the business for capitalizing on emerging growth opportunities. Your Board has strategically laid more emphasis on the later considering the promising opportunities over the medium-term catalyzed by Government policies.

The Board of Directors have recommended a 15% dividend on equity shares i.e., ₹ 0.75 per equity share of face value of ₹ 5/- each for the year ended on 31st March, 2018 subject to the approval of the Shareholders at the 30th Annual General Meeting of the Company.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve during the financial year ended on 31st March, 2018.

**DIRECTORS' REPORT (Contd.)****SHARE CAPITAL**

The paid-up Equity Share Capital as on 31st March, 2018 was ₹ 4,666.27 lacs. The Committee for Preferential Issue of Warrants has allotted 44,35,000 Equity Shares of ₹ 5/- each at a premium of ₹16.50 to the Promoter Group Companies on preferential basis on 30th March, 2018 pursuant to conversion of equivalent number of Warrants as under:

Sl. No.	Name of Allottees	No. of Equity Shares
1.	Global Steel Holdings Asia Pte. Limited	37,39,983
2.	Prasan Global Ventures Singapore Pte. Limited	6,95,017
	Total	44,35,000

OPERATIONS

Fiscal 2017-18 was an important milestone in your Company's journey as we registered our highest ferro-alloy production at 1,47,324 Million Tonnes against 1,31,014 Million Tonnes in 2016-17, a 12.45% increase.

Besides, the untiring efforts of the team in successfully implementing various projects (using the TPM, Lean Six Sigma and IMS) also contributed immensely in improving productivity and optimizing operational costs.

In keeping with its commitment in saving the environment, your Company undertook a number of green initiatives:

- In-plant initiatives for reducing energy and fuel consumption.
- Sale of 1,92,734 Million Tonnes of slag which facilitated in conserving granite stone otherwise used in construction activities.

MINES

Government of Odisha was pleased to order grant of mining lease for chromite over a land of 35.60 hecets in Sukinda Valley, Jajpur District for 50 years vide Government proceeding No 298 /SM dated 9th January, 2017 under Section 10A(2)(c) of the Mines and Minerals (Development and Regulations) (MMDR) Amendment Act, 2015 read with Rule 8(2) of Minerals Concession Rules (MCR), 2016 to the company and asked to furnish the performance security in form of Bank Guarantee and also to sign the Mines Development and Production Agreement (MDPA) followed by execution of the lease deed and registration thereof on or before 11th January, 2017 as required under rule 8(4) of the MCR, 2016.

For the delay in the execution of the lease under the MMDR Amendment Act, 2015 and the Rules under the MCR, 2016, the company moved to Hon'ble Orissa High Court. The Hon'ble Orissa High Court vide its Judgment dated 24th April, 2018 has directed State Government to execute and register the Lease deed within 2 months' time from the date of the Judgment.

At the date of this report, the matter is lying with State Government for taking appropriate action pursuant to the said Judgment of Hon'ble Orissa High Court.

EXPORT

Your Company exported 1,17,373 Million Tonnes valued at ₹ 99,114.73 Lacs in 2017-18 against 109,183 Million Tonnes valued at ₹ 86,298.78 Lacs during 2016-17. Exports constituted 77.98 % of your Company's turnover in 2017-18.

BUSINESS EXCELLENCE DRIVE

During the year, in its drive to strengthen Business Excellence, your company continued its thrust on the key Business Excellence initiatives namely Malcolm Baldrige Business Excellence framework, TPM, Lean Six Sigma and Integrated Management System through extensive class room and shop-floor training and facilitation at site by the Business Excellence team in order to integrate these with the shop-floor operations. The entire system adoption of Malcolm Baldrige model was internally driven by Business Excellence ('BE') team. To bring synergy and accelerate BE culture across the organization, it has been apprehended that the success of change management underlies in accepting and driving the BE culture at departmental level. To strengthen the BE culture, an external certification programme to develop Malcolm Baldrige internal assessors was organized and total 30 participants qualify the Malcolm Baldrige assessment programme.

The team's efforts in implementing these global techniques yielded heartening results. Productivity and product quality improved, asset utilization improved while wastages declined. Besides, disciplined preventive maintenance facilitated in improving equipment health. During the financial year, your Company continued to have latest certification of ISO 9001:2015, ISO 14001:2015, ISO 55001:2014, achieved new certifications of ISO 27001:2013 and SA8000:2014. The Company is recertified to OHSAS 18001:2007

**DIRECTORS' REPORT (Contd.)**

and ISO 50001:2011. Mines also achieved recertification of ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and continued to have certification of SA8000:2014. With this the company has successfully implemented the Integrated Management System (IMS) which integrates all business processes across the value chain in addition to integrating the process involved in Management Initiatives and all forms of ISO Management System. An external assessment of the Company based on the Malcolm Baldrige Model was held in May, 2017 to calibrate our systems and processes. We have moved one step up on the Malcolm Baldrige Ladder (from Early Development to Early Result band) and it has provided a way forward for further improvement.

In its endeavour to emerge as a global conglomerate, your Company initiated the implementation of a comprehensive Business Excellence initiative based on the globally-respected Malcolm Baldrige Quality Framework. The Company, during the year, moved forward in its journey on Malcolm Baldrige Model by creating the BAL Business Excellence Framework with the objective of building competitive advantage and sustainable business.

INDUSTRY OUTLOOK

Ferrochrome (FeCr), an alloy of chrome and iron, is a key raw material for stainless steel (SS) production. The markets for chrome ore and ferrochrome are shaped primarily by stainless steel production. All stainless steels contain chrome - indeed, it is chrome that makes steel "stainless" and to impart this property a minimum mass fraction of 10.5% chrome content is required, although in practice commercial grades of stainless steel contain at least 18% chrome.

Annual global crude stainless steel production in 2017 have an all-time high of around 48.45 Million Tonnes, which represents an annual growth of 6.2 % according to CRU. CRU forecasts a further rise in worldwide outturn of nearly 5 percent, in 2018, to a new peak of 50.7 Million Tonnes.

Recently-issued official Chinese output figures were significantly higher than earlier expectations. The annual total at close to 26 Million Tonnes represents 54 percent of global crude stainless steel production. Even after accounting for a slower growth in the consumption of stainless steel, a marginal growth is expected in Chinese stainless steel production in 2018.

The world High Carbon Ferro Chrome consumption is 12.26 Million Tonnes and Asia forms the largest consumer segment of this market with Chinese consumption alone being over 7.4 Million Tonnes in 2017 according to CRU.

BUSINESS STRATEGY

Volume-driven growth: Your Company is analyzing ways of increasing the operating capacity from about 1,60,000 Million Tonnes through capacity balancing, process optimization and marginal capital investment. This should increase the operating capacity to around 1,80,000 Million Tonnes.

The Company is continuously exploring opportunities for growth and expansion Organically and Inorganically. Organically, the company is undertaking development of its underground mining in kaliapani Chromite Mines at Sukinda, Odisha. In addition to the above growth efforts, the company is also contemplating setting up of and / or investing in some brown field and / or green field projects relating to the activities of the company.

Value-led growth: The team is working on increasing the production of value-added products namely low and medium-silicon, low-phosphorous, medium-carbon and high-chromium, among others. In addition, your Company is focused on maximizing its net realization through proper market segmentation in the domestic and international markets by selling directly to the end user.

Sustainability: Your Company owns natural resource assets of captive Chromite Ore Mines located at Sukinda Valley, Jajpur, Odisha.

The available resources for open cast mining in the Kaliapani Chromite Mines in Sukinda would continue for next few years. For sustained business operations, the management is developing underground mining in Kaliapani Chromite Mines of Sukinda.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**DIRECTORS' REPORT (Contd.)****SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:****SUBSIDIARIES**

As on the date of this report, the subsidiary companies are Milton Holdings Limited, Balasore Metals Pte. Limited and Balasore Alloys Nigeria Limited. Balasore Energy Limited, is the only associate Company. Further, the company does not have any joint venture.

A report on the performance and financial position of each of the subsidiaries and associate Company is included in form AOC -1 which forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Companies Act, 2013, read with Regulation 34 of SEBI (LODR), Regulations, 2015 the Company has prepared a Consolidated Financial Statement of the Company and all its subsidiaries and associate companies, which is forming part of this Annual Report.

The Statement in Form AOC-1 containing the salient features of the financial statement of the Company's subsidiaries and associates pursuant to first-proviso to sub-section (3) of Section 129 of the Companies Act, 2013 forms part of this Report as **Annexure - 1**.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company i.e. www.balasorealloys.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan, guarantees provided or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed under Section 186 of the Companies Act, 2013 read with applicable rules made there under.

Details of Loans given, Guarantees provided and Investments made covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 3 and 4 of the Financial Statements of the Company for the year ended on 31st March, 2018.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended 31st March, 2018, your Company's transactions with all the Related Parties as defined under the Companies Act, 2013 read with rules framed there under were in the ordinary course of business and at arm's length basis. Your Company does not have a material unlisted subsidiary as stipulated under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, your Company did not have any Related Party Transaction which required prior approval of the Shareholders.

All Related Party Transactions ('RPT') are placed before the Audit Committee for its prior approval. There has been no materially Significant Related party Transaction during the year under review, having potential conflict with the interest of the Company. Hence, disclosure in Form AOC-2 is not applicable. Further, necessary disclosures required under the Indian Accounting Standard (Ind AS - 24) have been made in the Notes forming part of Financial Statements of this Annual Report.

PUBLIC DEPOSITS

The Company has not invited or accepted any deposits from the public as stipulated under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS & AUDITORS' REPORT

Pursuant to provision of Sections 139 and 142 and other applicable provisions, if any, of the Act and Rules made thereunder and based on the recommendations of the Audit Committee and the Board, M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) are proposed to be re-appointed as the Statutory Auditors of the Company for the second term of five years, to hold office from the conclusion of 30th AGM until the conclusion of the 35th AGM of the Company on such remunerations as shall be fixed by the Board of Directors from time to time in consultation with the Auditors.

M/s Chaturvedi & Shah have given their consent to act as Auditors, if re-appointed. The Company has received a letter from them to the effect that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that their re-appointment for the second term of five years, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.



DIRECTORS' REPORT (Contd.)

Members are requested to approve their re-appointment as the Statutory Auditors of the Company for the second term of five years, to hold office from the conclusion of 30th AGM until the conclusion of the 35th AGM of the Company.

A resolution proposing re-appointment of M/s Chaturvedi & Shah as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, forms a part of the Notice convening the Annual General Meeting of the Company.

The Auditors' Report to the shareholders for the year under review does not contain any qualifications or adverse remarks. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost record and Audit) Rules, 2014 and based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on 28th May, 2018, has approved the re-appointment of M/s. Shome & Banerjee (Firm Registration Number 000001) as the Cost Auditors of the Company for the Financial Year 2018-19 to conduct audit of the Cost Records, maintained by the Company. As required under the Companies Act, 2013, a resolution seeking approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the ensuring Annual General Meeting of the Company.

The Cost Audit Report for the Financial Year ended on 31st March, 2017 was filed with Central Government in specified forms within the due date by the Cost Auditors of the Company. The Report of the Cost Auditors for the Financial Year ended on 31st March, 2018 is under finalization and will be filed with the MCA within the prescribed period.

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of The Companies (Accounts) Rules, 2014 and based on the recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on 28th May, 2018, has approved the appointment of M/s Das & Prasad, Chartered Accountants, (Firm Registration Number 303054E) as the Internal Auditor of the Company for the financial year 2018-19 to conduct the internal audit of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on 28th May, 2018, has approved the appointment of M/s MKB & Associates, Company Secretaries, as the Secretarial Auditor of the Company for conducting the Secretarial Audit of the Company for the financial year 2018-19.

The report of M/s. MKB & Associates, Secretarial Auditor of the Company for the financial year ended on 31st March, 2018 is annexed to this Report as **Annexure - 2**. The Secretarial Audit Report contains the following qualifications as:

- "out of the entire shareholding of the Promoters 4,660 equity shares (0.004% of the total share capital of the Company) are not held in dematerialized form as required under Regulation 31(2) of the Listing Regulations, 2015."

The shareholders may kindly note that 4,660 Shares of the Promoters are lying as collateral securities with Bank. The same shall be dematerialized in due course in consultation with the Bank.

- "The Company had complied with the provisions in regard to declaration and payment of dividend for the Financial Year 2016-17. However, there is delay in transfer of fund and payment of dividend to the Promoter Shareholders."

The shareholders may kindly note that, in view of ongoing proceedings by the Enforcement Directorate in the Promoter companies, the payment of Dividend to the Promoter shareholders was withheld and was paid after obtaining appropriate expert advice in the matter.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

I. INDEPENDENT DIRECTORS:

- (a) **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149 OF THE COMPANIES ACT, 2013 AND REGULATION 16 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 -**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTORS' REPORT (Contd.)****(b) FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTORS**

The Independent Directors are familiarised with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. On appointment, the Independent Director is issued a Letter of Appointment setting out in details, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Committee Members, Business and Functional Heads, visit to the manufacturing site, etc. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The Details of familiarisation Programme imparted by the Company to its Independent directors is displayed at its website i.e, www.balasorealloys.com

II. NON-INDEPENDENT DIRECTORS:**(a) WOMAN DIRECTOR:**

As per the provisions of Section 149(1) of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is required to have atleast one Woman Director on its Board. The Company complies with the aforesaid requirement as Ms. Mita Jha was appointed as Non-Executive Independent Director of the Company on 12th August, 2016. However, consequent to her appointment as Whole-time Director Designated as Executive Director - Human Resource with effect from 27th July, 2017, Ms Mita Jha ceases to be the Independent Director of the Company. Ms Mita Jha has been a Director of the Company till 24th April, 2018.

(b) APPOINTMENT OF DIRECTORS:

Based on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors of the Company in its Meeting held on 19th May, 2017 appointed Ms. Mita Jha as Whole-time Director designated as Executive Director - Human Resource to hold office for a term of 5 years w.e.f., 27th July, 2017. Further, Dr. Samuel Onyeabor Nwabuokei was appointed as Non-Executive & Non-Independent Director of the Company w.e.f. 14th June, 2017 through Circular Resolution. The Board of Directors in its Meeting held on 14th December, 2017 based on the recommendation of Nomination and Remuneration Committee and Audit Committee appointed Mr. Nikunj Pansari as Director - Finance & CFO and Mr. Dhiren Kumar Nath as Director - Operations of the Company.

(c) RESIGNATION OF DIRECTORS:

During the year under review, Mr. R K Parakh, resigned w.e.f. 30th June, 2017 from the office of Director-Finance & Chief Financial Officer (CFO) of the Company. Mr. Pramod Kumar Mittal resigned from Directorship of the Company w.e.f. 22nd August, 2017. Mr. Janarthanam Govindasamy (Director - Operations) resigned w.e.f. 6th March, 2018 and Ms. Mita Jha resigned from the office of Executive Director - HR w.e.f. 24th April, 2018. Further, Mr. Nikunj Pansari resigned from the post of Director-Finance & CFO w.e.f. 25th July, 2018. The Board placed on record its sincere appreciation for the valuable guidance and contribution made by Mr. R K Parakh, Mr. Pramod Kumar Mittal, Mr. Janarthanam Govindasamy, Ms. Mita Jha and Mr Nikunj Pansari in the deliberation of the Board during their tenure as Directors on the Board of the Company.

(d) RETIREMENT BY ROTATION:

As per the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Samuel Onyeabor Nwabuokei (DIN: 07835812) retires by rotation and being eligible, offers himself for re-appointment. In view of his considerable experience and contribution to the Company, your Directors recommend his re-appointment.

Resume and other information in respect of the Directors seeking appointment / re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings duly issued by 'The Institute of Company Secretaries of India' has been given in the Notice convening the ensuing Annual General Meeting. The Board of Directors recommends the above appointment(s)/re-appointment(s).

III. KEY MANAGERIAL PERSONNEL :

As on the date of this report, Mr. Anil Sureka, Managing Director, Mr. Dhiren Kumar Nath, Director-Operations, Mr. Nikunj Pansari, Director - Finance & CFO and Mr. Trilochan Sharma, President & Company Secretary of the Company are the Key Managerial Personnel of the Company, pursuant to Section 203(2) of the Companies Act, 2013.



DIRECTORS' REPORT (Contd.)

MEETINGS:

MEETINGS OF BOARD OF DIRECTORS :

During the financial year ended on 31st March, 2018, Six Board Meetings were held, the detail of the meetings and the number of meetings attended by each director of the Company are separately given in the Corporate Governance Report. The intervening gap between the two Board Meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

MEETINGS OF INDEPENDENT DIRECTORS :

Pursuant to Section 149, Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company for the financial year 2017-18 was held on Tuesday, 13th February, 2018. In this meeting, the Directors evaluated the performance of Board and its Committee as a whole, Directors, Non-Executive Directors and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

Further, based on the Board Evaluation Report duly prepared by Dr. Asish K. Bhattacharyya, Chairman of Audit Committee and Nomination and Remuneration Committee, the Board advised the management to take corrective actions in order to access the quality, quantity and the timeliness of flow of information between the Management and the Board.

PARTICULARS OF EMPLOYEES :

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure - 3**.

The particulars of employees as required under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments for the time being in force) in respect of the Top 10 Employees (*in terms of remuneration drawn*) including Employees employed throughout the financial year under review and in receipt of remuneration aggregating not less than Rs. 1,02,00,000 per annum as given in **Annexure - 4** hereto and forms part of this Report.

There was no employee who was employed for part of the financial year, requiring such disclosure. There was also no employee receiving remuneration during the year is in excess of that drawn by the Managing Director or Whole-time Director and holding by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors hereby confirm that:-

- (i) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards, have been followed and there are no material departures from the same;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and;
- (iv) the directors have prepared the annual accounts of the Company on a 'going concern' basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (vi) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the year under review, as stipulated under Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.



DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out in Regulation 17 of the SEBI (LODR) Regulations, 2015. The Report on corporate governance as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 forms an integral part of this Annual Report.

The Certificate received from M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditor of the Company confirming compliance with the conditions of corporate governance as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015, is attached to the Report on corporate governance. This Certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

CEO/CFO CERTIFICATION

Pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015 pertaining to corporate governance norms, Mr. Anil Sureka, Managing Director of the Company and Mr. Nikunj Pansari, Director-Finance & CFO of the Company have certified inter-alia, about review of financial statements and establishing & maintaining internal control to the financial reporting for the year ended on 31st March, 2018. The said certificate forms an integral part of annual report.

PERFORMANCE EVALUATION

Pursuant to the provisions of requirements of Section 149, Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and that of its Committees and individual Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

To determine the criteria of evaluation of the performance of the Independent Directors as required under the Regulation 19 of the SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee at its meeting established the criteria based on which the Board will evaluate the performance of the Directors.

A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on the parameters such as level of engagement and contribution, independence of judgement. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction over the evaluation process and results thereof.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

COMMITTEES OF BOARD

AUDIT COMMITTEE

The composition, terms of reference, details of the meeting held during the year and the number of meeting attended by each member of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The composition, terms of reference, details of the meeting held during the year and the number of meeting attended by each member of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition, terms of reference, details of the meeting held during the year and the number of meeting attended by each member of the Stakeholders Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.



DIRECTORS' REPORT (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition and terms of reference, details of the meeting held during the year and the number of meeting attended by each of the Corporate Social Responsibility (CSR) Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

POLICIES AND CODES

REMUNERATION POLICY

Your company has formulated a remuneration policy for the Board Members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) in terms of the provisions of section 178 of the Companies Act, 2013 read with the relevant rules there under and the SEBI (LODR) Regulations, 2015. The said policy may be referred to, at the Company's website at the weblink:

<http://www.balasorealloys.com/upload/media/pdf/Remuneration%20Policy.pdf>

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has formed a Whistle Blower Policy / Vigil Mechanism policy as required under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel of the Company denied access to the Audit Committee. The said policy was revised w.e.f., 14th February, 2018 and may be referred to, at the Company's website at the weblink:

<http://www.balasorealloys.com/upload/media/code/Whistle%20Blower%20Policy%20-%20Final.pdf>

RISK MANAGEMENT POLICY

In order to fulfill the objectives of Risk Management Policy and lay a strong foundation for the development of an integrated risk management framework, the policy outlines the following guiding principles of Risk Management.

Principles of Risk Management:

1. All business decisions will be made with the prior information and acceptance of risk involved.
2. The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses.
3. All employees of the company shall be made aware of risks in their respective domains and their mitigation measures.
4. The risk mitigation measures adopted by the company shall be effective in the long-term and to the extent possible be embedded in the business processes of the company.
5. Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy.
6. The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

Risk Management Policy Statement

The policy statement is as given below:

1. To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all risks.
2. To provide clear and strong basis for informed decision making at all levels of the organization.
3. To continually strive towards strengthening the Risk Management System through continuous learning and improvement.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees including permanent, temporary, on training and on contract basis at all the workplace within the company, which are based on fundamental principles of justice and fair play.

Further, an Internal Complaints Committee (ICC) has been constituted at every location where offices of the Company is situated which shall be responsible for redressal of complaints related to sexual harassment. The Company has put in place suitable processes and mechanisms to ensure issues of sexual harassment, if any, are effectively addressed. During the year under review, there were no complaints of sexual harassment received by the ICC of the Company.



DIRECTORS' REPORT (Contd.)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Balasore Alloys has been at the forefront in extending benefits of the local communities in and around its projects. We have always believed in the sustainable development of the society. We have earned the trust of the local community over the years through our community services, on a regular basis, throughout the year.

The Company perceives corporate social responsibility as an opportunity to contribute towards uplifting the society at large, empowering individual (specially women) making them self-reliant, eradicating poverty, providing sanitation facilities & safe drinking water, promoting education, supporting economically weaker section of the society and ensuring environment sustainability.

In compliance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board has formulated and recommended to the Board, a CSR Policy for its approval.

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen, lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The CSR Policy may be accessed on the Company's website at link:

http://www.balasorealloys.com/upload/media/csr-policy/CSR_25_06_2018.pdf

The Report on CSR activities or initiatives for the financial year 2017-18 as required under the Companies (Corporate Social Responsibility) Rules, 2014 has been attached as **Annexure - 7** to this Report.

POLICY ON MATERIALITY & DEALING WITH RELATED PARTY TRANSACTIONS

The Board at its meeting held on 20th May, 2014 had approved the policy on materiality of and dealing with Related Party Transactions. The policy regulates the transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company and also lays down mechanism for identification, approval, review and reporting of such transactions.

The policy on materiality of and dealing with Related Party Transactions may be accessed on the Company's website at link:

<http://www.balasorealloys.com/upload/media/pdf/Policy%20on%20Related%20Party%20Transaction.pdf>

POLICY ON PRESERVATION AND ARCHIVING OF THE DOCUMENTS

The Company in its meeting held on 14th November, 2015 had approved the policy on preservation and archiving of the documents. The policy ensures safe-keeping of the records and safeguard of the documents from getting manhandled, while at the same time avoiding superfluous inventory of documents.

POLICY TO DETERMINE THE MATERIAL EVENTS

The Board at its meeting held on 14th November, 2015 had approved the Policy to determine the material events or information. The Policy to determine the material events or information provides the guidelines for proper, sufficient and timely disclosure of the material events or information to the Stock Exchange(s) and / or any other regulatory authorities.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

The Board at its meeting held on 28th September, 2016 had approved the Policy for determining Material Subsidiaries. The Policy for determining Material Subsidiaries specifies the process of determination and compliances in respect of Material Subsidiaries.

The policy for determining Material Subsidiaries may be accessed on the Company's website at link:

<http://www.balasorealloys.com/upload/media/pdf/Policy%20for%20Determination%20of%20Material%20Subsidiaries.pdf>

CODE OF CONDUCT

The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.

The code may be accessed on the Company's website at link:

<http://www.balasorealloys.com/upload/media/Investors/Code%20of%20Conduct.pdf>

CODE OF INSIDER TRADING

The Company has devised a framework to avoid Insider Trading and abusive self-dealing. The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public.



DIRECTORS' REPORT (Contd.)

The code may be accessed on the Company's website at link:

<http://www.balasorealloys.com/upload/media/pdf/Insider%20Trading%20Code%20of%20Conduct.pdf>

OTHER REQUIREMENTS:

EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return as on the financial year ended on 31st March, 2018 in Form MGT 9 is annexed hereto as **Annexure - 5** and forms a part of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS.

The Enforcement Directorate (ED) on 15th December, 2017 had passed a Provisional Attachment Order against M/s Balasore Alloys Ltd. (BAL) for the value of ₹ 24489.07 Lacs on the alleged ground that Sri Pramod Kumar Mittal and Global Steel Holdings Ltd. allegedly holds 30.35% of the shares of BAL through various Indian / Foreign promoter and investment companies.

On 5th of February, 2018 the Adjudicating Authority issued a show cause to BAL as to why the aforesaid Provisional Attachment Order should not be confirmed?

The Company filed an Appeal before the Appellate Tribunal on 17th May, 2018 challenging the said Show Cause Notice dated 5th February, 2018.

The Hon'ble Appellate Tribunal after hearing the matter on merits on 23rd May, 2018 delivered an Order/Judgment inter-alia recording that BAL is an independent publicly quoted company and is not an accused and there is no complaint against BAL under the Prevention of Money Laundering Act, 2002 (PMLA) and the alleged proceedings of Provisional Attachment are contrary to the earlier Order of the Hon'ble Tribunal. It also recorded that BAL is not involved in any schedule offence under the PMLA and inter-alia duly recorded that the purported notice under Section 8(1) of the PMLA has been wrongly issued to BAL and that the Hon'ble Appellate Tribunal had fixed the Appeal for final hearing on 17th of July, 2018 and directed the Adjudicating Authority to adjourn the proceedings before it until thereafter.

The Directors would like to inform that, the company has no business relationship with GSHL and Global Steel Philippines Inc. (GSPI) in any manner. Further, company had nothing to do with the alleged transactions between M/s State Trading Corporations (STC), GSHL & GSPI which is the basis of the cause of action of ED.

The action on the part of ED in relation to the Company is arbitrary and contrary to the well-established principle of the law as pronounced by Hon'ble Supreme Court as the Company is a separate legal entity independent from its shareholders as advised by the legal counsels and therefore, the company believe that, the above proceedings will not affect its operations of the company and would not impact it as a going concern. The purported Order of ED involving BAL is wholly without any jurisdiction, illegal and void ab-initio.

PERSONNEL

Your company is continuing the tradition of excellence in human capital management by adopting all modern tools and techniques of human management. The pragmatic and proactive approach of management has contributed in enhancing the job satisfaction of employees. Your company has analyzed the Strength and Weakness of key functions to internalize the gap and similarly Opportunities and Threats to mitigate the external forces. To fasten the action, company is moving towards Automation in Human Resource by adopting software to enable efficient and effective way of working. Your company always remains vigilant to capitalize on talent pool in order to promote performance driven work culture both within and outside the organization. Your company has adopted Balanced Score Card approach in Performance Management to be transparent and performance initiatives aligning with Organizational Vision, Mission and Objectives. The continuous dialogue sessions with the office bearers of union, prompt grievance redressal and implementation of employees' friendly welfare scheme has been institutionalized. A congenial productive atmosphere has been created through mutual trust and transparency between the management and the union.

AWARD AND RECOGNITION

The Company has received many recognitions for its outstanding performance / contribution to the industry and society.

Some of the awards received during the financial year 2017-18 are as mentioned below:

1. The Company was honored with the prestigious **"NALCO Utkal Gaurav Madhusudan Das Quality Award"** for the year 2018 in the category of "LARGE ENTERPRISE".

**DIRECTORS' REPORT (Contd.)**

2. The Company has been awarded as "Brand of the Decade 2018" in manufacturing category by Herald Global - ERTC Media following a comprehensive analysis of the parameters of brand capacity conducted by BARC Asia, a renowned independent research and brand listing agency.
3. The Company was selected for "Silver" Award in "2nd Annual EKDKN (**EK KAAM DESH KE NAAM**) EXCEED AWARD 2018" under "Occupational Health & Safety" Category in Mining & Metallurgy Sector at Dehradun.
4. The Company was awarded as the "Star Performer Award for the year 2016-17" in the product group - Ferro alloys, Large Enterprise on an All India basis from EEPC at New Delhi.
5. Odisha Metalliferous Mines Safety week celebration 2017-18 :
 - a. First Prize Overall category.
 - b. First Prize in Swachhata category.
 - c. First Prize in First Aid Competition.
 - d. Special Prize for Outstanding Performance in Safety.
 - e. Second Prize in Safety Quiz.
 - f. First Prize in Best Employee category.
 - g. First Prize in First Aid briefing, First Aid Marching, First Aid Drill and First Aid Management categories of Mines.
 - h. First Prize in Dumper Operator category of Mines.
 - i. Second Prize in Excavator Operator category of Mines.

PARTICULARS AS PER SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given in the **Annexure - 6** hereto and forms part of this Report.

TRANSFER OF UNCLAIMED / UNPAID DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") as amended from time to time, the Company is required to transfer dividends remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account along with interest accrued, if any, to the Investor Education and Protection Fund (IEPF) established by the Ministry of Corporate Affairs (MCA), Government of India within 30 days of the date on which the same falls due to be credited to the IEPF.

The company is requesting to all the concerned shareholders to claim the dividends from 2010-11 onwards, before the unclaimed or unpaid Dividend referred above are transferred to the said Fund. Due date for transfer of Unclaimed Dividend to IEPF are as follows:

Financial Year	Date of AGM	Seven years from the date of transfer to Unpaid / Unclaimed Dividend Account*	Due date of transfer of Unpaid / Unclaimed Dividend to IEPF
2010-11	29.09.2011	04.11.2018	05.11.18 to 04.12.18
2011-12	26.09.2012	02.11.2019	03.11.19 to 02.12.19
2012-13	18.09.2013	24.10.2020	25.10.20 to 24.11.20
2013-14	25.09.2014	31.10.2021	01.11.21 to 30.11.21
2014-15	29.09.2015	03.11.2022	04.11.22 to 03.12.22
2015-16	28.09.2016	02.11.2023	03.11.23 to 02.12.23
2016-17	23.09.2017	29.10.2024	30.10.24 to 29.11.24

*Note: Within Seven days from the expiry of the thirty days of declaration of Dividend at the AGM the unpaid or unclaimed dividend are transferred to Unpaid Dividend Account.



BALASORE ALLOYS LIMITED

DIRECTORS' REPORT (Contd.)

TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY.

Pursuant to provisions of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") as amended from time to time, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall be transferred / credited to the Demat account of the IEPF Authority.

Members may further note that, the Company has already sent individual notices in this regard to all the concerned shareholders on 20th July, 2018 and has also advertised in the newspapers seeking action from the members who have not claimed their dividends for seven consecutive years or more.

The company is requesting again to the concerned shareholders to claim the dividends from 2010-11 onwards, before the shares referred above are transferred to the Demat account of the IEPF Authority. Due date for transfer of concerned Shares to the Demat Account of the said Authority are as follows:

Financial Year	Date of AGM	Seven years from the date of transfer to Unpaid / Unclaimed Dividend Account	Due date of transfer of shares to Demat Account of IEPF Authority
2010-11	29.09.2011	04.11.2018	05.11.18 to 04.12.18
2011-12	26.09.2012	02.11.2019	03.11.19 to 02.12.19
2012-13	18.09.2013	24.10.2020	25.10.20 to 24.11.20
2013-14	25.09.2014	31.10.2021	01.11.21 to 30.11.21
2014-15	29.09.2015	03.11.2022	04.11.22 to 03.12.22
2015-16	28.09.2016	02.11.2023	03.11.23 to 02.12.23
2016-17	23.09.2017	29.10.2024	30.10.24 to 29.11.24

Note: Within Seven days from the expiry of the thirty days of declaration of Dividend at the AGM, the shares on which the dividend was not claimed / unpaid for seven consecutive years shall be transferred / credited to Demat account of the IEPF Authority.

Details of shares / shareholders in respect of which dividend has not been claimed for the seven consecutive years are provided on Company's website. The shareholders are therefore requested to verify their records and claim their dividends of all the last seven years, if not claimed.

Underlying shares into the unpaid dividend account can be claimed anytime before they are transferred to IEPF. Further, Shareholders may also claim back the shares transferred to IEPF Authority and the unclaimed dividend including all future benefits accruing on such shares, if any, by complying the requisite formalities as stipulated in the said Rules.

CREDIT RATING

During the year under review, Credit Analysis & Research Limited (CARE) has reaffirmed the Credit Rating of CARE BBB- (Triple B Minus) for the Long term Bank Facilities and CARE A3 (A Three) for the Short term Bank Facilities of your Company. The outlook on the Long Term and Short term Rating has been changed from 'Stable' to 'Credit Watch with Negative Implications' on December 2017.

APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as a leading player in the industry.

Your Directors express their sincere appreciation for the continued co-operation and support extended to the Company by the Central Government, the Government of Odisha, Government Agencies, Regulatory Authorities, Stock Exchanges, Company's Bankers, Business Associates, Shareholders and the Community at large.

For and on behalf of the Board

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

Place : Kolkata
Date : 28th May, 2018

**DIRECTORS' REPORT (Contd.)****Annexure - 1****Form AOC-1***(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)***Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures****Part "A": Subsidiaries****(₹ in Lacs)**

Sl. No.	Particulars	Name of the Subsidiaries		
		Balasore Alloys Nigeria Ltd.	Milton Holdings Ltd.	Balasore Metals Pte. Ltd.
1.	Date since when subsidiary was acquired	09.03.2017	17.06.2008	15.12.2011
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	1USD = INR 65.04	1USD = INR 65.04	1USD = INR 65.04
4.	Share capital (Issued, Subscribed & Paid Up)**	20**	3,068.54	0.00*
5.	Reserves & surplus (incl. debit balance in Profit & Loss Account)	-	(3,089.91)	(109.86)
6.	Total assets	-	0.39	340.41
7.	Total Liabilities	-	21.76	450.25
8.	Investments	-	-	-
9.	Turnover	-	-	-
10.	Profit / Loss before taxation	-	(3,068.95)	(82.31)
11.	Provision for taxation	-	-	-
12.	Profit after taxation	-	(3,068.95)	(82.31)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	99%	100%	100%

Financial information is based on un-audited financials of Subsidiary Company.

* The Holding Company holds the entire Equity Share Capital of 1 Ordinary, fully paid share having Face value of USD 1.00 amounting to USD 1.00.

** ₹ 19.80 Lacs is towards Unpaid Capital of Subsidiary Balasore Alloys Nigeria Limited.

Notes:

- Names of subsidiaries which are yet to commence operations:** - Balasore Alloys Nigeria Limited
- Names of subsidiaries which have been liquidated or sold during the year:** - N.A.

For Chaturvedi & ShahFirm Registration No.: 101720W
Chartered Accountants**Amit Chaturvedi**Partner
Membership No.: 103141

Place : Kolkata

Date : 28th May, 2018**For and on behalf of the Board of Directors****Anil Sureka**
(Managing Director)
DIN No.- 00058228**Nikunj Pansari**
(Director-Finance & CFO)
DIN No.- 08023216**Trilochan Sharma**
(Company Secretary)
Membership No. FCS 6024



BALASORE ALLOYS LIMITED

DIRECTORS' REPORT (Contd.)

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES

Part "B": Associates

Sl. No.	Name of the Associate	Balasore Energy Limited
1.	Latest audited Balance Sheet Date	31st March, 2018
2.	Date on which the Associate or Joint Venture was associated or acquired	15 th May, 2008
3.	Shares of Associate held by the company on the year end	
	- No. of Shares	17000
	- Amount of Investment in Associates (₹ in Lacs)	1.70
	- Extend of Holding %	34%
4.	Description of how there is significant influence in Associates	There is significant influence due to holding 34% of Share Capital.
5.	Reason why the associate is not consolidated	Associate has been considered in Consolidation.
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lacs)	0
7.	Profit / Loss for the year	
	i. Considered in Consolidation (₹ in Lacs)	-
	ii. Not Considered in Consolidation*	(0.53)

* Loss not considered due to losses exceeding cost of investment.

Notes -

- Names of Associates or Joint Ventures which are yet to commence operations** :- Balasore Energy Ltd. is yet to commence its operations.
- Names of Associates or Joint Ventures which have been liquidated or sold during the year:** – N.A.
- The Company does not have any Joint Venture.**

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

Amit Chaturvedi
Partner
Membership No.: 103141

Place : Kolkata
Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director-Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No. FCS 6024



DIRECTORS' REPORT (Contd.)

Annexure - 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Balasore Alloys Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BALASORE ALLOYS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter-alia, applicable to the Company:
 - a) The Mines Act, 1952
 - b) The Mines and Minerals (Development & Regulation) Act, 1957 and Rules thereunder



DIRECTORS' REPORT (Contd.)

- c) The Mineral Conservation and Development Rules, 1988 and The Mineral Conservation and Development Rules, 2017
- d) The Water Cess Act, 1977
- e) The Explosives Rules, 2008
- f) The Metalliferous Mines Regulations, 1961
- g) The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines, Labour Welfare Cess Act, 1976 and Rules thereunder
- h) The Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008

We have also examined compliance with the applicable clauses of the following:

- a) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that*:

- a) *out of the entire shareholding of the promoters, 4660 equity shares (0.005% of the total share capital of the Company) are not held in dematerialized form as required under Regulation 31(2) of Listing Regulations, 2015.*
- b) *The Company had complied with the provisions in regard to declaration and payment of dividend for the Financial Year 2016-17. However, there is delay in transfer of funds and payment of dividend to the promoter shareholders.*

We further report that :

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that subject to our observation above there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has passed the following special resolution through postal ballot which authorize the Board to exercise powers in relation thereto, but presently do not have any major bearing on the affairs of the Company:

- a) to give loans, provide guarantee, security, make investments upto maximum amount of Rs. 4000 Crore under Section 186 of the Companies Act, 2013.

We further report that during the audit period the Company has converted 44,35,000 warrants into Equity Shares on 30th March, 2018 out of the pending 1,30,00,000 Convertible Warrants issued to the Promoter Group of the Company on preferential basis.

This report is to be read with our letter of even date which is annexed as **Annexure - 'A'** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
[Partner]
ACS No. 11470
COP No. 7596
FRN: P2010WB042700

Place : Kolkata
Date : 28th May, 2018



DIRECTORS' REPORT (Contd.)

Annexure - 'A'

To,
The Members,
Balasore Alloys Limited

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Bantia
[Partner]
ACS No. 11470
COP No. 7596
FRN: P2010WB042700

Place : Kolkata
Date : 28th May, 2018



DIRECTORS' REPORT (Contd.)

Annexure - 3

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18:
- Managing Director: 48.21 times
Director-Finance: 22.56 times
Director-Operations: 10.09 times
Company Secretary: 13.27 times
- (ii) Percentage increase in remuneration of each Director, CEO i.e. Managing Director, CFO i.e. Director-Finance, Company Secretary in the financial year 2017-18:
- Managing Director: NIL
Director-Finance: 41.67%
Director-Operations: 29.70%
Company Secretary: 44.29%
- (iii) Percentage increase in the median remuneration of employees in the financial year 2017-18:
- 15.10% Increase in median remuneration
- (iv) There are 903 Number of employees (892 Permanent employees and 11 contractual employees) on the rolls of company as on 31.03.2018.
- (v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Avg % increase below Manager (17-18): 12.29%
Avg % increase Managerial personnel (17-18): 15.94%
- (vi) It is affirmed that the remuneration is as per the remuneration policy of the company.

For and on behalf of the Board

Place : Kolkata
Date : 28th May, 2018

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**DIRECTORS' REPORT (Contd.)****Annexure - 4****Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018**

Top 10 Employees including Employees employed throughout the financial year under review and in receipt of remuneration aggregating not less than ₹ 1,02,00,000 per annum:

Sl. No.	Name	Designation	Nature of Employment (Whether contractual or otherwise)	Qualification	Age (in years)	Date of Appointment	Experience- No. of years including previous employment	Remuneration (₹ in Lacs)	Last Employment- Designation
1	Anil Sureka	Managing Director	Contractual	B. Com & CS	63	17.04.2012	45 Years	185.88	JSW Ispat Steel Ltd., Executive Director (Finance)
2	G Janarthanam	Director- Operations	Contractual	B.E - Mechanical & MBA - HR & Marketing	59	12.02.2016	40 years	71.26	GPIL, Director
3	Vinod Kumar Jodhani	President - CRM	Permanent	B.Com	49	01.01.1990	29 Years	68.99	N.A
4	Mita Jha	Executive Director - HR	Contractual	MPM & MBA-HR	51	27.07.2017	23 Years	64.19	Amcor Flexibles Pvt. Ltd., Director
5	Dharmesh Lakhani	Director - Other Project Finance	Permanent	CA	49	30.03.2017	21 Years	56.01	Hygeia Nigeria Ltd., CFO
6	Nikunj Pansari	Director-Finance & CFO	Contractual	MBA	33	01.06.2009	9 Years	55.93	N.A
7	Rajendra Kumar Parakh	Director-Finance & CFO	Contractual	CA	51	17.11.2011	32 Years	51.85	GPIL, CFO
8	Trilochan Sharma	President & Company Secretary	Permanent	FCA, FCS, FCMA, MIIA	49	15.11.2001	27 Years	51.57	Das & Prasad
9	Mrutyunjaya Mohanty	Director - Other Project Finance	Permanent	CA	53	03.10.2016	26 Years	51.18	India Steel Works, President
10	R R Kumar	President -Mines Operation	Permanent	B Tech. Mining Engineering	59	07.03.2017	37 Years	42.76	Hindustan Zinc, Vice President

Notes:

1. There is no Employee employed for part of the financial year under review and in receipt of remuneration not less than ₹ 8,50,000 per month.
2. Remuneration as shown above includes, inter-alia, Company's contribution to provident funds, house rent allowance, leave travel facility and taxable value of perquisites.
3. None of the employee mentioned above is a relative of any of the Director of the Company.
4. None of the employee has drawn in excess of remuneration drawn by MD / WTD and holds not less than 2% of the Equity Shares of the Company as on 31st March, 2018.

For and on behalf of the Board

Place : Kolkata
Date : 28th May, 2018

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**BALASORE ALLOYS LIMITED****DIRECTORS' REPORT (Contd.)****Annexure - 5**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
of

BALASORE ALLOYS LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L27101OR1984PLC001354
- ii) Registration Date : 31.05.1984
- iii) Name of the Company : BALASORE ALLOYS LIMITED
- iv) Category / Sub-Category of the Company : Public Company - Limited by Shares
- v) Address of the Registered Office and contact details : Balgopalpur - 756 020, Dist. Balasore, Odisha
Tel. Nos. +91-6782-275781-85
- vi) Whether listed Company : Yes, BSE Limited and The Calcutta Stock Exchange Limited
- vii) Name, Address and contact details of Registrar & Share Transfer Agents (RTA), if any : MCS Share Transfer Agent Ltd.
Unit: Balasore Alloys Limited
12/1/5, Manoharpukur Road, Ground Floor,
Kolkata - 700 026
Ph. Nos. +91 33 4072 4051 / 4052 / 4053
Fax Nos. +91 33 4072 4050
E-mail: mcssta@rediffmail.com
Website : www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product	% to total turnover of the company
1.	Ferro Chrome / Ferro Alloys	2711	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Milton Holdings Ltd. Suite - G 12, St. James Court, St Dennis Street, Port Louis, Mauritius.	N.A	Wholly owned Subsidiary	100%	2(87)
2.	Balasore Metals Pte. Ltd. 3 Anson Road, 27-01, Springleaf Tower, Singapore - 079909.	N.A.	Wholly owned Subsidiary	100%	2(87)
3.	Balasore Alloys Nigeria Ltd. Suite 206 & 207 National Engineering Centre CBD Abuja, Nigeria.	N.A.	Subsidiary	99%*	2(87)
4.	Balasore Energy Ltd. Balgopalpur - 756 020, Dist. Balasore, Odisha	U40102OR2008PLC010020	Associate Company	34%	2(6)

* ₹ 19.80 Lacs is towards Unpaid Capital of Subsidiary Balasore Alloys Nigeria Limited.


DIRECTORS' REPORT (Contd.)
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April, 2017)				No. of Shares held at the end of the year (as on 31st March, 2018)				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	533660	4660	538320	0.61	161717	4660	166377	0.18	-0.43
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	41604076	0	41604076	46.80	40346900	0	40346900	43.23	-3.57
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	42137736	4660	42142396	47.41	40508617	4660	40513277	43.41	-4.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	12393420	0	12393420	13.94	16828420	0	16828420	18.03	4.09
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	12393420	0	12393420	13.94	16828420	0	16828420	18.03	4.09
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	54531156	4660	54535816	61.35	57337037	4660	57341697	61.44	0.09
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	100	13500	13600	0.02	100	13500	13600	0.02	0
(b) Banks / FI	3151	587922	591073	0.66	3151	587922	591073	0.63	-0.03
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	1697013	0	1697013	1.91	1697013	0	1697013	1.82	-0.09
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	1700264	601422	2301686	2.59	1700264	601422	2301686	2.47	-0.12
2. Non-Institutions									
(a) Bodies Corp.	5041608	58577	5100185	5.74	4271677	57119	4328796	4.64	-1.10
(b) NRI/ Foreign Co.	650488	595835	1246323	1.40	919100	592014	1511114	1.62	0.22
(c) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	9319953	8728521	18048474	20.30	14313818	8574709	22888527	24.52	4.22
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	7591843	0	7591843	8.54	4952609	0	4952609	5.31	-3.23
(d) Others (specify)	66084	0	66084	0.07	982	0	982	0.00	-0.07
Sub-total (B)(2)	22669976	9382933	32052909	36.06	24458186	9223842	33682028	36.09	0.03
Total Public Shareholding (B)=(B)(1)+(B)(2)	24370240	9984355	34354595	38.65	26158450	982564	35983714	38.56	-0.09
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	78901396	9989015	88890411	100	83495487	9829924	93325411	100	-

**DIRECTORS' REPORT (Contd.)****(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in share Holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Goldline Tracom Private Limited	12402346	13.95	13.84	12402346	13.29	13.18	-0.66
2.	Navoday Exim Private Limited	500000	0.56	0.56	500000	0.54	0.54	-0.02
3	Navdisha Real Estate Private Limited	1801880	2.03	2.03	1801880	1.93	1.93	-0.10
4	Indethal Holdings Limited	1304100	1.47	0.00	1304100	1.40	0.00	-0.07
5	Ispat Steel Holdings Limited	689400	0.78	0.00	689400	0.74	0.00	-0.04
6	Seema Lohia	528880	0.59	0.00	-	-	-	-0.59
7	Securex Holding Limited	365900	0.41	0.00	365900	0.39	0.00	-0.02
8	Navoday Highrise Private Limited	7346635	8.26	0.00	6942674	7.44	7.44	-0.82
9	Navoday Niketan Private Limited	4953215	5.57	4.77	4100000	4.39	4.39	-1.18
10	Global Steel Holdings Limited	34020	0.04	0.00	34020	0.04	0.00	0.00
11	Vinod Kumar Mittal	2330	0.00	0.00	2330	0.00	0.00	0.00
12	Pramod Kumar Mittal	5710	0.00	0.00	5710	0.00	0.00	0.00
13	Archana Mittal	420	0.00	0.00	420	0.00	0.00	0.00
14	Saroj Rateria	420	0.00	0.00	154300	0.17	0.00	0.17
15	Santosh Kumar Rateria	560	0.00	0.00	3617	0.00	0.00	0.00
16	Dankuni Investments Limited	3300000	3.71	0.00	3300000	3.54	0.00	-0.17
17	Navoday Consultants Limited	3300000	3.71	0.00	3300000	3.54	0.00	-0.17
18	Jaltarang Vanijya Pvt. Limited	8000000	9.00	0.00	8000000	8.57	0.00	-0.43
19	Direct Trading & Investments Singapore Pte. Limited	2900000	3.26	0.00	2900000	3.11	0.00	-0.15
20	Global Steel Holdings Asia Pte. Limited	2900000	3.26	0.00	6639983	7.11	0.00	3.85
21	Prasan Global Ventures Singapore Pte. Limited	4200000	4.72	0.00	4895017	5.25	0.00	0.53


DIRECTORS' REPORT (Contd.)
(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Goldline Tracom Pvt. Limited				
	At the beginning of the year	12402346	13.95		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			12402346	13.29
2	Navoday Exim Pvt. Limited				
	At the beginning of the year	500000	0.56		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			500000	0.53
3	Navdisha Real Estate Pvt. Limited				
	At the beginning of the year	1801880	2.03		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			1801880	1.93
4	Indethal Holdings Limited				
	At the beginning of the year	1304100	1.47		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			1304100	1.40
5	Ispat Steel Holdings Limited				
	At the beginning of the year	689400	0.78		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			689400	0.74
6	Seema Lohia				
	At the beginning of the year	528880	0.59		
	Increase/decrease during the year	02.06.2017 Sell	528880	0	0.00
	At the end of the year			-	-
7	Securex Holding Limited				
	At the beginning of the year	365900	0.41		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			365900	0.39
8	Navoday Highrise Pvt. Limited				
	At the beginning of the year	7346635	8.26		
	Increase/decrease during the year	22.09.2017 Sell	1000000	6346635	6.80
		30.09.2017 Buy	596039	6942674	7.44
9	Navoday Niketan Pvt. Limited				
	At the beginning of the year	4953215	5.57		
	Increase/decrease during the year	22.09.2017 Sell	716215	4237000	4.54
		27.10.2017 Sell	1000	4236000	4.54
10	Global Steel Holdings Limited				
	At the beginning of the year	34020	0.04		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			34020	0.04
11	Vinod Kumar Mittal				
	At the beginning of the year	2330	0.00		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			2330	0.00


DIRECTORS' REPORT (Contd.)
(iii) Change in Promoters' Shareholding (Contd.)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
12	Pramod Kumar Mittal					
	At the beginning of the year	5710	0.00			
	Increase/decrease during the year	No changes during the year				
	At the end of the year			5710	0.00	
13	Archana Mittal					
	At the beginning of the year	420	0.00			
	Increase/decrease during the year	No changes during the year				
	At the end of the year			420	0.00	
14	Saroj Rateria					
	At the beginning of the year	420	0.00			
	Increase/decrease during the year	02.06.2017	Buy	528880	529300	0.57
		23.06.2017	Sell	200000	329300	0.35
		01.09.2017	Sell	200000	129300	0.14
		08.09.2017	Sell	129000	300	0.00
		24.11.2017	Buy	50000	50300	0.05
		01.12.2017	Buy	35000	85300	0.09
		09.02.2018	Buy	69000	154300	0.17
	At the end of the year			154300	0.17	
15	Santosh Kumar Rateria					
	At the beginning of the year	560	0.00			
	Increase/decrease during the year	23.06.2017	Buy	200000	200560	0.21
		07.07.2017	Sell	20000	180560	0.19
		18.08.2017	Sell	2000	178560	0.19
		01.09.2017	Buy	200000	378560	0.41
		08.09.2017	Sell	225000	153560	0.16
		15.09.2017	Sell	100000	53560	0.06
		30.09.2017	Buy	4000	57560	0.06
		20.10.2017	Sell	6000	51560	0.06
		27.10.2017	Sell	5000	46560	0.05
		10.11.2017	Sell	5000	41560	0.04
		17.11.2017	Sell	4000	37560	0.04
		24.11.2017	Buy	103	37663	0.04
		01.12.2017	Sell	30000	7663	0.01
		31.12.2017	Sell	4990	2673	0.00


DIRECTORS' REPORT (Contd.)
(iii) Change in Promoters' Shareholding (Contd.)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		12.01.2018 Buy	2000	4673	0.01
		19.01.2018 Buy	21000	25673	0.03
		02.02.2018 Buy	65528	91201	0.10
		09.02.2018 Sell	69000	22201	0.02
		16.02.2018 Sell	8700	13501	0.01
		02.03.2018 Sell	5000	8501	0.01
		09.03.2018 Sell	5000	3501	0.00
		16.03.2018 Buy	10116	13617	0.01
		23.03.2018 Sell	10000	3617	0.00
	At the end of the year			3617	0.00
16	Dankuni Investments Limited				
	At the beginning of the year	3300000	3.71		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			3300000	3.54
17	Navoday Consultants Limited				
	At the beginning of the year	3300000	3.71		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			3300000	3.54
18	Jaltarang Vanijya Pvt. Limited				
	At the beginning of the year	8000000	9.00		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			8000000	8.57
19	Direct Trading & Investments Singapore Pte. Limited				
	At the beginning of the year	0	0.00		
	Increase/decrease during the year - Preferential allotment on 31.03.2018	2900000	3.26		
	At the end of the year			2900000	3.11
20	Global Steel Holdings Asia Pte. Limited				
	At the beginning of the year	2900000	3.26		
	Increase/decrease during the year - Preferential allotment on 31.03.2018	3739983	4.01		
	At the end of the year			6639983	7.11
21	Prasan Global Ventures Singapore Pte. Limited				
	At the beginning of the year	4200000	4.72		
	Increase/decrease during the year - Preferential allotment on 31.03.2018	695017	0.74		
	At the end of the year			4895017	5.25


DIRECTORS' REPORT (Contd.)
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2017)		Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	India Focus Cardinal Fund				
	At the beginning of the year	1697013	1.91		
	At the end of the year			1697013	1.82
2	Subramanian P				
	At the beginning of the year	1495690	1.68		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	14.04.2017 Buy	4580	0.0049	1500270	1.61
	05.05.2017 Sell	21829	0.0234	1478441	1.58
	30.09.2017 Sell	1741	0.0019	1476700	1.58
	20.10.2017 Sell	21150	0.0227	1455550	1.56
	29.12.2017 Sell	1800	0.0019	1453750	1.56
	At the end of the year			1453750	1.56
3	Unit Trust of India				
	At the beginning of the year	581760	0.65		
	At the end of the year			581760	0.62
4	C Ajay*	1280	0.00		
	At the beginning of the year				
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	21.04.2017 Buy	71612	0.08	72892	0.08
	28.04.2017 Buy	81211	0.09	154103	0.17
	05.05.2017 Buy	62	0.00	154165	0.17
	12.05.2017 Buy	17380	0.02	171545	0.18
	19.05.2017 Buy	47624	0.05	219169	0.23
	18.08.2017 Buy	30506	0.03	249675	0.27
	25.08.2017 Buy	42368	0.05	292043	0.31
	01.09.2017 Buy	236	0.00	292279	0.31
	08.09.2017 Buy	38964	0.04	331243	0.35
	30.09.2017 Buy	3396	0.00	334639	0.36
	06.10.2017 Buy	13035	0.01	347674	0.37
	13.10.2017 Buy	20852	0.02	368526	0.39
	20.10.2017 Buy	3585	0.00	372111	0.40
	27.10.2017 Buy	25560	0.03	397671	0.43
	03.11.2017 Buy	4313	0.00	401984	0.43
	17.11.2017 Buy	939	0.00	402923	0.43
	22.12.2017 Buy	769	0.00	403692	0.43
	29.12.2017 Buy	9023	0.01	412715	0.44
	05.01.2018 Buy	1233	0.00	413948	0.44
	02.02.2018 Sell	2500	0.00	411448	0.44
	At the end of the year			411448	0.44


DIRECTORS' REPORT (Contd.)
(iv) Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2017)		Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Sadhana Mehrotra				
	At the beginning of the year	471000	0.53		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	07.04.2017 Sell	59857	0.064		
	At the end of the year			411143	0.44
6	Kimberley Steel and Equipment Services Pvt Limited				
	At the beginning of the year	405257	0.46		
	At the end of the year			405257	0.43
7	Delta Trading Company Limited				
	At the beginning of the year	326100	0.37		
	At the end of the year			326100	0.35
8	Tarun Jain*				
	At the beginning of the year	0	0.00		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	31.03.2018 Buy	300000	0.32		
	At the end of the year			300000	0.32
9	Champion Commercial Company Limited				
	At the beginning of the year	203649	0.23		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	30.09.2017 Buy	44767	0.048	248416	0.27
	06.10.2017 Buy	22000	0.024	270416	0.29
	At the end of the year			270416	0.29
10	Ajit Kantilal Shah*				
	At the beginning of the year	200000	0.22		
	At the end of the year			200000	0.21
11	Master Services Capital Limited**				
	At the beginning of the year	608786	0.68		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	07.04.2017 Sell	608786	0.65	0	0.00
	07.04.2017 Buy	639580	0.69	639580	0.69
	14.04.2017 Sell	26430	0.03	613150	0.66
	21.04.2017 Sell	1385	0.00	611765	0.66
	28.04.2017 Sell	189135	0.20	422630	0.45
	05.05.2017 Buy	63100	0.07	485730	0.52
	12.05.2017 Sell	472421	0.51	13309	0.01
	30.06.2017 Sell	375	0.00	12934	0.01
	15.09.2017 Buy	5905	0.01	18839	0.02
	30.09.2017 Sell	975	0.00	17864	0.02


DIRECTORS' REPORT (Contd.)
(iv) Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year (As on 01.04.2017)		Shareholding at the end of the year (As on 31.03.2018)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	06.10.2017	Sell	6305	0.01	11559	0.01
	20.10.2017	Buy	3206	0.00	14765	0.02
	27.10.2017	Buy	7275	0.01	22040	0.02
	03.11.2017	Sell	6216	0.01	15824	0.02
	10.11.2017	Sell	1343	0.00	14481	0.02
	17.11.2017	Sell	2246	0.00	12235	0.01
	24.11.2017	Sell	3874	0.00	8361	0.01
	01.12.2017	Buy	24495	0.03	32856	0.04
	08.12.2017	Buy	590	0.00	33446	0.04
	15.12.2017	Sell	12731	0.01	20715	0.02
	22.12.2017	Sell	5560	0.01	15155	0.02
	30.12.2017	Sell	241	0.00	14914	0.02
	05.01.2018	Buy	2825	0.00	17739	0.02
	12.01.2018	Buy	9360	0.01	27099	0.03
	19.01.2018	Buy	7155	0.01	34254	0.04
	26.01.2018	Buy	5140	0.01	39394	0.04
	02.02.2018	Buy	730	0.00	40124	0.04
	09.02.2018	Sell	805	0.00	39319	0.04
	16.02.2018	Buy	5975	0.01	45294	0.05
	23.02.2018	Sell	2498	0.00	42796	0.05
	02.03.2018	Sell	1121	0.00	41675	0.04
	09.03.2018	Buy	2366	0.00	44041	0.05
	16.03.2018	Buy	65	0.00	44106	0.05
	23.03.2018	Sell	330	0.00	43776	0.05
	31.03.2018	Buy	1215	0.00	44991	0.05
	At the end of the year				44991	0.05
12	VLS Securities Limited**					
	At the beginning of the year		300000	0.34		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	12.10.2017	Sell	225000	0.24	75000	0.08
	20.10.2017	Sell	75000	0.08	0	0.00
	At the end of the year				0	0.00
13	Dolly Khanna**					
	At the beginning of the year		200932	0.23		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	14.04.2017	Buy	4250	0.00	205182	0.22
	21.04.2017	Sell	7575	0.01	197607	0.21
	28.04.2017	Sell	7850	0.01	189757	0.20
	12.05.2017	Sell	15150	0.02	174607	0.19
	26.05.2017	Sell	8575	0.01	166032	0.18
	02.06.2017	Sell	22650	0.02	143382	0.15
	09.06.2017	Sell	7400	0.01	135982	0.15
	16.06.2017	Sell	12750	0.01	123232	0.13


DIRECTORS' REPORT (Contd.)
(iv) Shareholding Pattern of top ten Shareholders (Contd.)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2017)		Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	23.06.2017 Sell	63946	0.07	59286	0.06
	30.06.2017 Sell	44704	0.05	14582	0.02
	07.07.2017 Sell	14582	0.02	0	0.00
	15.09.2017 Buy	13145	0.01	13145	0.01
	30.09.2017 Buy	7690	0.01	20835	0.02
	13.10.2017 Buy	7375	0.01	28210	0.03
	20.10.2017 Buy	17050	0.02	45260	0.05
	27.10.2017 Buy	12315	0.01	57575	0.06
	22.12.2017 Sell	11625	0.01	45950	0.05
	29.12.2017 Sell	6850	0.01	39100	0.04
	12.01.2018 Buy	6200	0.01	45300	0.05
	19.01.2018 Buy	13450	0.01	58750	0.06
	02.03.2018 Sell	10700	0.01	48050	0.05
	09.03.2018 Sell	5500	0.01	42550	0.05
	16.03.2018 Sell	24000	0.03	18550	0.02
	23.03.2018 Sell	18550	0.02	0	0.00
	At the end of the year			0	0.00

* They have become part of top 10 Shareholders as on 31.03.2018.

** They ceased to become part of top 10 Shareholders as on 31.03.2018.

(v) Shareholding of Directors and Key Managerial Personnels (KMPs):

Sl. No	For each of the Directors and KMPs	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the year (As on 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pramod Kumar Mittal *	5710	0.00	5710	0.00
2.	Mr. S K Pal	0	0.00	0	0.00
3.	Mr. Shantanu Mohapatra	0	0.00	0	0.00
4.	Dr. A K Bhattacharyya	0	0.00	0	0.00
5.	Prof. S K Majumdar	0	0.00	0	0.00
6.	Mr. K P Khandelwal	0	0.00	0	0.00
7.	Mr. K C Raut, Nominee Director - SBI.	0	0.00	0	0.00
8.	Mr. R K Parakh, Director-Finance **	0	0.00	0	0.00
9.	Mr. Nikunj Pansari, Director-Finance & CFO***	0	0.00	0	0.00
10.	Mr. Janarthanam Govindasamy, Director-Operations****	0	0.00	0	0.00
11.	Mr. Dhiren Kumar Nath, Director-Operations*****	0	0.00	0	0.00
12.	Mr. Anil Sureka, Managing Director	0	0.00	0	0.00
13.	Ms. Mita Jha, Executive Director - HR	0	0.00	0	0.00
14.	Mr. Mrutyunjaya Mohanty, CFO*****	0	0.00	0	0.00
15.	Mr. Trilochan Sharma	100	0.00	100	0.00

* Ceased to be Director w.e.f. 22.08.2017

** Ceased to be Director w.e.f. 30.06.2017

*** Appointed w.e.f. 14.12.2017

**** Ceased to be Director w.e.f. 06.03.2018

***** Appointed w.e.f. 14.12.2017

***** Appointed w.e.f. 12.09.2017 & Ceased to be CFO w.e.f. 23.11.2017

**DIRECTORS' REPORT (Contd.)****V. INDEBTEDNESS :**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in Lacs)

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 1st April, 2017				
i) Principal Amount	13,261.28	2,270.00	-	15,531.28
ii) Interest due but not paid	-	189.38	-	189.38
iii) Interest accrued but not due	10.03	-	-	10.03
Total (i+ii+iii)	13,271.31	2,459.38	-	15,730.69
Change in Indebtedness during the financial year				
• Addition	100.00	1,520.00	-	1,620.00
• Reduction	(2,801.41)	(1,777.35)	-	(4,578.76)
Net Change	(2,701.41)	(257.35)	-	(2,958.76)
Indebtedness at the end of the financial year as on 31st March, 2018				
i) Principal Amount	10,563.13	1,850.00	-	12,413.13
ii) Interest due but not paid	-	338.33	-	338.33
iii) Interest accrued but not due	6.77	13.70	-	20.47
Total (i+ii+iii)	10,569.90	2,202.03	-	12,771.93

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lacs)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Anil Sureka (Managing Director)	Mr. R K Parakh (Director-Finance & CFO)	Mr. Janarthanam G. (Director - Operations)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	160.23	45.44	57.50	263.17
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	17.87	5.33	11.29	34.49
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	7.78	1.08	2.47	11.33
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A1)	185.88	51.85	71.26	308.99
	Ceiling as per the Act	₹ 1079.93 Lacs approx. (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			


DIRECTORS' REPORT (Contd.)
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Ms. Mita Jha (Executive Director-HR)	Mr. Nikunj Pansari (Director-Finance & CFO)	Mr. D K Nath (Director - Operations)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	58.91	17.78	10.10	86.79
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.85	0.10	0.66	2.61
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	3.43	1.15	0.39	4.97
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A2)	64.19	19.03	11.15	94.37
	Total A (A1 + A2)	308.99 + 94.37 = 403.36 Lacs			
	Ceiling as per the Act	₹ 1079.93 Lacs approx. (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount* ₹
	Mr. P K Mittal	Mr. S Mohapatra	Mr. S K Pal	
Independent Directors				
• Fees for attending board / committee meetings	-	5,51,000	12,12,800	17,63,800
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total (i)	-	5,51,000	12,12,800	17,63,800

Particulars of Remuneration	Name of Directors			Total Amount* ₹
	Mr. S K Majumdar	Mr. K P Khandelwal	Mr. A K Bhattacharyya	
Independent Directors				
• Fees for attending board / committee meetings	12,43,100	9,42,200	13,13,400	34,98,700
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total (ii)	12,43,100	9,42,200	13,13,400	34,98,700

Particulars of Remuneration	Name of Directors		Total Amount* ₹
	Mr. K C Raut	Ms. Mita Jha	
Other Non-Executive Directors			
• Fees for attending board / committee meetings	3,00,500	1,31,300	4,31,800
• Commission	-	-	-
• Others, please specify	-	-	-
Total (iii)	3,00,500	1,31,300	4,31,800
Total (B)= (i+ii+iii)			56,94,300
Total Managerial Remuneration (A+B)	₹ 460.30 Lacs		
Overall Ceiling as per the Act	₹ 1187.92 Lacs (Being 11% of the net profit of the Company as calculated under as per section 198 of the Companies Act, 2013)		

* 0.5 % on account of Swachh Bharat Cess has not been included in the above amount.

**DIRECTORS' REPORT (Contd.)****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD** (₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Trilochan Sharma (Company Secretary)	Total
1	Gross salary		
	(a) Salary as per provisions contained in u/s 17(1) of the Income-tax Act, 1961	44.23	44.23
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5.06	5.06
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	2.28	2.28
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	51.57	51.57

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board

Place : Kolkata
Date : 28th May, 2018

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**DIRECTORS' REPORT (Contd.)****Annexure - 6**

Disclosure of the particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY**(i) (a) The steps taken on conservation of energy:**

- i) HPSV & MHL (Street Lights) Replaced with LED Lights – 2nd Phase (50 No's)
- ii) Window AC's replaced with 3 Star / 5 Star Split AC's - 03 No's
- iii) Furnace 2 & 3 Electrode Management automation to reduce the Specific power consumption.
- iv) EnMS Software installed to closely monitor the Maximum Demand and Losses.
- v) 6% Series reactors installed to reduce the system harmonics & Inrush currents.
- vi) Erected the transparent sheet for Maximum utilization of Sun light (Day light) - Covered or closed sheds – 3 no's
- vii) Light occupancy Sensors installed in street light area – 5 locations
- viii) Rewinding Motors replaced with IE 2 (High energy efficiency) motors - 5 No's
- ix) Installation of VFD's in GCP 4 & 5 ID fans (2nd Motor) – 2 No's
- x) VFD installation in weighing hopper Furnace 4 and 5 - 4 No's
- xi) Installation of VFD in Briquetting plant GCP ID fans & Dryers - 4 no's
- xii) Reduce the idle belt conveyor running time (Interlocking System) – Jig 5
- xiii) Construction of Permanent sheds for raw materials Storage to reduce the Moisture
- xiv) Level Sensors (Automatic ON/OFF Water floating Switch) – 2 No's

(b) The impact on conservation of energy:

- a) SI.No- (i) - Annual saving 28080 Kwh @ ₹ 5.7/Kwh = ₹ 1,60,056/-
- b) SI.No.(ii) - Annual saving 4950 Kwh @ ₹ 5.7/- Kwh = ₹ 28,215/-
- c) SI.No. (iii) - Annual saving 1030968 Kwh @ ₹ 5.7/- Kwh = ₹ 58,76,517/-
- d) SI.No. (iv) – Intangible benefits (MD charges, PF, Load, Losses/Wastages, etc)
- e) SI.No.(v) -Intangible benefits (Harmonics, Inrush Currents, Volt/amp Flickers, etc)
- f) SI.No. (vi) - Annual saving 10692 Kwh @ ₹ 5.7/- Kwh = ₹ 60,944/-
- g) SI.No. (vii) - Annual saving 1980 Kwh @ ₹ 5.7/- Kwh = ₹ 11,286/-
- h) SI.No. (viii) - Annual saving 23760 Kwh @ ₹ 5.7/- Kwh = ₹ 1,30,680/-
- i) SI.No. (ix) - Annual saving 118800 Kwh @ ₹ 5.7/- Kwh = ₹ 6,53,400/-
- j) SI.No. (x) - Annual saving 12000 Kwh @ ₹ 5.7/- Kwh = ₹ 66,000/-
- k) SI.No. (xi) - Annual saving 9000 Kwh @ ₹ 5.7/- Kwh = ₹ 49,500/-
- l) SI.No. (xii) - Annual saving 50000 Kwh @ ₹ 5.7/- Kwh = ₹ 2,75,000/-
- m) SI.No. (xiii) - Annual saving 45000 Kwh @ ₹ 5.7/- Kwh = ₹ 2,47,500/-

(ii) The steps taken by the Company for utilising alternate sources of energy:

- 1) We are planning to installed the 20 MW solar PV Power Generation Project in BAL premises, for this we have appointed a GENSOL consultancy to study the feasibility study, Tender Specification preparation and Project Management.
- 2) Solar Water Heater at Guest House and Colony - 6 no's (Colony - 2no's+ Guest House 2 no's + Canteen 2 No's).
- 3) 100% utilization of Day light for all closed or Covered Sheds.

(iii) The capital investment on energy conservation equipments:

- i) Energy Efficient Electrode blowers, Seal blowers, Chute blowers (30 No's)-Investment of ₹ 14 Lakhs



BALASORE ALLOYS LIMITED

DIRECTORS' REPORT (Contd.)

- ii) Energy efficient GCP2 ID Fans (2 No's) - Investment of ₹ 25 Lakhs
- iii) Reciprocating Compressor replaced with Screw compressor with VFD operation - 1no. - Investment of ₹ 15 Lakhs.
- iv) Improving Power Factor of LT Panels by installing APFC Panels - Investment of ₹ 9.0 Lakhs
- v) VFD installation bunker Hoper & Weighing Hopper - Investment of ₹ 10 Lakhs
- vi) Auxiliary Transformers parallel connection - load sharing & reduce the load losses - Investment of ₹ 15 Lakhs

B. TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- (i) Electrode Management software from Mintek installation for Furnace - 1, 4 & 5.
- (ii) Briquette Plant Dryer Automation.
- (iii) Heat recovery system - To pre heat the raw materials.

(ii) Benefits derived from Efforts made towards technology absorption:

- (i) Process stability and Reduction in Specific Power consumption in Furnace
- (ii) Improving Automation system Reliability.
- (iii) Reduce the Furnace Specific Power consumption.

(iii) Particulars of technology (imported during the last three years reckoned from the beginning of the financial year):

We have imported the Electrode Management software from Mintek, South Africa.

(iv) The expenditure incurred on Research and Development (R & D):

- i) No Capital Expenditures was incurred during the financial year 2017-18.
- ii) Total R & D Expenditure: Expenses incurred on R& D activities are charged to respective heads and not allocated separately.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lacs)

Earnings on account of:	2017-18	2016-17
FOB value of exports	94,677.44	80,359.58
Total	94,677.44	80,359.58
Outgo on account of:		
a) Raw materials	38.49	757.21
b) Stores & spare parts	89.37	57.95
c) Travelling Expenses	412.01	313.87
d) Commission on Sales	165.75	1,481.05
e) Finance Cost	168.45	125.58
f) Advance to Vendor	551.78	-
g) Others	532.25	506.41
Total	1,958.10	3,242.07

For and on behalf of the Board

Place : Kolkata
Date : 28th May, 2018

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**DIRECTORS' REPORT (Contd.)****Annexure - 7****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES
FOR THE FINANCIAL YEAR 2017-18****[Pursuant to Section 135 of the Companies Act, 2013 Read with Companies
(Corporate Social Responsibility Policy), Rules, 2014]****1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken:**

Corporate Social Responsibility ('CSR') Policy of Balasore Alloys Ltd. ('BAL') encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

Corporate Social Responsibility ('CSR') has been embedded in the long-term business strategy of the Company. For BAL, business priorities co-exist with social commitments to drive holistic development of people and communities. The Company's CSR initiative helps in elevating the quality of life, especially to the disadvantaged sections of the society. It aims to continue its efforts to build on its tradition of social responsibility to empower people and deepen its social engagements.

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, this Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at a link as mentioned below:

http://www.balasorealloys.com/upload/media/csr-policy/CSR_25_06_2018.pdf

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

Focus Areas of Engagement:

Among various CSR initiatives of the Company, the major focused areas of CSR spending for the Financial Year 2017-18 had been the followings:-

- a. **Healthcare** - Company is always committed towards CSR at large and as such invested in multiple healthcare projects. Mega Blood Donation camp was organised in collaboration with local community where in 200 units of blood was collected for benefit of local people. Dengue Awareness programme, First Aid Camp, and Assistance for the Better Treatment for critical and needy patient were other health related awareness/programs organised by BAL. Further, distribution of free medicines, health awareness & promotion programmes, programme for physically challenged person, free ambulance facility, distribution of blankets & mosquito nets, etc., are among various initiatives taken towards health care in the financial year 2017-18.
- b. **Drinking Water Supply** - The Company has initiated several Safe water projects and in process of endeavouring such commitment, the Company has started Operation & Maintenance of four safe drinking water supply projects benefiting 560 households of Kaliapani, Ghagiashi, Chinghudipal & Bamanagar villages by having regular access to safe water, thereby reducing the number of cases of water borne diseases. Several Water Purifiers were also installed in the peripheral areas of Plant providing safe drinking water for all localities.
- c. **Environment** - With a commitment to make clean and green environment, 25000 saplings were distributed to 5000 families from Remuna & Nilgiri area promoting awareness towards environment on World Environment Day.
- d. **Infrastructure Development** - BAL has taken various infrastructural projects like construction of School road and boundary wall, Refugee Colony, Extension of Panchayat Road & Protection Wall of the Ponds at Balgopalpur.
- e. **Women Empowerment** - Company has taken various initiatives for empowering rural women by providing special training programmes on Tailoring, making serving plates from semi dried leaves, incense sticks making, etc. resulting into self-employment generation for supporting their families. Further, Women's Self Help Groups have also been formed to make them self dependent.
- f. **Education Development** - With the view to enhance and support educational facilities, BAL has supplied desk & benches to school in Nuapadhi. Further to minimize teacher to student ratio, BAL is providing remuneration to additional teacher's. Providing College Bus transportation facilities for Sukinda college. Various skill development programmes were conducted, sponsoring financial assistance for higher education & establishing coaching centres for students.
- g. **Swachh Bharat Abhiyan** - Construction of girls toilet at three schools in Remuna and installation of 6 Bio-e toilets in three schools in Kaliapani to promote Swachh Bharat Mission. The Company also conducted 15 days program on Awareness & Sanitation across 5 villages in the periphery of Mines.

2. The composition of the CSR Committee:

We have a CSR Committee of the Board of Directors who overviews all the CSR activities to ensure that the CSR objectives are met. The CSR Committee comprises:-

- Dr. Asish K. Bhattacharyya, Non- Executive Independent Director - **Chairman**
- Prof. S. K. Majumdar, Non- Executive Independent Director
- Mr. K. P. Khandelwal, Non- Executive Independent Director
- Mr. Anil Sureka, Managing Director

**DIRECTORS' REPORT (Contd.)****3. Average Net Profit of the company for last 3 financial years & Prescribed CSR expenditure.**

Section 135 of the Companies Act, 2013 and rules made thereunder prescribes that every company having a net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more or a net profit of Rs. 5 Crores during any financial year shall ensure that the Company spends, in every financial year at least 2% of the average net profit made during the three immediately preceding financial years, in pursuance of its CSR Policy. The provisions pertaining to corporate social responsibility ('CSR') as prescribed under the Companies Act, 2013 are applicable to the company. The financial details as sought by the Companies Act, 2013 are as follows: -

(₹ In lakhs)

Particulars	Amounts
Average net profit of the Company for last three financial years	7304.06
Prescribed CSR Expenditure (2% of the average net profit)	146.08
Unspent Amount carry forward from FY- 2016-17	40.88
Total Budget for FY 2017-18	186.96
Details of CSR expenditure during the financial year	
Total amount to be spent for the financial year	186.96
Amount Spent	108.46
Unspent Amount	78.50

Note: - 1. The Projects undertaken under CSR activities are at initial stage and therefore the Company could not spend the minimum spending of 2% of the average net profits of the last three financial years. The Company will spend the unspent amount during the financial year 2018-19.

4. Details of CSR activities / projects undertaken and manner in which the amount spent during financial year is detailed below:**Plant (Balgopalpur, Dist. - Balasore, Odisha)**

(Amount in ₹)

Sl. No.	CSR Project/Activities Identified	Sector in which the project is covered.	Projects / Programme 1. Local Area / others 2. Specify the state/district (Name of the District where project/programme was undertaken)	Amount outlay (Budget) Project / Programme wise	Amount spent on the project / programme Sub-heads: 1. Direct Expenditure on project / programme 2. Overhead.	Cumulative spending upto the reporting period.	Amount spent: Direct / through implementing Agency
1	Construction of Panchayat Road from Ispat Chhak to Thank You Gate	Rural Development (Infrastructure Development)	Balgopalpur under Nuapadhi G.P. of Remuna Block of Balasore	29,74,507	27,26,343	27,26,343	Direct Expenditure
2	Construction of CC Road and Boundary Wall of School	Rural Development (Infrastructure Development)	Refugee Colony School, Balgopalpur & Sereipur under Nuapadhi GP of Remuna Block of Balasore	1,40,000	1,38,442	1,38,442	Direct Expenditure
3	Payment of Month wise Energy Charges of the Street Lights	Rural Development (Infrastructure Development)	Khirachora Mandir Chhak, Tarini Mandir Chhak of Remuna Bazar and Ispat Chhak, Kali Mandir Chhak, Balgopalpur under Remuna Block.	1,33,224	1,74,011	1,74,011	Direct Expenditure
4	Pond Cleaning & Construction of Pucca Ghat and Construction of Girls' Toilet and Temporary Urinal.	Swachha Bharat Mission	Sri Aurobindo Integral School Oupada and Remuna Bazar.	7,80,282	1,50,000	1,50,000	Direct Expenditure
5	Observation of World Environment Day, Distribution of Saplings & Organising of Awareness Programme	Environment Protection & Development	Villages and Educational Institution of Remuna, Nilgiri and Balasore Sadar Block.	2,65,000	2,13,968	2,13,968	Direct Expenditure
6	Organised Sports Activity among the students.	Youth Development	Remuna	35,000	35,000	35,000	Direct Expenditure


DIRECTORS' REPORT (Contd.)
(Amount in ₹)

Sl. No.	CSR Project/Activities Identified	Sector in which the project is covered.	Projects / Programme 1. Local Area / others 2. Specify the state/district (Name of the District where project/programme was undertaken)	Amount outlay (Budget) Project / Programme wise	Amount spent on the project / programme Sub-heads: 1. Direct Expenditure on project / programme 2. Overhead.	Cumulative spending upto the reporting period.	Amount spent: Direct / through implementing Agency
7	Installation Tube Wells and of Water Purifier Machine	Supply of Safe Drinking Water	8 Nos. Tube Wells in the nearby villages under Remuna Block. Grievance Cell of the Collector, Balasore for the use of general public.	4,30,987	30,987	30,987	Direct Expenditure
8	Installation of Desk & Bench in the schools,	Education Development	Saraswati Sishu Mandir, Remuna	75,000	88,500	88,500	Direct Expenditure
9	Monthly Teachers Payment,	Education Development	Refugee Colony UP (ME) School, Balgopalpur, Sereipur and Nuapadhi ME School	72,000	72,000	72,000	Direct Expenditure
10	Blood Donation Camp, First Aid Camp, Awareness Programme and Assistance for the Better Treatment	Health Promotion	Netaji Club, Balgopalpur, BAL Medical Center, Remuna	1,13,000	91,840	91,840	Direct Expenditure
11	Installation of Air Conditioner	Health Promotion	Remuna Medical Center	80,000	70,800	70,800	Direct Expenditure
12	Donation to the Red Cross Society, Distribution of Biscuit Packets	Tribal Development	Balgopalpur, Sereipur, Naraharipur, Mukhura, Nuapadhi, Gourpur, Rasalpur under Remuna Block.	47,000	27,157	27,157	Expenditure through Agency/Direct Expenditure
13	Distribution of Blanket and Medicated Mosquito Nets	Tribal Development	400 poor & needy, SC & ST people under Remuna Block	2,00,000	1,05,000	1,05,000	Direct Expenditure
14	AaharYjona (Eradication of Hunger)	Tribal Development	700 meal per day for two months	5,00,000	5,00,000	5,00,000	Expenditure through Dist. Administration.
Total				58,46,000	44,24,048	44,24,048	

Mines (Kaliapani, Dist. - Jajpur, Odisha)
(Amount in ₹)

Sl. No.	CSR Project/Activities Identified	Sector in which the project is covered.	Projects / Programme 1. Local Area / others 2. Specify the state/district (Name of the District where project/programme was undertaken)	Amount outlay (Budget) Project / Programme wise	Amount spent on the project / programme Sub-heads: 1. Direct Expenditure on project / programme 2. Overhead.	Cumulative spending upto the reporting period.	Amount spent: Direct / through implementing Agency
1	Renovation of Puja Mandap, Ransol	Rural Infrastructure Development	Ransol	1,32,587	1,29,186	1,29,186	Direct Expenditure
2	Construction of Community Mandap, Chirgunia Majhi Sahi	Rural Infrastructure Development	Chirgunia Majhi Sahi	77,966	97,224	97,224	Direct Expenditure
3	Construction of Community Hall at Birsanagar, Kateni and Sagor	Rural Infrastructure Development	Birsanagar, Kateni and Sagor	19,95,018	15,57,821	15,57,821	Direct Expenditure
4	Contribution to College Bus, Sukinda	Educational Development	Sukinda	85,800	85,800	85,800	Expenditure through agency
5	Construction of Girls common room with toilet, Sukinda College	Educational Development	Sukinda College	7,25,895	5,22,793	5,22,793	Direct Expenditure
6	Supply of serving plates to school, Kaliapani	Educational Development	Kaliapani	37,300	37,300	37,300	Direct Expenditure
7	Distribution of food materials to fire tragedy affected villagers, Kamkhyanagar	Eradication of Hunger	Kamkhyanagar	34,547	34,547	34,547	Direct Expenditure
8	Operation & Maintenance of four water supply projects, Kaliapani, Ghagiashi, Chinghudipal & Bamanagar	Supply of safe drinking water	Kaliapani, Ghagiashi, Chinghudipal & Bamanagar	87,500	74,220	74,220	Direct Expenditure



BALASORE ALLOYS LIMITED

Mines (Kaliapani, Dist. - Jajpur, Odisha)

(Amount in ₹)

Sl. No.	CSR Project/Activities Identified	Sector in which the project is covered.	Projects / Programme 1. Local Area / others 2. Specify the state/district (Name of the District where project/programme was undertaken)	Amount outlay (Budget) Project / Programme wise	Amount spent on the project / programme Sub-heads: 1. Direct Expenditure on project / programme 2. Overhead.	Cumulative spending upto the reporting period.	Amount spent: Direct / through implementing Agency
9	Water supply by tanker & Jal Chhatra in summer, Sukinda	Supply of safe drinking water	Sukinda	3,93,399	3,22,787	3,22,787	Direct Expenditure
10	Deep borewell with overhead tank and piping at Kabat, Godisahi & Rankia	Supply of safe drinking water	Kabat, Godisahi & Rankia	26,16,243	0	0	Direct Expenditure
11	Construction of Community Toilet, Kaliapani	Swachha Bharat Abhiyaan	Kaliapani	1,27,214	1,44,472	1,44,472	Direct Expenditure
12	Swachhta Pakhwada Celebration	Swachha Bharat Abhiyaan	Kaliapani	40,000	39,749	39,749	Direct Expenditure
13	Installation of two SMART toilets in Chirgunia Village	Swachha Bharat Abhiyaan	in Chirgunia	13,44,570	13,44,570	13,44,570	Direct Expenditure
14	Installation of six SMART toilets in 3 schools in Kaliapani	Swachha Bharat Abhiyaan	Kaliapani	17,19,458	0	0	Direct Expenditure
15	Cleaning & Desilting of Pond with pucca ghat construction, Kusumudia	Swachha Bharat Abhiyaan	Kusumudia	13,80,138	0	0	Direct Expenditure
16	Youth Festival - Sourik Yuva Mahotsav Contribution, Sukinda	Youth Development	Sukinda	2,00,000	2,00,000	2,00,000	Direct Expenditure
17	Contribution to Tribal cultural functions	Tribal Development	Kaliapani	60,000	66,230	66,230	Direct Expenditure
18	Jal Chhatra/Water tanker and Contribution to Tribal welfare, Sukinda	Tribal Development	Sukinda	89,989	89,989	89,989	Direct Expenditure
19	Tailoring Center for Women Skill development, Chirgunia	Women Empowerment	Chirgunia	2,10,000	1,82,899	1,82,899	Direct Expenditure
20	Baseline Survey	Women Empowerment	28 nos villages near the Mines	5,00,000	5,00,000	5,00,000	Expenditure through agency
21	Repair/Maintenance of existing projects/contribution to SHGs, Youth Clubs, Missions & community relations, Distribution of utensils and contribution to Dibyananda Mission	Community Relations	Kaliapani	9,92,376	9,92,376	9,92,376	Direct Expenditure
Total				128,50,000	64,21,963	64,21,963	

CSR Committee confirms that the implementation and monitoring of CSR policy is in line with the CSR objectives of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 28th May, 2018

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Chairman of CSR Committee
DIN: 00799039



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

During the FY 2017-18, the global economy continued its broad-based momentum and registered a growth of 3.8%, its strongest level since 2011, as more than half of the world's economies registered growth. Global manufacturing activities continued to grow on account of favourable financing conditions globally, accommodative policies, rising investor confidence and increase in commodity prices.

Global economy was aided by rebound in global trade, investment recovery in advance economies and continued growth in emerging Asia. Growth in advance economics was driven by strong domestic demand and improve labour markets while emerging markets witnessed strong consumption and trend momentum.

The United States of America (US) witnessed a growth of 2.3% on the back of strong external demand, private investment and a weaker dollar. Strong domestic demand is also a recurring theme in Europe and Asia. Europe area registered a growth of 2.4%, which is almost 0.6% higher than previous year. Among the emerging and developing economies, China continued to maintain its growth rates approximate 7% aided by policy support and recovery in trade.

Challenges:

According to International Monetary Fund (IMF), the global economy faces three big challenges in CY 2018. Those are: tensions on the trade front, fiscal and financial risk, as well as ongoing challenges on how inclusive growth can be attained. While the "sun is still shining" on the global economy, clouds could be looming over the horizon, especially in the back drop of a potential trade war between the USA and China.

Structural issues though continue to pose a significant risk to the global growth cycle. While the supportive economic environment, policies and commodity prices are likely to aid growth in the short term, possible financial stress, increased protectionism and rising geopolitical tensions may pose as downside risks to growth. Further, restrictions by the US government on imports and other protectionist measures in Europe & other regions may disrupt global trade and investment adversely affecting global growth and sentiment.

Outlook:

Global growth is on an upswing and is expected to reach 3.9% in 2018-19, supported by strong momentum, favorable market sentiment, accommodative financial condition and the domestic and international effects of expansionary physical policies. Both advanced economies and emerging markets are expected to see a rise in growth figures in the near term before stabilization in the medium term. According to IMF, the global growth is projected to rise to 3.9% in 2018-19, closure to the long term growth trend of 4%.

INDIAN ECONOMY

On a domestic macro-economic front, the outlook for the Indian economy has improved post the effect of demonetisation and implementation of Goods and Services Tax (GST). Despite global and domestic uncertainties, India has emerged as one of the fastest growing major economies in the world with a GDP growth of 6.6% in 2017-18 and projected to grow at 7.3% in FY 2018-19. The pace of GDP growth is expected to gather momentum in short to medium term on the back of favourable global economic tailwinds, pick-up of private investment and implementation of key policy reforms.

On the positive side, Inflation remained largely within the comfort zone of the RBI during the year with the Consumer Price Index (CPI) decline to 3.6% in 2017-18 against 4.5% in 2016-17, prompting the RBI to reduce policy interest rates by 25 bps during the year. However, scope of further reduction in interest rates seems limited considering the steep increase in oil prices, anticipation of commodities prices firming up the ensuing year and core CPI steadily rising for the past several months.

The Government of India has put in place multiple enablers to bolster the country's consumption demand. Higher spending on social schemes such as NREGA, continues thrust on rural infrastructure projects, raising of minimum support prices, implementation of 7th pay commission pay hike across states and One Rank One Person Scheme to higher spend and consumption.

Challenges:

The steep increase in the crude oil prices continues to pose a serious challenge to the finances of the Government and its ability to spend on infrastructure and building productive assets. Other challenges for the economy includes addressing infrastructural bottlenecks in the agricultural sector, investment in human resources to leverage the demographic dividend, increasing expenditure on education and healthcare sectors and social security provision for the unorganised sector.

India has been ranked fifth on the list of countries with highest NPAs. Though bank recapitalization efforts are underway, the economy needs to recover from the bad loan problem quickly for favourable economic growth in the future. The infrastructure deficit is a major concern and infrastructure investment needs to be stepped up as currently it is not in par with the needs of the economy. Efforts should be made to increase Export by way of providing export credit to manufacturers, increasing the capital base of ECGC.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Outlook:

During FY 19, India is likely to record a robust GDP growth of 7.4% (Source: IMF). The growth will be driven by structural and wide ranging reforms such as Good and Services Tax(GST) to widen the indirect Tax base, Insolvency and Bankruptcy Code to address asset quality of Banks and formalisation and digitisation of the economy improving business ecosystem, thrust on infrastructure development and a liberal FDI regime. Banking reforms through recapitalisation and the Insolvency and Bankruptcy Code are expected to resolve the stressed assets of over leveraged corporates and restore lending support to these sector.

CHROME INDUSTRY OVERVIEW

The global stainless steel market- the largest consumer of ferrochrome has grown from 32.29 Million Tonnes in 2010 to 48.45 Million Tonnes in 2017 and is expected to expand at a CAGR of 5.2% over the period 2018-25. Increasing R&D in stainless steel manufacturing to improve durability, corrosion resistance and strength is expected to propel growth over the next few years. Properties such as corrosion resistance, tensile strength and aesthetic appearance make stainless steel an essential raw material in the automobile industry. The exceptional weldability and formability characteristics have facilitated its high utilization in lightweight vehicles.

The market is expected to witness high growth owing to a substantial increase in automobile, building and construction industries, particularly in developing economies, such as India and China and is likely to be a key driver for the market.

STAINLESS STEEL SECTOR

Global overview

Worldwide stainless steel production totalled 48.45 Million Tonnes in 2017, up from the 45.61 Million Tonnes produced in 2016. The rise was attributed to an increase in output in China – the world's largest stainless steel-producing country – where production rose by 6.2% year-on-year to 25.75 Million Tonnes, up from 24.24 Million Tonnes in 2016. Globally, stainless steel is expected to show a growth of 4.9% in 2018 supported by growth in China, Indonesia, Europe & India.

Domestic overview

The stainless steel industry is frustrated that the Union Budget has largely overlooked its demands and the decision of the government to continue levying import duty on ferro-nickel and stainless steel scrap- key raw materials used in manufacturing stainless steel, resulting into higher production costs which will act as a deterrent for the domestic industry.

Several government initiatives like 'Make in India', smart cities, focus on improving sanitation and waste management facilities, building new infrastructure etc. are likely to give a strong impetus to the stainless-steel industry in future.

CHROME ORE SECTOR

Global overview

Globally, the shipping grade Chromite resources (including reserves) are estimated at 12 Billion Tonnes. Current World annual production is of the order of 30.40 Million Tonnes only. With over 70% of global chrome ore reserves, South Africa is the largest supplier of chrome ore to the global Ferro Chrome industry.

In 2017, the global chrome ore and concentrates production reached 30.40 Million Tonnes. This is up by 4.8% YoY.

All international chrome ore and concentrate prices continued their upward trend though at a more moderate pace. In 2017 China received 93% of the total South African chrome ore exports. The remaining 7% of South African exports were split between Turkey (1.7%), USA(1.2%), Germany (1%), India (0.8%), Russia (0.7%) and the rest of the world (1.6%).

Domestic overview

India's total chrome ore resources are estimated at 203 Million Tonnes. More than 95% of the chromite resources are located in Odisha, mostly in the Sukinda valley in the Jajpur district, with Odisha Mining Corporation having control of over a third of the output. India with an annual chrome ore production of 4.1 Million Tonnes constitutes around 13% of the global chrome ore production.

FERRO CHROME SECTOR

Global overview

According to CRU, the global stainless steel output of 48.45 Million Tonnes drives the ferrochrome market of 12.261 Million Tonnes. China, with its rising share of global stainless steel output, has gradually overtaken South Africa as world's leading ferrochrome producer. However, due to lack of chrome ore resources of its own, China's ferrochrome production relies heavily on chrome ore imports. 72.3% of their requirement of chrome ore is met by South Africa followed by Turkey 8.0%, Albania 3.4%, Zimbabwe 3.2% and other countries like Iran, Pakistan, Oman, etc. as reported by ICDA.

In 2017, the Chinese maintained their leading position with output of Ferrochrome at 4.8 Million Tonnes followed by South Africa at 3.6 Million Tonnes. Kazakhstan with 1.301 Million Tonnes and India with 1.318 Million Tonnes were the other major producers.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Future prospects:

According to CRU Market outlook report, ferro chrome market demand is expected to increase by 6.3% in 2018 supported by growth in Stainless Steel demand. Global stainless steel production is expected to increase by 4.9%. China is expected to produce 5 Million Tonnes of ferro chrome in 2018 to feed its growing stainless steel production. The global Ferro chrome players also expect an upsurge in demand from Indonesia, Europe and the US stainless steel markets.

Domestic overview:

According to CRU India with an annual output of about 1.3 Million Tonnes and a domestic demand of about 0.6 Million Tonnes, figures prominently on the global chrome alloys industry and trade. India contributes 10.48% of the 12.4 Million Tonnes global Ferro chrome output.

Among the integrated producers of ferro chrome in India, Balasore Alloys stands out as one of the few producer with chrome ore mining lease till 2050- a major competitive advantage.

For most of the other integrated producers, Merchant miners who sell chrome ore to non-integrated producers, the mining lease expires in March 2020.

Sustainability of the domestic sector depends on the pace at which India's per capita consumption of stainless steel, currently at 1.9 kg, approaches the world average of 6 kg. The Government's unprecedented thrust on infrastructure development augurs well for the Indian ferro chrome industry.

OPPORTUNITIES AND THREATS

Opportunities:

Though a slowdown in the demand for ferro chrome is projected for China; Indonesian stainless steel production expected at 2.5 Million Tonnes in 2018 as against 0.7 Million Tonnes in 2017 is likely to displace the output from mills in China and Taiwan due to its reliance on primary chrome units likely to drive ferro chrome demand upwards in that region.

Depreciating currency will be a blessing in disguise for the exporters in short term.

Threats:

- Higher power tariff in India as compared to other ferro alloy producing nations impacts cost of production. Further, cross-subsidy in power tariff further puts the non-captive producers at a disadvantage.
- Non availability of low Phosphorus coke in India is another challenge faced by the Indian ferro alloy industry; anti-dumping duty on Chinese coke has put an upward pressure on cost of production.
- A looming trade war between USA & China may entail lower commodity prices and volume off-take.

BUSINESS STRENGTHENING INITIATIVES

With a robust presence and a more sustained profit in mind, the Company not only brought in a blend of quality product mix in the market, but also paid heed to implementing numerous initiatives at their shop-floor.

- The Company, with ample assistance from leaders in various domain areas, took steps to upgrade next level automation and energy saving measures.
- The Company focused on a more intensive use of initiatives like TPM, Lean Six Sigma and adopted the Malcolm Baldrige Model- a world class systems approach to organisational performance improvement and sustainability. The company implemented the Integrated Management System wherein all business processes across the value chain have been integrated under the ISO Management Systems like Quality, Environment, Occupational Health & Safety, Energy Management, Information Security and Asset Management System. This has been complemented with Strategic Planning in Supply Chain Management and Customer Relationship Management.
- The Company also restructured the marketing strategies with a view to improving net realisation. Focus has been on proper segmentation in the domestic and international markets, along with addressing new market segments.
- The Company continued its efforts in achieving maximum asset utilization and also on maximising value addition by arriving at an optimum quantity-quality mix through effective production planning.

The Company initiated an underground ore mining project to ensure raw material security for long term business sustainability. It also adopted the latest technology to increase ore output and improve productivity. Along with this, it also initiated energy conservation and efficiency projects in order to reduce the electricity consumption and solid, liquid fuel consumptions by using renewable energy source, series reactors, VFDs, sensors, LEDs and magnetic induction lights, electrode management software, EnMS software, IE2/IE3 motors etc.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

LOOKING AHEAD

The prime focus of the Company in the present year is introducing value added products like medium silicon, low phosphorous, medium carbon and high chromium along with enhancing plant capacity.

Organically, the company is undertaking development of its underground mining in Kaliapani Chromite Mines at Sukinda, Odisha. In addition to the above growth efforts, the company is also contemplating setting up of and / or investing in some brown field and / or green field projects relating to the activities of the company.

THE ROADMAP OF BUSINESS EXCELLENCE

The Company has adopted the globally acclaimed **Malcolm Baldrige Business Excellence Model** of USA for long term competitiveness and business sustainability through strategy formulation and execution to achieve its stated Vision and Mission. The Baldrige Excellence Model empowers the organization to reach its goals, improve results, and become more competitive. These core values and concept are the foundation for integrating key performance and operational requirements within a results-oriented framework that creates a basis for action, feedback, and ongoing success.

The company created the BAL Business Excellence Framework with the objective of building competitive advantage and creating sustainable business. Periodical review system has also been institutionalized for monitoring and supporting.

Deployment is practiced through internal and external assessment which starts with preparing the Business overview by Senior Management, preparation of application document, coalition / compilation of Baldrige category specific results.

All Business Processes have been mapped end to end and classified into Management Processes, Value Creation Processes and Support Processes. Efficiency and effectiveness measures have been identified and are monitored regularly to assess the business impact of these processes.

The Business Excellence framework is creating a cultural change by strengthening the Enterprise DNA. Thus, ensuring continual improvement in all the Business processes.

Lean Six Sigma: The Six Sigma initiative has significantly contributed in transforming business by breaking myths of conventional wisdom. The Company is having Six Sigma centre of Excellence with well-designed process flow for driving Six Sigma initiative across the organization. Six Sigma initiatives continue to significantly contribute in the area of process optimization, productivity improvement, inventory optimization, overall quality improvement and cost reduction in the production of Ferro chrome.

Total Productive Maintenance (TPM):

Manufacturing excellence in today's competitive climate depends upon the implementation of multiple complimentary & proven strategies. We have adopted a proven TPM philosophy in our plant since long period. Now we are aiming to challenge TPM Special award in 2020. In this context, we have engaged JIPM consultant for guidance.

TPM involves and engages employee through 10 pillar concept. Many initiatives rolled out during this year to improve overall improvement which are as follows :

1. Celebrated 5S month with tagline of creating wealth from waste to create a space and get rid of clutters.
2. Developed internal certified auditors for 5S.
3. Meet the circle initiated to understand the constraints at gemba and interacting shop floor people to improve the areas.
4. Plant facilities health audit carried out to enhance plant performance.
5. Proactive approach through Safety, Health & Environment (SHE) pillar carried out for fire system evaluation, machine breaking instead of manual breaking.
6. Loss cost tree development initiated through KK pillar.
7. TTC (Technical Training Centre) centre inaugurated through Education & Training (E&T) pillar for skill enhancement of operators and technicians.
8. As a part of Office Total Productive Maintenance (OTPM) Process mapping is carried out to eliminate MUDA in the process.
9. Maintenance Prevention (MP) sheets rolled out as a part of Development Management (DM pillar) to improve the vertical start-up of projects.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Integrated management systems (IMS)

IMS integrates all business processes across the value chain in addition to integrating the processes involved in Management Initiatives and all forms of ISO Management Systems like Quality Management System (QMS), Environment Management System (EMS), Occupational Health & Safety Management System (OHSAS), Energy Management System (EnMS), Information Security Management System (ISMS), Asset Management System (AMS) and Social Accountability Management System (SA).

During the financial year, your Company continued to have latest certification of ISO 9001:2015 (QMS), ISO 14001:2015 (EMS), ISO 55001:2014 (AMS), achieved new certifications of ISO 27001:2013 (ISMS) and SA8000:2014 (SA). The Company is recertified to OHSAS 18001:2007 certification (OHSAS) System and ISO 50001:2011 (EnMS) and as a result of which business processes are getting streamlined, re-engineered or re-designed; duplications eliminated and processes standardized.

Information Technology

The Company is using Enterprise Resource Planning solution "SAP" and further plans to extend this platform to address its Business Integration and Optimization Program. This technology solution automates business processes and facilitates accurate and real-time data capture from across the organization for a faster and informed decision-making. Further, the Company has also invested in a Disaster Recovery Centre at Mumbai to ensure business continuity.

The Knowledge Exchange (Portal), implemented is a 'one-stop-knowledge-shop' enabling the employee to find information at a single point. Some of the benefits include stimulation of knowledge transfer, storage and retrieval thus providing functionalities to identify and connect users based on their expertise. The Knowledge Management portal is updated with lots of training material, company policies, standard operating procedures.

A secure Corporate Virtual Private Network (CVPN) has been implemented, merging multiple Internet Lines at each of its location to improve Internet access speed and for secure communication within and outside the company.

The company implemented Information Security Management System (ISO27001:2013) to ensure confidentiality, Integrity and availability of all its electronic information systems and physical records in order to manage information risk effectively. Stage-1 audit has already been cleared and Certification audit is received in June 2017.

The company upgraded its network with Optic Fibre cables (OFC) in Balasore Plant and Sukinda Mines. The company also upgraded all its wireless access points with high speed access with high security protocols.

The company implemented Enterprise wide Firewall systems in a single location to effectively protect entire network and control Internet access.

The company implemented Internet bandwidth merging solution by implementing a specialized hardware devices and software solutions.

QUALITY ASSURANCE

Balasore Alloys Ltd is a ISO 9001:2015 (Quality Management System) certified company and became the first Ferro Alloys Company in the world to receive the prestigious certificate on JIS G2303: 1998 for our product from Japan Quality Assurance Organization.

Company is already certified for BIS 1170: 1992 from Bureau of Indian standards and also having DIN 17565 registration from DIN CERTCO, GERMANY.

This year the Company has also accredited to ISO/IEC 17025:2005 by NABL for its Quality Control and R&D Lab – a watermark of aligning its products standards to global benchmarks.

ENVIRONMENT AND SAFETY

Balasore Alloys accord top priority to the safety of its people and safeguarding of the environment.

Environment management: The Company has institutionalized a structured environmental management system as per ISO 14001:2015 which ensures that it complies with all waste discharge standards specified by the Pollution Control Board.

The Company operates on a zero-discharge concept for liquid waste – waste water is treated and recycled for dust suppression and horticulture purposes etc.

Continuous Ambient Air Quality Monitoring Station (CAAQMS) has been installed to assess the level of ambient air pollution on real time basis.

Solid waste is used in various construction activities, as a replacement for stone chips. Gas cleaning units attached with every furnace facilitates in adhering to the prescribed standard of stack gas emission.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Hazardous & Other wastes like used oil being disposed through authorized recyclers as prescribed by Pollution Control Board. Flue Dust (Gas Cleaning Plant Dust) is being reused within our Plant Premises.

Other Wastes like Used batteries, E-Waste, Biomedical Waste and Plastic Waste are being disposed/co-processed through authorized recyclers.

Company has implemented Rain Water Harvesting and Artificial Recharge for recharge the Ground Water Level and installation of Piezometers to monitor the Ground Water Level.

Green cover: The Company continued its plantation programme at local villages along with initiating sizeable plantation drives at its mines and manufacturing facilities. In addition, the Company also facilitated avenue plantation in the peripheral area.

Energy Conservation: To conserve energy and optimize our energy performance & continual improvement of energy efficiency, company has implemented an Energy Management System in accordance with ISO 50001:2011.

We have compiled PAT cycle- I in accordance with BEE (Bureau of Energy Efficiency of India) guidelines and we have received 1007 no's ESCerts (Energy Saving Certificates) issued by Ministry of power, Govt. of India.

Safety: The safety of employees, visitors and local people is of prime concern to the management. Company has implemented best safety practices in its occupational health & safety management in compliance to international standard OHSAS 18001: 2007 (now working on new standard IS 45001:2018) to ensure that safety standards are regularly followed across its facilities (mines and manufacturing units). Contingency plans are developed and implemented to prevent, mitigate and control occupational health and safety hazards.

Safety poka yokes (Mistake proofing) and kaizens implemented at various areas as proactive approach to improve safe work place. Mechanized processes introduced viz. implementation of rock breaker in order to minimize human intervention and physical injuries.

In addition, the Company also undertakes in-house, on-site and audio visual safety training exercises for the entire team. Mock drills are periodically conducted to check emergency preparedness.

Entire plant has been covered by fire hydrant facility and fire detectors have been installed at all the buildings and fire prone areas. To raise the awareness among the employees about health and safety many promotional events like national safety week, fire safety week, road safety week are organized and wholehearted participation of the employees has been observed. Also annual medical check-up of all employees is being carried out to ensure their fitness and avoiding any occupational health hazards.

HUMAN RESOURCES

A sound foundation of intellectual capital lies at the core of the competitive advantage of the Company. This capital comprises a rich mix of experience and youth, thereby creating a wholesome culture of excellence.

The Company's people philosophy has played the prime role in shaping the company into a passionate, learning oriented and high performing organization. The management accords special focus in areas like role clarity, organisation development, employee engagement, team work to facilitate a performance driven culture.

The company is moving towards Automation in Human Resource by adopting software to enable efficient and effective way of employee friendly practices. The policies and procedures are undergoing change to in-line with the best practices across the industry.

The company has adopted Balanced Score Card approach which is a strategic planning and management system used to align business activities to the Vision and Strategy of the organization by monitoring performance against strategic goals.

The Company's focus on growing the knowledge curve of its people has facilitated in developing a vibrant workforce capable of meeting present and future requirements. The Company has conducted 360 degree competency assessment and designed Individual Development Plan (IDP) for the senior management personnel to be ready during organization's organic & inorganic growth and develop Individual's competency.

In 2017-18, the Company conducted SWOT (Strength, Weakness, Opportunity and Threat) analysis for key functions. The outcome of the analysis resulted in developing action plan to internalise the gap and mitigate the external forces. This will ensure the company is strengthening itself internally by developing efficient and effective processes and systems and getting future ready to take it to next level.

The Board records its appreciation for the support of employees at all levels and look forward to their total involvement in the growth process of the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)****FINANCIAL PERFORMANCE**

(₹ in Lacs)

Particulars	Financial year ended 31st March, 2018	Financial year ended 31st March, 2017
	Standalone	
Total Income (net of excise duty)	1,27,102.44	1,03,391.01
Profit/(Loss) Before Interest, Depreciation & Tax (PBDIT)	21,113.80	20,128.41
Finance Charges	4,615.16	3,934.22
Depreciation	3,031.47	2,708.86
Exceptional Items	2,661.81	-
Provision for Income Tax (Including for earlier years)	4,249.78	5,121.09
Net Profit After Tax	6,555.58	8,364.24
Other Comprehensive Income	(20.09)	(66.94)
Total Comprehensive Income For the Year	6535.49	8297.30
Profit brought forward from Previous Years	71,255.44	63,087.96
Profit Carried to Balance Sheet	77,375.65	71,255.44

This year, the comprehensive income has been at ₹ 6535.49 Lacs and the Company has announced a dividend of 15%.

The company has achieved an impressive performance, with the total income for the year ended 31st March, 2018 being ₹ 1,27,102.44 Lacs. During the year the company's main focus was exports and book sales of ₹ 99,114.73 Lacs, which is higher by 14.85% over the last year's figure.

There has been an increase in the cost of consumption of raw materials by 57.10% - from ₹ 29,306.40 Lacs to ₹ 46,040.99 Lacs. Power and fuel cost increased by 17.10%, from ₹ 27,840.68 Lacs to ₹ 32,601.04 Lacs because of increased volume of production as compared to the previous year.

PBDIT stood at ₹ 21,113.80 Lacs against ₹ 20,128.41 Lacs over the corresponding financial year.

PAT stood at ₹ 6,555.58 Lacs as against ₹ 8,364.24 Lacs in the previous year, a decrease of 21.62%. Total Comprehensive Income for the year stood ₹ 6,535.49 Lacs as against ₹ 8,297.30 Lacs in the previous year, a decrease of 21.23%. The Basic Earnings Per Share (EPS) for the year was ₹ 7.35 as against ₹ 10.52 and the Diluted Earnings Per Share (EPS) for the year was ₹ 6.70 as against ₹ 9.85 for the previous year.

Shareholder's funds (Net worth) increased from ₹ 90,200.14 Lacs to ₹ 96,656.43 Lacs as on 31st March, 2018, registering a growth of 7.16% over the previous year.

INTERNAL CONTROL SYSTEMS

Control ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely management of change and ensure effective management of risk.

Based on that premise, the Company remained committed to ensure the prevalence of an effective internal control environment, commensurate with its size and nature of business that provides reliable financial and operational information, to ensure compliance of corporate policies and applicable statutory regulations and safeguard Company's assets. The internal audit process includes review and evaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit.

The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The Company has a comprehensive system of internal controls that enables efficient operations, optimal resource utilisation and compliance with all applicable laws and regulations. Each of these internal controls strengthens the Company and protects loss or unauthorised use of assets by providing adequate checks and balances. The Company authorises, records and reports all transactions.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The Company has carried out an assessment of the adequacy and effectiveness of the Company's Internal Financial Control System by an independent Consultant who did a thorough examination on each and every financial control persisting in the Organisation through TOD (Test of Design) and TOE (Test Of Effectiveness) methodology to analysis the effectiveness of laid down policies, processes, Standard Operating Procedures (SOPs) etc for Internal Controls defined in the Company.

The Statutory Auditors of the Company has also reviewed the Internal Financial Control system implemented by the Company on financial reporting and in their opinion, the company has, in all material aspects, adequate Internal Financial Control System over Financial reporting and such Internal Financial Controls were operating effectively as on 31st March, 2018.

For effective business control, there is a full-fledged internal audit function, which is supported by a firm of independent Chartered Accountants to monitor adherence to all internal policies and procedures as well as compliance with all external regulatory guidelines. The Company has an elaborate financial reporting process, which ensures timely review of all financial information. Periodic reviews are undertaken through internal and external audit teams to monitor efficacy of the prevalent systems. Independence of the audit and compliance function is ensured by a direct line of reporting to the Audit Committee comprising of all Independent Directors as members to maintain the objectivity.

The Audit Committee of the Board provides re-assurance to the Board on the existence of effective internal control environment.

MANAGING BUSINESS RISKS AND CONCERNS

Every prospect comes with its fair share of risks and concerns. Yet, we consider it our responsibility to minimize instances of risks in our business and get maximum returns.

The Framework: Our integrated risk management system is the core of our risk mitigation strategy and focuses largely on prudential norms, structured reporting and control. Hence, even though our risk management is initiated at the senior management level, it still gets decentralised across the organisation, reaching key managers at various organisational levels, which in turn prepares them to mitigate risks at every level.

The company's Risk Management Framework is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations by ensuring compliance with legal requirements and by safeguarding the integrity of the company's financial reporting and its related disclosures.

Classification of Risks: By segregating all our risks in separate sections, namely potential, operational, financial, strategic, growth and execution we have been able to bring about company-wide reviews by linking the fore mentioned risks with the Annual Business Plans of the Company.

The Risk Review: The risk management procedures are clearly defined and periodically reviewed by the Board of Directors with a view to strengthen the risk management framework and to continuously review and reassess the risk that the Company may confront with. This helps us to ensure the adequacy of our risk mitigation systems in this ever changing business landscape.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, raw material prices, finished goods prices, cyclical demand and pricing in the Company's products and their principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries with which the Company conducts business and other factors such as litigation and / or labour negotiations.



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to build confidence of its various stakeholders and paving way for its long-term success. In Balasore Alloys Limited, Corporate Governance is defined as a systematic process by which company is directed and controlled keeping in mind the long-term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

COMPANY'S PHILOSOPHY ON GOVERNANCE

Your Company's philosophy on the Corporate Governance is founded upon a rich legacy of fair and transparent governance practices which are essentially aimed at ensuring transparency in all dealings and hence seeks to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. Your Company has continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies and prudent business plans, thereby ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Company's comprehensive written code of conduct serves as a guide for your company and its employees on the standards of values, ethics and business principles, which should govern their conduct. Your company operates within accepted standards of prosperity, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. Even in a fiercely competitive business environment that the Company is operating in, the management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company and for achieving Corporate Excellence.

CORPORATE GOVERNANCE PRACTICES

The Company's Corporate Governance practices seek to go beyond the regulatory requirements and with a view to ensuring commitment to transparent, law abiding behaviour and good Corporate Governance, the Company has put in place the following practices:-

- a) **Code of Conduct:** The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.
- b) **Business Policies:** The Business Policies of Company ensures transparency and accountability to its stakeholders. The policies provide motivation and support for professional development of employees, fair market practices and high level of integrity in financial reporting. The policies recognize Corporate Social Responsibility of the Company and also seek to promote health, safety and quality of environment.
- c) **Prohibition of Insider Trading:** The Company has devised a framework to avoid Insider Trading and abusive self-dealing. The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public as per the requirement of SEBI Regulations.
- d) **Risk Management:** The Company has developed and implemented a comprehensive Enterprise risk management framework for risk identification, assessment, minimization and mitigation procedure. The risk management procedures are clearly defined and periodically reviewed by the Board of Directors with a view to strengthen the risk management framework and to continuously review and reassess the risk that the Company may confront with.
- e) **Safety, Health and Environment Policy:** The Company is committed to conduct its business in a manner that values the environment and helps in ensuring the safety and health of all its employees and society at large. The policy is aimed towards strengthening pollution prevention and control measures.
- f) **Equal Employment Opportunity:** The employment policy of the Company assure that there shall be no discrimination or harassment against an employee or applicant on the grounds of race, colour, religion, gender, age, marital status, disability, national origin or any other factor made unlawful by applicable laws and regulations. The policy also ensures fair and respectful treatment of all fellow employees.
- g) **Whistle Blower / Vigil Mechanism:** The Company has established a Whistle Blower/Vigil mechanism for its directors and employees to report the concerns about unethical behaviour, actual and suspected fraud or violation of the Company's Code of Conduct. The Board has affirmed that no personnel have been denied access to the audit committee.
- h) **Board Diversity:** The Board members are quite diverse as it had Directors from various sectors viz. Accounting, Finance, Banking, Mining, Risk Management, etc.
- i) **Board Evaluation Policy:** Board Evaluation Policy which indicates the criteria for evaluation of the Board, Committees of the Board and Individual Directors of the Company.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****2. Board of Directors****Board Composition and Category of Directors**

The Board has an optimum composition of Executive and Non-Executive Directors with at least one women director in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015. The Board as on 31st March, 2018, consists of Eleven (11) Nos. of Directors out of which five(5) Nos. of Directors are Independent Directors. The composition and category of the Directors on the Board are as follows:-

Category	Name of the Director
Promoter Directors	Mr. Pramod Kumar Mittal, Chairman*
Executive Directors	Mr. Anil Sureka, Managing Director Mr. R K Parakh, Director- Finance & CFO** Mr. Nikunj Pansari, Director - Finance & CFO*** Ms. Mita Jha, Executive Director - HR**** Mr. Dhiren Kumar Nath, Director - Operations***** Mr. Janarthanam Govindasamy, Director - Operations*****
Non-Executive Independent Directors	Dr. A K Bhattacharyya Mr. S Mohapatra Mr. S K Pal Prof. S K Majumdar Mr. K P Khandelwal
Non-Executive Directors	Dr. Samuel Onyeabor Nwabuokej*****
Nominee Director	Mr. K C Raut (Representing State Bank of India)

* Ceased from holding Directorship w.e.f. 22.08.2017.

** Ceased to be Director-Finance & CFO w.e.f. 30.06.2017.

*** Appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 14.12.2017. Further, shall cease to be Whole-time Director designated as Director-Finance & CFO w.e.f. 25.07.2018.

**** Appointed as Whole-time Director designated as Executive Director-HR w.e.f. 27.07.2017. Further, ceased to be Executive Director-HR w.e.f. 24.04.2018.

***** Appointed as Whole-time Director designated as Director-Operations w.e.f. 14.12.2017.

***** Ceased to be Director-Operations w.e.f. 06.03.2018.

***** Appointed as Non-Executive, Non Independent Director w.e.f. 14.06.2017.

Ms. Mita Jha, Whole Time Director designated as Executive Director - Human Resource of the Company has served Board as a Woman Director till 24th April, 2018.

Details of the Board Meetings

Six Board Meetings were held during the year. The time gap between any two meetings of the Board of Directors of the Company did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are as follows:-

19.05.2017, 12.09.2017, 23.09.2017, 05.12.2017, 14.12.2017 and 14.02.2018.

Attendance at the aforesaid Board Meetings, at the last Annual General Meeting and the number of Directorships and Committee Chairmanship / Memberships in other Companies of each of the Directors as on 31.03.2018 are as below:-

Name of Directors	No. of Board Meetings Attended ²	Attended last AGM held on 23.09.2017 at Registered Office	No. of Directorship in other Companies ¹		No. of Membership in Committees of Directors in other Companies ²	
			Chairman	Director	Chairman	Member
Mr. Pramod Kumar Mittal*	1	N.A.	N.A.	N.A.	N.A.	N.A.
Dr. A K Bhattacharyya	5	Yes	Nil	2	1	Nil
Mr. S Mohapatra	6	Yes	Nil	1	1	Nil
Mr. S K Pal	6	Yes	Nil	3	Nil	2
Prof. S K Majumdar	6	Yes	Nil	Nil	Nil	Nil
Mr. K P Khandelwal	6	Yes	Nil	3	Nil	4


REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Directors	No. of Board Meetings Attended [#]	Attended last AGM held on 23.09.2017 at Registered Office	No. of Directorship in other Companies ¹		No. of Membership in Committees of Directors in other Companies ²	
			Chairman	Director	Chairman	Member
Mr. Anil Sureka (Managing Director)	6	Yes	Nil	Nil	Nil	Nil
Mr. R K Parakh** (Director - Finance & CFO)	1	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Nikunj Pansari*** (Director Finance & CFO)	1	N.A.	Nil	Nil	Nil	Nil
Ms. Mita Jha**** (Executive Director - HR)	5	Yes	Nil	Nil	Nil	Nil
Mr. Dhiren K. Nath***** (Director - Operations)	1	N.A.	Nil	1	Nil	Nil
Mr. Janarthanam Govindasamy (Director - Operations)*****	5	No	N.A.	N.A.	N.A.	N.A.
Dr. Samuel O. Nwabuokej ***** (Non-Executive Director)	Nil	No	Nil	Nil	Nil	Nil
Mr. K C Raut (Nominee Director)	6	Yes	Nil	1	Nil	2

* Ceased from holding Directorship w.e.f. 22.08.2017.

** Ceased to be Director-Finance & CFO w.e.f. 30.06.2017.

*** Appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 14.12.2017. Further, shall cease to be Whole-time Director designated as Director-Finance & CFO w.e.f. 25.07.2018.

**** Ceased to be Executive Director-HR w.e.f. 24.04.2018.

***** Appointed as Whole-time Director designated as Director-Operations w.e.f. 14.12.2017.

***** Ceased to be Director-Operations w.e.f. 06.03.2018.

***** Appointed as Non-Executive, Non Independent Director w.e.f. 14.06.2017.

Attendance also includes meeting attended through Video Conferencing.

1. *The Directorship, held by Directors as mentioned above, do not include Directorships held in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.*

2. *In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies have been considered.*

There is no inter-se relationship between Directors of the Company. The Non-executive Directors of the Company do not hold any shares or convertible instruments in the Company.

Appointment & Resignation of Chief Financial Officer (CFO)

The Board of Directors in its meeting held on 12th September, 2017 appointed Mr. Mrutyunjaya Mohanty as the Chief Financial Officer (CFO) of the Company, who resigned from the said position on 23rd November, 2017.

Board Procedure

The Board ensures that the Company's reporting and disclosure practices meet the highest standards of Corporate Governance and that the business practices followed by the Company are oriented towards meeting obligations towards various stakeholders and enhancing shareholders value. The board papers comprising of the agenda backed by comprehensive documents, information are circulated to the directors well in advance to enable them to take appropriate decisions and in exceptional cases the same are tabled at the board meeting. In addition to the information required in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keep the Board apprised of the overall performance of the Company and also steps to be taken to rectify the instances of non compliances. The Board periodically reviews compliance reports of applicable laws, duly certified by Company Secretary and also reports on the rectifications of the non Compliances.

Training of Independent Directors

The Independent Directors are apprised at Board Meetings on the Company operations, market shares, governance, internal control processes and other relevant matters. They are also updated on important changes in the regulatory framework and business environment having an impact on the Company.



REPORT ON CORPORATE GOVERNANCE (Contd.)

On an on-going basis, the Company, through its Managing Director and / or Whole-time Director as well as other Senior Managerial Personnel, as required, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the Company inclusive of important developments in various business divisions, and new initiatives undertaken by the Company. The details of the familiarization programme is disclosed on Company's website i.e., www.balasorealloys.com

Familiarisation Programme to Independent Directors

The details pertaining to familiarisation Programme imparted to Independent Directors of the Company forms an integral part of Director Report. Further, the details of familiarisation Programme imparted to Independent Directors during the year is disclosed on the Company's website i.e., www.balasorealloys.com at the weblink:

<http://www.balasorealloys.com/upload/media/pdf/Familiarisation%20Policy.pdf>

At the time of appointment, every Independent Director signs a Declaration to confirm that they fulfils all the conditions for being an Independent Director as laid down under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Separate Meeting of the Independent Directors

A Separate Meeting of Independent Directors was held on Tuesday, the 13th day of February, 2018. The meeting was attended by all the Independent Directors i.e., Dr. Asish K. Bhattacharyya, Mr. S Mohapatra, Mr. S K Pal, Prof. S K Majumdar and Mr. K P Khandelwal.

Dr. Asish K. Bhattacharyya was elected as the Lead Independent Director. In the meeting, the Directors reviewed the performance of Non-Independent Directors, the Board as a whole and various committees of the Board and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

The Directors discussed about the diversity of the Board and felt that the Board was quite diverse as it had Directors from various sectors. Apart from overall evaluation they discussed on Board Structure and Committees, Board Meeting and Procedure, the Financial Reporting process, Skill Development and Training.

Information Placed before the Board of Directors

The Company has complied with Regulation 17(7) read with Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to information being placed before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- (i) Annual operating plans and budgets and any updates.
- (ii) Capital budgets and any updates.
- (iii) Quarterly results for the listed entity and its operating divisions or business segments.
- (iv) Minutes of meetings of Audit Committee and other Committees of the Board of Directors.
- (v) The information on recruitment and remuneration of Senior Officers just below the level of the Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- (vi) Show Cause, demand, prosecution notices and penalties notices which are materially important.
- (vii) Fatal or Serious accidents, dangerous occurrences, any material effluent or pollution problem.
- (viii) Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- (ix) Any issues, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- (x) Details of any joint venture or collaboration agreement.
- (xi) Transaction that involve substantial payment towards goodwill, brand equity, or intellectual property.
- (xii) Significant labour problem and their proposed solutions. Any significant development in human resources / industrial relation front like signing the wage agreement, implementation of voluntary retirement Scheme etc.
- (xiii) Sale of material nature of investment, subsidiaries and assets, which are not in the normal course of business.
- (xiv) Quarterly details of foreign exchange exposures and the steps taken by management to limits the risks of adverse exchange rate movement, if material.
- (xv) Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non-payment of dividend, delay in Share Transfer etc.

The Board is presented with all information under the above heads whenever applicable and materially significant.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****3. Audit Committee**

The Company has a qualified and independent Audit Committee. The terms of reference, role, scope and composition of Audit Committee are in accordance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee acts as a link between the management, the statutory and internal auditors and Board of Directors to oversee the financial reporting process. All the members of the Committee are Independent Directors.

As on the date of this report, the Committee consists of Five Directors, who bring with them vast experience in the field of operations, finance & accounts and the Company has been immensely benefited from the deliberations of the Audit Committee. Besides the Committee members, functional heads and Auditors (Statutory/Internal/Cost) of the Company attend the meeting of the Committee on the invitation of the Committee.

The Chairman of the Audit Committee is an Independent Director and the Company Secretary acts as the Secretary to the Committee.

Four Meetings of Audit Committee of the Board of Directors were held during the year. The dates on which the meetings of the Audit Committee were held are:

19.05.2017, 12.09.2017, 14.12.2017 and 14.02.2018.

In view of appointment of Ms. Mita Jha as Executive Director - HR, it was considered appropriate to reconstitute the Audit Committee of the Board of Directors and thereafter, Ms. Mita Jha ceases to be a part of the Audit Committee.

As on date of this report the Committee comprises of Five Independent Directors, as Ms. Mita Jha ceases to be a member with effect from 19.05.2017, the details of the meetings attended by the members are as under:

Name of Director	No. of Meetings attended during the period
Dr. A K Bhattacharyya (Chairman)	4
Mr. S Mohapatra	4
Mr. S K Pal	4
Prof. S K Majumdar	4
Mr. K P Khandelwal	4
Ms. Mita Jha* (ceased to be a Member w.e.f. 19.05.2017)	1

* Consequent, upon appointment as Whole-time Director designated as Executive Director - Human Resource, Ms. Mita Jha ceases to be an Independent Director of the Company w.e.f. 19th May, 2017.

The brief terms of reference of the Audit Committee are as under:-

- Recommendation for the appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:-
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.


REPORT ON CORPORATE GOVERNANCE (Contd.)

- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Modified opinion (s) in the draft audit report.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower/ Vigil mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. Nomination & Remuneration Committee

The composition of the Nomination & Remuneration Committee is in line with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. As on the date of this report, the committee comprised of four members, of which all of them are Non-Executive Independent Directors.

Five meetings of Nomination & Remuneration Committee were held during the year. The dates on which the meetings of the Committee were held are 19.05.2017, 08.06.2017, 12.09.2017, 14.12.2017 & 14.02.2018.

The Committee comprises of four Independent Directors, the details of the meetings attended by the members are as under:-

The composition of the Nomination & Remuneration Committee and the Meeting attended by the members during the period is as under:

Name of Director	No. of Meetings attended during the period
Dr. A K Bhattacharyya (Chairman)	5
Mr. K P Khandelwal (inducted as member w.e.f. 19.05.2017)	4
Mr. S K Pal	5
Prof. S K Majumdar	5
Ms. Mita Jha (ceased to be a Member w.e.f. 19.05.2017)	1



REPORT ON CORPORATE GOVERNANCE (Contd.)

Pursuant to the provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has approved & adopted the terms of reference of the Committee. Given below, *inter-alia*, is a gist of the terms of reference of the Nomination & Remuneration Committee.

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Formulation of criteria for evaluation of Independent Director and the Board;
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director;
- Recommendation to the Board, a remuneration policy for the Directors, KMP and other employees;
- Ensuring the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors;
- Devise a policy on diversity of Board of Directors;
- Ensuring remuneration to directors, KMP and Senior Management involves a balance between fixed and incentive pay;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The Committee was also assigned with the responsibility to consider the policy and the matters relating to the remuneration payable to its Managing Director/Whole-time Directors based on the performance and defined assessment criteria.

5. Performance Evaluation Criteria for Independent Directors

The Criteria for performance evaluation of Independent Directors of the Company forms an integral part of Directors Report.

6. Remuneration to Directors

The Board of the Directors of the Company at its meeting held on 20th May 2014, has adopted a policy for remuneration of the Board Members, Key Management Personnel (KMPs) & Senior Management Personnel (SMPs) in adherence with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013 and Rules made there under.

(a) Remuneration to Non-Executive Directors:

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. Beside the sitting fees they are also entitled to re-imbursement of expenses for attending the meetings of the Board of Directors and its Committees. The Non-Executive Directors of the Company were not paid any other remuneration or commission.

During the year, the sitting fees paid to Non-executive Directors has been revised by the Board of Directors of the Company to Rs. 50,000/- for attending each meeting of the Board of Directors, Audit Committee and Meeting of Independent Directors and Rs. 30,000/- for attending each meeting of the other Committees of the Board of Directors.

(b) Remuneration to Executive Directors:

Remuneration policy / criteria of payment to Executive Directors:-

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Managing Director/Whole Time Directors (MD/WTDs). Their remuneration is governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs is subject to the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, members in due compliance of the provisions of Companies Act, 2013 and other applicable rules made there under.

The Executive Directors are paid remuneration based on the criteria as mentioned in the Nomination Policy of the Company which is uploaded on the website of the Company at the weblink:

<http://www.balasorealloys.com/upload/media/pdf/Remuneration%20Policy.pdf>

As a policy, the Executive Directors are neither paid sitting fee nor any commission.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

The Details of the remuneration paid to Whole-time Directors of the Company during the period 1st April, 2017 to 31st March, 2018 are as below:-
(₹ in lacs)

Director	Salary & Perks	Commission	Total	Service Contract (Years)
Mr. Anil Sureka (Managing Director)	185.88	-	185.88	5 Years
Mr. R K Parakh (Director - Finance & CFO)*	51.85	-	51.85	5 Years
Mr. Nikunj Pansari (Director - Finance & CFO)**	19.03	-	19.03	5 Years
Ms. Mita Jha (Executive Director - HR)***	64.19	-	64.19	5 Years
Mr. Janarthanam Govindasamy (Director - Operations)****	71.26	-	71.26	5 Years
Mr. Dhiren Kumar Nath (Director - Operations)*****	11.15	-	11.15	5 Years

* Ceased to be Director-Finance & CFO w.e.f. 30.06.2017.

** Appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 14.12.2017. Further, shall cease to be Whole-time Director designated as Director-Finance & CFO w.e.f. 25.07.2018.

*** Ceased to be Executive Director-HR w.e.f. 24.04.2018.

**** Ceased to be Director-Operations w.e.f. 06.03.2018.

***** Appointed as Whole-time Director designated as Director-Operations w.e.f. 14.12.2017.

Service Contracts, Severance Fee, Notice Period and Stock Options

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company. The service contracts entered into with them are in accordance with the Remuneration policy of the Company, which covers the terms and conditions of such appointment. There is no separate provisions for payment of severance fee under the resolutions governing the appointment of Executive Directors. A notice of three months is required to be given by a Director seeking to vacate office and the resignation takes effect upon the expiration of the notice or its earlier acceptance by the Board.

The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any Executive and/or Non-Executive Director. During the year under review, none of the Director was paid any bonus, pension or performance linked incentive.

Relationship of Non-Executive Directors with the Company and interse

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and interse among themselves except for the sitting fees paid to them for attending the Board and Committee Meetings and reimbursement of expenses for attending the Board and Committee Meetings.

Number of Shares and Convertible Instruments held by Non- Executive Director

None of the Executive Directors held any shares and convertible instruments in the Company.

7. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders to align with the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Committee comprises of 3 (three) Non Executive Independent Directors of the Company as on 31.03.2018, the details of the meetings attended by the members during the year are as under:

The composition of the Stakeholders Relationship Committee is as under:

Member of the Committee	No. of Meetings Attended
Dr. A K Bhattacharyya (Chairman)	12
Prof. S K Majumdar	12
Mr. S K Pal	12
Mr. R K Parakh (Ceased to be member w.e.f., 30 th June, 2017.)	3

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

The Committee has met twelve times during the year. The dates on which the meetings of the Stakeholders Relationship Committee were held are as follows:-

12.04.2017, 11.05.2017, 13.06.2017, 12.07.2017, 11.08.2017, 11.09.2017, 10.10.2017, 10.11.2017, 11.12.2017, 12.01.2018, 13.02.2018 & 14.03.2018.

The object of the Stakeholders Relationship Committee is to approve transfer of shares, consolidation/sub-division of shares, issue of duplicate shares, redressal of investor grievance/complaints and other allied matters. The Committee meets monthly, while the Registrars and Transfer Agent of the Company, to whom the requisite authority is delegated in this regard, attend the transfer formalities thrice in a month.

Name and Designation of Compliance Officer

Mr. Trilochan Sharma – President & Company Secretary

Name and Designation of Contact Person of Registrar and Share Transfer Agent of the Company

Mr. Shankar Ghosh – Manager
“M/s MCS Share Transfer Agent Limited”

Share Transfers/Transmissions etc. as approved by the Committee are notified to the Board at regular intervals. During the year i.e. from 01.04.2017 to 31.03.2018, the status of complaints are as under:

Complaints pending as on 01.04.2017	—	Nil
Complaints received from Investors	—	579
Complaints replied / resolved	—	579
Complaints pending as at 31.03.2018	—	Nil

8. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee was constituted by the Board at its meeting held on 20th May, 2014, pursuant to the requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board in its meeting held on 20th May, 2014 has approved the CSR Policy as formulated and recommended by the CSR Committee in accordance with the requirements of the Companies Act, 2013 and rules made there under.

3 (Three) Meetings of CSR Committee were held during the year. The dates on which the meetings of the CSR Committee were held are:

18.05.2017, 13.12.2017 & 13.02.2018.

The Committee comprises of 4 (four) Directors, the details of the meetings attended by the members are as under:

Name of Director	No. of Meetings attended during the period
Dr. A K Bhattacharyya (Chairman)	3
Prof. S K Majumdar	3
Mr. K P Khandelwal	3
Mr. Anil Sureka	3
Mr. R K Parakh (Ceased to be member w.e.f., 30 th June, 2017.)	1

9. Other Committees

The Company also has Project Committee to overview implementation of various capital projects including status of progress and critical areas affecting projects, implementation schedule and Risk Management Committee of the Board constituted by the Board at its meeting on 29th May, 2009 assigned with the task, inter-alia, of reviewing the risk management process on continuous basis, considering the alternatives for mitigating the risk and updating the Board about the major risks.

10. General Body Meetings

1. Details on Annual and Extra Ordinary General Meeting :

Year	Location	Date	Time
2016-17 (AGM)	Balgopalpur - 756 020, Balasore, Odisha	23.09.2017	9.30 A.M.
2015-16 (AGM)	Balgopalpur - 756 020, Balasore, Odisha	28.09.2016	9.30 A.M.
2014-15 (AGM)	Balgopalpur - 756 020, Balasore, Odisha	29.09.2015	9.30 A.M.



BALASORE ALLOYS LIMITED

REPORT ON CORPORATE GOVERNANCE (Contd.)

2. Whether any special resolution passed in the previous 3 AGMs and EOGM : Yes

Date of AGM	Details of Special Resolutions passed
23.09.2017	(i) Appointment of Ms. Mita Jha (DIN: 07258314), as the Whole-time Director of the Company. (ii) Maintenance of the Register of Members and other Statutory Registers at a place other than the Registered Office of the Company. (iii) Revision of Remuneration of Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company. (iv) Revision of Remuneration of Mr. Rajendra Kumar Parakh (DIN: 00459699), Director - Finance & CFO of the Company. (v) Revision of Remuneration of Mr. Janarthanam Govindasamy (DIN: 07356448), Director - Operations of the Company.
28.09.2016	(i) Appointment of Mr. Janarthanam Govindasamy (DIN: 07356448), as the Whole-time Director of the Company. (ii) Approval for revising borrowing limit of the Company under Section 180(1)(c) of the Companies Act, 2013. (iii) Approval for revision in mortgaging of properties of the Company under Section 180(1)(a) of the Companies Act, 2013.
29.09.2015	(i) Appointment of Mr. Ansuman Kumar Bhanja (DIN: 07008300) as the Whole-time Director of the Company. (ii) Reappointment of Mr. R K Parakh (DIN: 00459699) as the Whole-time Director of the Company. (iii) Reappointment of Mr. Anil Sureka (DIN: 00058228) as the Managing Director of the Company. (iv) Issue of Convertible Warrants on preferential basis. (v) Adoption of new set of Articles of Association of the Company containing Articles in conformity with the Companies Act, 2013.

3. Whether special resolutions:

- a) (i) Were put through postal ballot last year : Yes
 (ii) Details of voting pattern :

Item : To make loan(s) and to give guarantee(s), provide security(ies) or make investment(s) in excess of the prescribed limit under Section 186 of the Companies Act, 2013:

Category	No. of Shares held	No. of Votes Polled	No. of votes polled in favour	No. of votes polled in against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
Promoter and Promoter Group	52832743	52797980	52797980	0	99.967	0
Public	36057668	17405	13248	4157	0.025	0.008
Total	88890411	52815385	52811228	4157	99.992	0.008

- (iii) Person who conducted the postal ballot exercise : Mr. Raj Kumar Banthia (Scrutinizer)
 b) (i) Are any Special Resolutions proposed to be conducted through postal ballot this year : No
 (ii) Procedure for postal ballot : Not Applicable

Shareholders are furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meetings.

11. Code of Conduct

The Code of Conduct (hereinafter referred to as 'Code') is applicable to all its Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel had affirmed compliance with the Code during the year and no violation of the same was reported. A declaration to the effect that all Board Members and Senior Management Personnel have complied with the Code during the financial year 2017-18, duly signed by Managing Director of the Company is herein below enclosed. The Code has also been posted on the Company's Web-site.

**REPORT ON CORPORATE GOVERNANCE (Contd.)****Affirmation of Compliance with the Code of Conduct for Board Members and Senior Management Personnel.**

I, Anil Sureka, Managing Director of Balasore Alloys Limited, hereby declare that the Company has received affirmation of compliance with the 'Code of Conduct for Board members and Senior Management Personnel' laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31st March, 2018.

Anil Sureka
Managing Director
DIN: 00058228

28th May, 2018

12. Subsidiaries

The Company does not have any material non-listed Indian subsidiary company. Therefore, the provisions relating to material non-listed Indian subsidiary whose turnover or Net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or Net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year, does not apply. The policy for determining material subsidiaries is available at the website at link: <http://www.balasorealloys.com/upload/media/pdf/Policy%20for%20Determination%20of%20Material%20Subsidiaries.pdf>

13. Disclosures

- a. The particulars of transactions between the Company and its related parties as required by Indian Accounting Standard (IND AS-24) are set out in point 35 of Notes to financial statements as at and for the year ended March 31, 2018 of the Annual Report. There were no material significant related party transactions all contracts / agreements / transactions entered into during the period with the related parties were carried out at arm's length at the fair market value.
- b. The policy on material related party transactions, and on dealing with related parties and a statement on such policy has been uploaded on the Company's website at link: <http://www.balasorealloys.com/upload/media/pdf/Policy%20on%20Related%20Party%20Transaction.pdf>
- c. In preparation of financial statement, the Company has followed the applicable Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the annexure to the Notes to the Accounts.
- d. The Company has formulated and implemented an Enterprise Risk Management framework for risk assessment and mitigation procedures which is an ongoing process within the Company. In this connection, Risk Management Committee of the Board was constituted and assigned with the task, *inter-alia*, of reviewing the risk management process on continuous basis, considering the alternatives for mitigating the risk. These risk management procedures are periodically reviewed by the Board of Directors with a view to strengthen the risk management framework.
- e. The Company had issued 2,30,00,000 convertible warrants on preferential basis to its Promoter Group Companies on 15.03.2016. Out of which, 1,00,00,000 Warrants were converted into equivalent number of Equity Shares on 31.03.2017. Further, 44,35,000 Warrants were also converted into equivalent number of equity shares on 30.03.2018.
- f. **Forfeiture of up-front money received against allotment of 85,65,000 Warrants:**

The Committee for Preferential Issue of Warrants of the Board of Directors at its meeting held on 15th May, 2018 noted that a sum of Rs. 4,76,75,001/- (Rupees Four crores seventy six lacs seventy five thousand and one only) was received by the Company before the allotment of the 85,65,000 Warrants as up-front subscription money. Thereafter, the balance amount against the allotment of the 85,65,000 Warrants have not been received by the Company till May 2, 2018 (being 18 months from the date of allotment of warrants to the allottee Promoter Group Companies) and accordingly, pursuant to regulation 77(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the said up-front subscription money received from the respective allottees has been forfeited as below:

Sl. No.	Name of the Allottees	No. of Convertible Warrants	Forfeited Upfront Money (₹)
1	Global Steel Holdings Asia Pte. Ltd.	10,017	94,140
2	Direct Trading & Investments Singapore Pte. Ltd.	37,50,000	2,05,66,543
3	Prasan Global Ventures Singapore Pte. Ltd.	48,04,983	2,70,14,318
	Total	85,65,000	4,76,75,001



REPORT ON CORPORATE GOVERNANCE (Contd.)

- g. During the last three years, there were no non-compliances, strictures or penalties imposed on the Company either by SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to capital market.
- h. The Company has framed a Whistle Blower Policy / Vigil mechanism as required under Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was adopted by the Company w.e.f. 20.05.2014. Thereafter for incorporating all necessary changes, a revised policy has been framed & adopted w.e.f. 14.02.2018. During the financial year 2017-18 no personnel was denied access to the Audit Committee for reporting cases under this policy.

Management discussion and analysis report

The Company's annual report has a separate section for detailed Management Discussion and Analysis.

14. ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Company has adopted and complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there is no case of violation or infringement of the same during the period.

Non-Mandatory Requirements

1. The Board (Maintenance of Chairman's office)

The Company does not maintain office of Chairman.

2. Shareholders' right

The quarterly and half-yearly financial results are published in widely circulating national and local dailies and are displayed on the Company's website www.balasorealloys.com

3. Audit qualification

There is no audit qualification given in the Auditors' Report.

4. Separate posts Chairman, Managing Director and CEO

As on the date of this report, there is no Chairman of the Company, whereas Mr. Anil Sureka is the Managing Director of the Company also designated as the CEO for the said purpose.

5. Reporting of Internal Auditors

Independence of the Internal Audit function, which is supported by a firm of Independent Chartered Accountant is ensured by a direct line of reporting to the Audit Committee comprising of all Independent Directors as members. Further, the Audit Committee of the Board provides re-assurances to the Board on the existence of effective internal control environment.

15. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

16. Means of communication

Quarterly results – Which newspapers normally published.	Financial Express / Economic Times / Business Standard (in English) Sambad / Samaja (Oriya version)
Web sites where quarterly results are displayed.	www.balasorealloys.com
Whether it also displays official news releases.	Yes
Whether Management Discussion & Analysis is a part of Annual Report	Yes
Presentations made to Institutional Investors or to the Analyst	All price sensitive informations including presentation made to institutional investors are promptly intimated to the Stock Exchanges before releasing to the Media, other stakeholders and uploading on Company's website.


REPORT ON CORPORATE GOVERNANCE (Contd.)
17. GENERAL SHAREHOLDERS' INFORMATION

1	Annual General Meeting	
	Day, Date & Time Venue	Friday, 28 th September, 2018 at 9.30 a.m. Registered Office at Balgopalpur – 756 020 Balasore, Odisha, India
2	Financial Year	1 st April to 31 st March
3	Tentative Financial Calendar 2018-19 Financial Reporting for the quarter ending June 30, 2018 Financial Reporting for the quarter ending September 30, 2018 Financial Reporting for the quarter ending December 31, 2018 Financial Reporting for the quarter ending March 31, 2019 Annual General Meeting for the year ending March 31, 2019	By 14 th day of August, 2018 By 14 th day of November, 2018 By 14 th day of February, 2018 By 30 th day of May, 2019 By September, 2019
4	Book Closure Date	22 nd September, 2018 to 28 th September, 2018 (both days inclusive)
5	Dividend Payment Date	The Dividend warrants will be posted on and from 5 th October, 2018.
6	Registered Office	Balgopalpur – 756 020, Balasore, Odisha
7	Listing on Stock Exchanges	i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 ii) The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata – 700 001
Note: Annual Listing Fees for Financial Year 2018-19 has been paid to the BSE Limited and The Calcutta Stock Exchange Limited.		
8	Stock Market information:	
	(i) Stock Code: BSE Limited The Calcutta Stock Exchange Ltd. ISIN No. for Fully Paid-up Equity Shares	: 513142 : 10019059 : INE135A01024
	(ii) Market Price	Share Price data on BSE High (₹) Low (₹) BSE Sensex High Low
	Months	
	April, 2017	71.90 62.30 30,184.22 29,241.48
	May, 2017	75.50 55.10 31,255.28 29,804.12
	June, 2017	59.00 46.00 31,522.87 30,680.66
	July, 2017	59.50 50.50 32,672.66 31,017.11
	August, 2017	61.00 42.90 32,686.48 31,128.02
	September, 2017	72.80 53.65 32,524.11 31,081.83
	October, 2017	99.90 61.25 33,340.17 31,440.48
	November, 2017	93.45 75.40 33,865.95 32,683.59
	December, 2017	88.95 65.80 34,137.97 32,565.16
	January, 2018	92.40 71.40 36,443.98 33,703.37
	February, 2018	84.00 66.00 36,256.83 33,482.81
	March, 2018	70.45 45.90 34,278.63 32,483.84

Note : During the financial year ended March 31, 2018, there was no trading in the equity shares of the Company at the Calcutta Stock Exchange Ltd.



REPORT ON CORPORATE GOVERNANCE (Contd.)

	<p style="text-align: center;">BAL share price movement vs BSE Sensex Apr'17 - Mar'18</p> <table><caption>Data for BAL share price movement vs BSE Sensex Apr'17 - Mar'18</caption><thead><tr><th>Month</th><th>BAL High (₹)</th><th>BSE Sensex High</th></tr></thead><tbody><tr><td>Apr-17</td><td>70.00</td><td>29,737.73</td></tr><tr><td>May-17</td><td>75.00</td><td>30,000.00</td></tr><tr><td>Jun-17</td><td>60.00</td><td>30,500.00</td></tr><tr><td>Jul-17</td><td>60.00</td><td>31,000.00</td></tr><tr><td>Aug-17</td><td>62.00</td><td>31,500.00</td></tr><tr><td>Sep-17</td><td>70.00</td><td>32,000.00</td></tr><tr><td>Oct-17</td><td>95.00</td><td>32,500.00</td></tr><tr><td>Nov-17</td><td>90.00</td><td>33,000.00</td></tr><tr><td>Dec-17</td><td>85.00</td><td>33,500.00</td></tr><tr><td>Jan-18</td><td>90.00</td><td>34,000.00</td></tr><tr><td>Feb-18</td><td>80.00</td><td>34,500.00</td></tr><tr><td>Mar-18</td><td>70.00</td><td>32,968.68</td></tr></tbody></table>		Month	BAL High (₹)	BSE Sensex High	Apr-17	70.00	29,737.73	May-17	75.00	30,000.00	Jun-17	60.00	30,500.00	Jul-17	60.00	31,000.00	Aug-17	62.00	31,500.00	Sep-17	70.00	32,000.00	Oct-17	95.00	32,500.00	Nov-17	90.00	33,000.00	Dec-17	85.00	33,500.00	Jan-18	90.00	34,000.00	Feb-18	80.00	34,500.00	Mar-18	70.00	32,968.68
Month	BAL High (₹)	BSE Sensex High																																							
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Feb-18	80.00	34,500.00																																							
Mar-18	70.00	32,968.68																																							
9	<p>Share Price Performance in comparison to BSE Sensex opened</p> <p>The BSE Sensex opened on 3rd April, 2017 at 29,737.73 and on 28th March, 2018, the Sensex closed at 32,968.68. The market price of the shares of the Company on the BSE has varied from Rs. 42.90 to Rs. 99.90 during the period under review.</p>																																								
10	Depository Connectivity	National Securities Depository Limited (NSDL) Central Depository Services (India) Ltd. (CDSL)																																							
11	Registrars & Share Transfer Agent: (Share transfer and communication regarding share certificates, Dividends & change of Addresses, redressal of queries/grievances of Shareholders, etc.)	MCS Share Transfer Agent Limited, Unit: Balasore Alloys Limited 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026, India Ph. Nos. +91 33 4072 4051 / 4052 / 4053 Fax Nos. +91 33 4072 4050 E-mail: mcssta@rediffmail.com (Registered with SEBI as Share Transfer Agent – Category I)																																							
12	<p>Share Transfer System:</p> <p>The physical shares received for transfer are processed and the same is registered in the name of transferee, if case is not of bad delivery or incomplete documents. In order to expedite the process of transfer of Shares, the Company, for effecting transfers, has authorized M/s MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent, who attend to share transfer formalities thrice in a month. Those who are desirous of holding their shares in the Company in dematerialized form have to approach their respective Depository Participant for dematerialization of their shares.</p> <p>*Pursuant to the amendment to regulation 40 of SEBI (LODR) Regulations, 2015, no transfer of securities shall be processed unless the securities are held in dematerialized form with a depository (except in case of transmission or transposition of securities) w.e.f. 5th December, 2018.</p>																																								
13	<p>Investor Grievance Redressal System:</p> <p>The Investor grievances/shareholders complaints are handled by the Company's Registrars and Share Transfer Agent, M/s MCS Share Transfer Agent Limited, Kolkata, in consultation with the Secretarial department of the Company. The Registrar has adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances.</p>																																								


REPORT ON CORPORATE GOVERNANCE (Contd.)

	Periodical review meetings are held between the officials of the Registrar and Share Transfer Agent and the Company to discuss the various issues relating to share transfer and other allied matters, dematerialization of shares, Investor complaints, etc.				
14	Compliance Certificate of the Auditors: The Statutory Auditors' have stated in their certificate, that the Company has complied with the conditions of Corporate Governance, as stipulated in Schedule V of the SEBI (LODR), Regulation, 2015 is annexed to the Report on Corporate Governance.				
15	a) Distribution of Shareholding as at 31st March, 2018				
	Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Capital
	1 to 500	127658	96.37	11906980	12.76
	501 to 1000	2608	1.97	1933590	2.07
	1001 to 2000	552	0.42	736614	0.79
	2001 to 3000	372	0.28	1023534	1.10
	3001 to 4000	279	0.21	1007687	1.08
	4001 to 5000	263	0.20	1263348	1.35
	5001 to 10000	398	0.30	3018545	3.23
	10001 to 50000	274	0.21	5889530	6.31
	50001 to 100000	31	0.02	2289619	2.46
	100001 and above	33	0.02	64255964	68.85
	Total	132468	100.00	93325411	100.00
	b) Categories of Shareholders as on 31st March, 2018				
	Category	No. of Shares held		% of Total Shareholding	
	Promoter Group	57341697		61.44	
	Mutual Funds / UTI	13600		0.01	
	Financial Institution / Banks	591073		0.64	
	NRIs / OCBs / Foreign Institutional Investors / Other Foreign Shareholders (Other than Promoter Group)	3208127		3.44	
	Bodies Corporate	4328796		4.64	
	Indian Public	27841136		29.83	
	Others	982		0.00	
	GRAND TOTAL	93325411		100.00	
	Approximately 89.47% of the Equity shares have been dematerialized as on 31st March, 2018. Trading in Equity Shares of the company is permitted only in dematerialized form with effect from 26.06.2000 as per notification issued by the Securities and Exchange Board of India in this regard.				
16	Plants Location:	1) Balasore Unit: Balgopalpur Balasore – 756 020 Odisha		2) Sukinda Unit: Sukinda Jajpur – 755018 Odisha	
	Mines Location:	Chrome Ore Mine Sukinda Valley, Dist. Jajpur (Odisha)			


REPORT ON CORPORATE GOVERNANCE (Contd.)

17	Address for Investor Correspondence	
	17.1 Registrar and Share Transfer Agent	MCS Share Transfer Agent Limited, Unit :Balasore Alloys Limited 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026, India Ph.Nos.+9133 4072 4051 / 4052 / 4053 Fax Nos.+91 33 4072 4050 E-mail: mcssta@rediffmail.com
	17.2 Company's Registered Office Address	Balasore Alloys Limited Balgopalpur - 756 020, Dt. Balasore, Odisha. Ph. Nos.: +91 6782 275781-85 Fax Nos. +91 6782 275724 E-Mail: mail@balasorealloys.com investorshelpline@balasorealloys.com Website: www.balasorealloys.com
	17.3 Administrative Office Address	The President & Company Secretary "Park Plaza", 1 st Floor, 71, Park Street, Kolkata - 700 016 Ph. Nos.: +91-33-4029-7000 Fax Nos. +91-33-2229-5693 E-Mail: mail@balasorealloys.com investorshelpline@balasorealloys.com Website: www.balasorealloys.com
Note: Shareholders holding shares in dematerialized form should address all correspondence to their respective depository participants.		

18 The status of equity shares lying in the unclaimed suspense account is given below:

The Company do not have Equity Shares lying in unclaimed suspense account.

19 Shareholder Reference
Dematerialise your shares

All the investors are requested to convert their physical share into demat holdings. This will facilitate the immediate transfer of shares, no need of paying any stamp duty on transfer of shares and risks associated with physical share certificates such as forged transfer, fake certificates and bad deliveries are avoided.

Consolidate Multiple Folios

The Investors having multiple folios are advised to consolidate the same. This would result in the one-stop tracking of all corporate benefits on the shares and would reduce time and effort required to monitor multiple folios.

Nomination

Shareholders holding shares in physical form and desirous of submitting / changing nomination in respect of their shareholding in the company may submit Form **SH - 13** (in duplicate) as per the provisions of section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's Registrars & Share Transfer Agent. This would help the successors to get the shares transmitted in their favour without any hassle.

Confidentiality

Folio No., DP and Client ID No., as the case may be, should not be disclosed to and blank signed transfer form should not be given to any unknown persons.

General points while writing to Company or Registrar and Share Transfer Agent

While writing to the Company and/or Registrar and Share Transfer Agent, investor should mention their Folio no., DP ID no., full name, address in the letter and sign the same. Signature should be as per the company's record. In case of joint holders, all the joint holders should sign the documents and in case of transfer, the transfer form accompanied with original share certificates should be delivered to the Registrar and Share Transfer Agent. Shareholders are requested to also mention their telephone no. and/or e-mail ID, if any, in the correspondence for speedy and immediate communication.

Permanent Account Number (PAN)

SEBI has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it is mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of such transfer of shares.

Accordingly, all shareholders are requested to submit duly attested photocopy (both side) of their PAN card along with duly executed transfer form to facilitate the speedy transfer of shares.

Shareholders holding shares in electronic form are required to furnish their PAN details to their Depository Participants with whom they maintain their account along with the requisite documents as required by them.



REPORT ON CORPORATE GOVERNANCE (Contd.)

**CERTIFICATION BY
CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

The Board of Directors
Balasore Alloys Limited
Park Plaza, 1st Floor
71, Park Street
Kolkata - 700 016

28th May, 2018

We, Anil Sureka, Managing Director and Nikunj Pansari, Director Finance & Chief Financial Officer of Balasore Alloys Limited, certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2018 and to the best of our knowledge and belief, we state that -
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2018, which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit committee, and the steps have been taken or propose to take to rectify these deficiencies.
- d)
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Nikunj Pansari
Director - Finance & CFO
DIN:08023216

Anil Sureka
Managing Director
DIN: 00058228



BALASORE ALLOYS LIMITED

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members,
Balasore Alloys Limited
Kolkata

1. The Corporate Governance Report prepared by Balasore Alloys Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other Matters and Restriction for Use

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.101720W

Amit Chaturvedi
Partner
Membership No. 103141

Date: May 28, 2018
Place: Kolkata

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF BALASORE ALLOYS LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Balasore Alloys Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 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 standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note 43 to the standalone financial statements 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 adjustment have been carried out for carrying value of capital work in progress of ₹8,621.20 lacs and the advances to vendor of ₹15,940.64 lacs relating to this project at this stage.



BALASORE ALLOYS LIMITED

- b) We draw attention to Note 44 to the standalone financial statements regarding advance of ₹ 3,683.57 lacs contracted to a vendor for procurement of raw material. For the reasons stated in the said note management is confident of settling the advance and therefore, there is no need to make any adjustment at this stage.

Our Opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as referred to in Note 36 to 40 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended 31st March, 2018.

Place : Kolkata
Date : May 28, 2018

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W
Amit Chaturvedi
Partner
Membership No. 103141



**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON
THE STANDALONE FINANCIAL STATEMENTS OF BALASORE ALLOYS LIMITED
(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of
our report of even date)**

1. In respect of its fixed assets :

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold, are held in the name of the Company as at the balance sheet date except certain portion of land which company is in process of getting in its name. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements for the said lands and building thereof are in the name of the Company except certain building which is pending for title clearance.
- ii) In our opinion the inventories were physically verified during the year by the Management at reasonable intervals and as explained to us, no material discrepancies were noticed on physical verification.
- iii) In respect of the loans, secured or unsecured, granted by the company to companies covered in the register maintained under Section 189 of the Act:
- a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b. The repayment of principal and payment of interest are as per stipulated terms.
 - c. In respect of the said loan, there are no overdue amounts at the end of the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act and are of the opinion that, prima facie, the prescribed - cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Goods and Service Tax , Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us undisputed amounts, in respect of the Statutory dues referred above outstanding as at 31st March, 2018 , for a period of more than six months from the date they became payable are as under:

Nature of Dues	Amount (₹ in Lacs)	Period to which amount Relates
Income Tax	656.97	AY 2014-15
Income Tax	2,077.01	AY 2015-16
Income Tax	638.07	AY 2016-17
Income Tax	3,604.81	AY 2017-18
Income Tax (Advance Tax)	1,350.14	AY 2018-19
Total	8,327.00	



BALASORE ALLOYS LIMITED

- b) The disputed statutory dues aggregating ₹ 1,744.93 Lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sl. No.	Name of the statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax (including interest)	298.32	2010-11 & 2011-12	Commissioner of Income Tax (Appeal)
2.	Income Tax Act, 1961	Income Tax (including interest)	102.02	2012-13	Income Tax Appellate Tribunal
3.	Central Sales Tax Act, 1956 and Orissa Sales Tax Act	Sales Tax/VAT (including interest and Penalty)	70.92	1997-98	Sales Tax Appellate Tribunal
			2.45	1994-96	Additional Commissioner
			437.97	2007-2013	Orissa High Court, Cuttack
4.	Entry Tax Act, 1999	Entry Tax	23.47	2008-14	Additional Commissioner
			92.96	2007-13	Orissa High Court, Cuttack
5.	Central Excise Act, 1944	Excise Duty (including interest)	43.56	2011-12	Commissioner Appeals
6.	Chapter V of Finance Act, 1994	Service Tax	6.80	2005-07	Orissa High Court, Cuttack
			666.46	1996-1998 & 2004-2012	Central Excise & Service Tax Appellate Tribunal
	Total		1,744.93		

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and dues to debenture holders. The Company has not borrowed any funds from financial institutions or government.
- ix. In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer during the year.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. The Company has issued equity shares against the warrants allotted during the year on preferential basis. Company has complied with the requirement of section 42 of the Act and amount raised has been used for purpose for which it was raised.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W
Amit Chaturvedi
Partner
Membership No. 103141

Place : Kolkata
Date : 28th May, 2018

**“Annexure B” to Independent Auditors' Report on the Standalone Financial Statements of Balasore Alloys Limited**

(Referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control over financial reporting of **Balasore Alloys Limited** (“the company”) as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



BALASORE ALLOYS LIMITED

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place : Kolkata
Date : 28th May, 2018

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Amit Chaturvedi
Partner
Membership No. 103141

**BALASORE ALLOYS LIMITED****STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018**

(₹ in Lacs)

	Notes	As at 31st March ,2018	As at 31st March ,2017	As at 1st April ,2016
ASSETS				
Non-Current Assets				
Property , Plant & Equipment	2	83,240.85	82,508.57	79,287.02
Intangible Assets	2	3,146.91	2,093.66	1,786.82
Capital Work-in-Progress	2	11,993.39	9,426.55	9,024.80
Financial Asset				
Investments in Subsidiaries	3	-	-	-
Investments in Associates	3	-	-	-
Investments in Other	3	1,750.66	1,663.46	1,293.01
Loans	4	-	2,267.00	2,267.00
Others	5	813.91	680.64	688.57
Other Assets	6	16,987.23	17,215.79	4,514.46
Total Non-Current Assets		117,932.95	115,855.67	98,861.68
Current Assets				
Inventories	7	19,041.66	20,312.27	13,275.11
Financial Assets				
Trade Receivables	8	5,313.36	3,978.91	2,457.97
Cash and Bank Balances	9	3,355.23	2,605.92	1,155.23
Loans	4	2,941.34	2,491.29	1,434.31
Others	5	2,832.54	3,199.57	3,565.55
Other Assets	6	18,201.83	15,611.57	11,895.84
Total Current Assets		51,685.96	48,199.53	33,784.01
Total Assets		169,618.91	164,055.20	132,645.69
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	4,666.27	4,444.52	3,944.52
Other Equity	11	91,990.17	85,755.62	76,606.85
Total Equity		96,656.43	90,200.14	80,551.37
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	12	527.76	1,010.16	1,906.35
Deferred Tax Liabilities (net)	13	2,878.63	1,786.89	1,695.54
Provisions	14	1,788.95	1,490.97	1,120.71
Total Non-Current Liabilities		5,195.35	4,288.02	4,722.60
Current Liabilities				
Financial Liabilities				
Borrowings	15	16,673.38	17,366.13	13,848.70
Trade Payable	16	26,538.03	29,169.75	21,129.39
Other	17	6,433.86	7,185.50	4,315.19
Other Current Liabilities	18	7,963.69	6,170.53	4,493.95
Provisions	14	10,158.17	9,045.13	3,584.49
Total Current Liabilities		67,767.13	69,567.04	47,371.72
Total Equity and Liabilities		169,618.91	164,055.20	132,645.69
Significant Accounting Policies	1			
Notes on Financial Statements	2-49			

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**BALASORE ALLOYS LIMITED****STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in Lacs)

	Notes	2017-18	2016-17
INCOME			
Revenue From Operations	19	122,880.67	104,171.89
Other Income	20	6,068.17	2,209.58
Total Revenue (I)		128,948.84	106,381.47
EXPENSES:			
Cost of Raw Materials Consumed	21	46,040.99	29,306.40
Excise Duty		1,846.38	2,990.46
(Increase)/Decrease in Inventories	22	(699.86)	(523.04)
Power		32,601.04	27,840.68
Employee Benefit Expenses	23	7,038.43	6,300.40
Other Expenses	24	21,008.06	20,338.16
Depreciation & Amortization expenses	25	3,031.47	2,708.86
Finance Costs	26	4,615.16	3,934.22
Total (II)		115,481.67	92,896.14
Profit Before Exceptional Item (III)		13,467.17	13,485.33
Exceptional Items (Ref Note 42)		2,661.81	-
Profit Before Taxes (IV)		10,805.36	13,485.33
Tax Expenses			
Current Tax		3,229.72	5,052.00
Deferred Tax Charge		1,102.38	126.78
Taxation Expenses of Earlier Years		(82.32)	(57.69)
Total Tax Expenses (V)		4,249.78	5,121.09
Profit For the Year [(IV) - (V)]		6,555.58	8,364.24
Other Comprehensive Income :			
i. Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of post employment benefit obligations		(30.72)	(102.37)
Income tax relating to item that will not be classified to Profit or Loss		10.63	35.43
Total Comprehensive Income For the Year		6,535.49	8,297.30
Earnings Per Equity Share (Nominal Value of Share ₹ 5/-)			
Basic EPS (₹)		7.35	10.52
Diluted EPS (₹)		6.70	9.85

Significant Accounting Policies 1
Notes on Financial Statements 2-49

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in Lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES:	Notes	2017-18	2016-17
Profit Before Tax		10,805.36	13,485.33
Adjustment For :			
Depreciation/Amortisation Expenses		3,031.47	(4,202.60)
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)		32.18	34.68
Unrealized Foreign Exchange Gain/Loss		(520.33)	186.95
Unspent Liabilities no Longer Required Written Back		(324.15)	(50.80)
Fair valuation of investment		(4.95)	(3.25)
Irrecoverable Debts , Deposits & Advances Written Off		2,674.36	2.33
Provision for Doubtful Debts/Advances		17.50	619.51
Interest Expense		4,137.61	3,403.50
Interest Income		(577.57)	(542.75)
Operating Profit Before Working Capital Changes			
Movements in Working Capital :			
Increase/ (Decrease) in Trade Payables and Other Current Liabilities		396.22	10,148.78
Increase/ (decrease) in Provisions		312.50	459.13
Decrease / (Increase) in Trade Receivables		(804.27)	(1,415.65)
Decrease / (Increase) In Inventories		1,270.61	(7,037.16)
Decrease / (Increase) in Loans and Advances and Other Assets		(3,588.81)	(5,497.28)
Cash Generated From /(Used in) Operations		16,860.48	9,590.73
Taxes Paid (Net)		(2,916.15)	(636.91)
Net Cash Flow From Operating Activities (A)		13,944.33	8,953.82
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including CWIP and Capital Advances)		(7,779.52)	(10,716.03)
Purchase of Investment		(115.00)	(367.20)
Sale of Investment		30.02	-
Proceeds From Sale of Fixed Assets		-	3.26
Maturity of/(Investment in) Fixed Deposit		485.49	(1,497.41)
Interest Received		911.87	689.43
Net Cash Flow From/(Used) in Investing Activities (B)		(6,467.14)	(11,887.95)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From Money Received Against Share Warrant		723.22	1,921.17
Repayment of Long-Term Borrowings		(3,097.49)	(2,047.95)
Proceeds of Long-Term Borrowings		395.42	2,353.99
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)		(898.77)	(453.72)
Net Movement in Short-term Borrowings		(692.75)	3,563.69
Interest Paid		(3,014.60)	(2,384.56)
Net Cash Flow From/ (Used) in Financing Activities (C)		(6,584.95)	2,952.62
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C)		892.25	18.50
Cash & Cash Equivalents as at the Beginning of the Year		782.25	763.75
Cash & Cash Equivalents as at the End of the Year		1,674.50	782.25
Cash & Cash Equivalents as at the End of the Year Includes			
Cash-on-Hand		224.68	187.48
Cheques/ drafts on hand		690.13	335.00
Balances with Banks:			
In Current Accounts		633.97	163.73
In Unpaid Dividend Account *		125.72	96.04
Cash and Cash Equivalents at the End of the Year (Refer Note 9)		1,674.50	782.25
Change in liabilities arising from financing activities-			
	1st April, 2017	Cash Flow	31st March, 2018
Short Term Borrowing	17,366.13	(692.75)	16,673.38
Long Term Borrowing	4,152.21	(2,702.07)	1,450.13

Summary of Significant Accounting Policies

1

*The company can utilize these balance only towards settlement of the respective unpaid dividend.

The accompanying notes are forming part of the financial statements.

As per our report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Place : Kolkata
Date : 28th May, 2018

For and on behalf of the Board of Directors
Anil Sureka Nikunj Pansari
(Managing Director) (Director - Finance & CFO)
DIN No.- 00058228 DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024



BALASORE ALLOYS LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(a) Equity share capital

	No. of Shares	(₹ in Lacs) Amount
Balance at the beginning of the reporting period i.e. 1st April, 2016	78,890,411	3,944.52
Changes in equity share capital	10,000,000	500.00
Balance at the end of reporting period i.e. 31st March, 2017	88,890,411	4,444.52
Changes in equity share capital	4,435,000	221.75
Balance as at 31st March, 2018	93,325,411	4,666.27

(b) Other Equity

Particulars	Reserves and Surplus							Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Other comprehensive Income Remeasurement of Post Employment Benefits Obligations	
AS ON 31ST MARCH, 2017								
Balance at the beginning of the reporting period i.e. 1st April, 2016	935.89	683.82	3,236.00	7,923.20	739.98	63,087.96	-	76,606.85
Total Comprehensive Income for the year	-	-	-	-	-	8,364.24	(66.94)	8,297.30
Transfer from/(to) retained earnings	-	-	-	-	(372.94)	372.94	-	-
Dividend	-	-	-	-	-	(473.34)	-	(473.34)
Tax on dividend	-	-	-	-	-	(96.36)	-	(96.36)
On issue of Shares	(228.83)	-	1,650.00	-	-	-	-	1,421.17
Balance at the end of reporting period i.e. 31st March, 2017	707.06	683.82	4,886.00	7,923.20	367.04	71,255.44	(66.94)	85,755.62

Particulars	Reserves and Surplus							Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Other comprehensive Income Remeasurement of Post Employment Benefits Obligations	
AS ON 31ST MARCH, 2018								
Balance at the beginning of the reporting period i.e. 1st April, 2017	707.06	683.82	4,886.00	7,923.20	367.04	71,255.44	(66.94)	85,755.62
Total Comprehensive Income for the year	-	-	-	-	-	6,555.58	(20.09)	6,535.49
Transfer from/(to) retained earnings	-	-	-	-	(367.04)	367.04	-	-
Dividend	-	-	-	-	-	(666.69)	-	(666.69)
Tax on dividend	-	-	-	-	-	(135.72)	-	(135.72)
On issue of Shares	(230.31)	-	731.78	-	-	-	-	501.47
Balance at the end of reporting period i.e. 31st March, 2018	476.75	683.82	5,617.78	7,923.20	-	77,375.65	(87.03)	91,990.17

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****1A. General information**

Balasore Alloys Limited (the Company) is a public company domiciled in India and incorporated in 1984 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and The Calcutta Stock Exchange Limited. The Company have its registered office and manufacturing facility at Balasore and Sukinda, Odisha

The Company is primarily engaged in extraction of Chrome Ore from its captive mines located in Odisha and manufacturing and selling of Ferro Chrome of various grades.

1B. Significant Accounting policies**(a) Basis of preparation**

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) including the rules notified under the relevant provisions of the Companies Act, 2013. The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013 ("Act"). These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2016. Refer note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and its net profit.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
 - 1. Certain financial instruments (including derivative instruments) measured at fair value through profit or loss
 - 2. Defined benefit plans – plan assets measured at fair value

(b) Property, plant and equipment/ Capital Work In Progress

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Projects under commissioning and other Capital Work-in-Progress are carried at costs, comprising direct cost, related incidental expenses and interest on borrowings.

Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II of the Companies Act, 2013, on Straight Line Method.

Leasehold land and improvements are amortised over the lease period.

Mining Lease is depreciated based on unit of production method.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(c) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fairvalue at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the lease period. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(d) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is as follows:

Particulars	Depreciation
Computer Software	Over the period of 3 years
Mines Development	Over the period of 5 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

(e) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(f) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Cost of raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for decommissioning liability

The Company records a provision for decommissioning costs towards site restoration activity. Decommissioning costs are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfil decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

(i) Employee Benefits Expense**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits**Defined Contribution Plans**

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(j) Tax Expenses

The tax expense for the period comprises current and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(k) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

(l) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably and excluding taxes or duties collected on behalf of the government.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the amount has been established.

Export Obligations / Entitlements / Incentives

Benefit / (Obligation) on account of entitlement on export or deemed export orders, to import duty-free raw materials, under the various Exim Schemes are estimated and accounted in the year in which the export / deemed export orders are executed.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****(m) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Earnings Per Share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

(o) Current vs Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(p) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirement of Schedule III, unless otherwise stated.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Executive Committee assesses the financial performance and position of the Company, and makes strategic decisions.

The CODM reviews performance of the whole company for the purpose of allocating resources based on an analysis of various performance indicators. Company has only reportable segment i.e. Manufacturing/Mining of Ferro Alloys on an overall basis.

(r) Financial instruments**(i) Financial Assets****A. Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B. Subsequent Measurement

- a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

D. Equity Investment

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss.

E. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost.

Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****(iii) Derivative Financial Instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forwards & options to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company designates derivative contracts or non-derivative financial assets/liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair Value Hedge

The Company designates derivative contracts or non-derivative financial assets/liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

(iv) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****a) Decommissioning Liabilities**

The liability for decommissioning costs are recognized when the Company has obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions.

b) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

c) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1D. Standards issued but not effective

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

1E. First Time Adoption of IND AS**I. First time adoption of Ind AS**

The Company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :

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

Ind AS 101 permits a first time adopter to continue with 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, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its PPE and intangible asset at their previous GAAP carrying values.

b) Cumulative Translation Difference

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company.

2. FIXED ASSETS

(₹ in Lacs)

[illegible]

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. FIXED ASSETS (Contd.)

(₹ in Lacs)

Description	Gross Block			Depreciation/ amortisation			Net block As at 31st March, 2017
	As at 1st April, 2016	Additions	Deductions/ Adjustments	As at 31st March, 2017	For the year	Deductions/ Adjustments	
(i) Tangible assets							
Own assets:							
Freehold land	425.41	0.21	22.56	403.06	-	-	403.06
Buildings	10,759.04	886.09	7.29	11,637.84	795.81	0.04	7,798.29
Plant and machinery	27,978.85	3,836.09	-	31,814.94	1,064.81	-	16,616.46
Office Equipment	342.02	53.22	4.21	391.03	42.04	4.00	122.61
Furniture and fixtures	428.75	19.46	-	448.21	27.75	-	199.35
Vehicles	938.05	976.72	10.13	1,904.64	128.19	5.48	1,550.75
Computer & Peripherals	363.65	32.68	0.42	395.91	58.90	0.40	101.96
Sub-Total	41,235.77	5,804.47	44.61	46,995.63	2,117.50	9.92	26,792.48
Leased assets:							
Leasehold land	82.66	-	-	82.66	1.24	-	70.78
Mining Lease	85,279.23	-	-	85,279.23	429.49	-	55,645.31
Sub-Total	85,361.89	-	-	85,361.89	430.73	-	55,716.09
Total (i)	126,597.66	5,804.47	44.61	132,357.52	2,548.23	9.92	82,508.57
(ii) Intangible assets							
Computer Software	652.55	25.82	-	678.37	67.97	-	173.51
Mines Development	1,982.66	430.38	-	2,413.04	91.42	-	1,910.12
Goodwill	-	11.27	-	11.27	1.24	-	10.03 -
Total (ii)	2,635.21	467.47	-	3,102.68	160.63	-	2,093.66
Total (i+ii)	129,232.87	6,271.94	44.61	135,460.20	2,708.86	9.92	84,602.23
Capital work-in-progress							9,426.55

2.1 Capital Work-in-progress include:

- ₹ 1,012.75 Lacs (₹ 1,012.75 Lacs) on account of project development expenditure.
- ₹ 515.79 Lacs (₹ 910.67 Lacs) on account of cost of construction materials at site.

2.2 Project Development Expenditure (In respect of projects upto 31st March, 2018, included under capital work in progress)

Particulars	(₹ in lacs)	
	2017-2018	2016-2017
Opening Balance	1,012.75	1,556.69
Add:		
Employee Benefit Expenses	-	32.20
Travelling And Conveyance	-	5.02
Miscellaneous Expenses	-	96.35
Total	-	133.57
Less: Project Development Expenses capitalised during the year	-	677.51
Closing Balance	1,012.75	1,012.75

2.3 For Assets Pledged as security - Refer Note 12.2 & 15.1





BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. Non-Current Investments

(₹ in Lacs)

	Non Current					
	Unit 31st March,2018	As at 31st March,2018	Unit 31st March,2017	As at 31st March,2017	Unit 1st April ,2016	As at 1st April ,2016
A. Investment measured at Amortised cost						
(i) Investment in government securities						
6 years National Savings Certificates (Deposited with Government Departments)		0.95		0.95		0.95
(ii) Investment in Unquoted debentures						
9% Unsecured redeemable non-convertible debentures of ₹ 100 each fully paid-up in Krish Trexim Private Limited	1217200	1,217.20	1217200	1,217.20	850000	850.00
Total of investment measured at Amortised cost (A= i+ii)		<u>1,218.15</u>		<u>1,218.15</u>		<u>850.95</u>
B. Investment measured at Fair value through Profit and Loss						
Unquoted equity shares						
(i) Investment in subsidiary						
Equity Shares of USD 100 each fully paid-up in Milton Holdings Limited	47351	-	47351	-	47351	-
Equity Shares of USD 1 each fully paid-up in Balasore Metals Pte Limited [Full figure ₹ 54 (₹ 54)]	1	-	1	-	1	-
(ii) Investment in associate						
Equity Shares of ₹ 10 each fully paid-up in Balasore Energy Limited	170000	-	170000	-	170000	-
(iii) Investment in Other						
Equity shares of ₹ 10 each fully paid-up in Facor Power Limited	3000000	-	3000000	-	3000000	-
(iv) Unquoted equity shares						
Equity shares of ₹ 10 each fully paid-up in Elephanta Gases Limited	300000	404.60	300000	405.06	300000	405.06
(v) Unquoted mutual funds						
State Bank of India						
Dual Advantage Fund - Series- V	NIL	-	250000	30.02	250000	26.77
Dual Advantage Fund - Series- X	100000	11.89	100000	10.23	100000	10.23
Dual Advantage Fund - Series- XXVI	350000	35.21	-	-	-	-
Dual Advantage Fund - Series- XXIII	200000	20.53	-	-	-	-
Dual Advantage Fund - Series- XXIV	200000	20.27	-	-	-	-
Dual Advantage Fund - Series- XXVII	200000	20.00	-	-	-	-
Dual Advantage Fund - Series- XXV	200000	20.01	-	-	-	-
Total of Investment measured at Fair value through Profit and Loss (B = i to v)		<u>532.51</u>		<u>445.31</u>		<u>442.06</u>
Total (A + B)		<u>1,750.66</u>		<u>1,663.46</u>		<u>1,293.01</u>


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
4. Loans

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April , 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April , 2016
Loans						
Body Corporates	-	-	-	1,746.89	1,859.20	1,382.00
Body Corporates - Related Parties (Refer Note - 35)	-	2,267.00	2,267.00	1,097.69	564.00	-
Advance to Employees	-	-	-	96.76	68.09	52.31
	-	2,267.00	2,267.00	2,941.34	2,491.29	1,434.31

5. Other Financial Assets

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April , 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April , 2016
Rent Deposit	538.36	406.26	375.03	108.03	105.48	104.42
Other Deposit	275.55	274.38	313.54	0.76	0.26	1.46
Security Deposits	-	-	-	2,409.93	2,445.21	2,332.34
Derivative Asset	-	-	-	-	-	333.24
Interest Receivable on						
Bank Deposits	-	-	-	16.87	22.69	13.93
Long-term investments	-	-	-	98.59	98.59	367.20
Loans, Other Deposits	-	-	-	198.36	527.33	412.96
	813.91	680.64	688.57	2,832.54	3,199.57	3,565.55

6. Other Assets

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current			Current		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April , 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April , 2016
Capital advances						
Considered good	16,987.23	17,215.79	4,514.46	-	-	-
Considered doubtful	17.50	-	-	-	-	-
	17,004.73	17,215.79	4,514.46	-	-	-
Provision for doubtful advances	(17.50)	-	-	-	-	-
(A)	16,987.23	17,215.79	4,514.46	-	-	-
Advances towards supply/ services/Expenses						
Considered good - Others	-	-	-	14,467.74	10,502.03	9,462.11
Considered doubtful - Others	-	-	-	614.64	614.64	9.64
	-	-	-	15,082.38	11,116.67	9,471.75
Provision for doubtful advances	-	-	-	(614.64)	(614.64)	(9.64)
(B)	-	-	-	14,467.74	10,502.03	9,462.11
Others						
Balances with statutory/ government authorities	-	-	-	2,908.31	3,756.15	1,552.39
Export benefits receivables	-	-	-	585.10	872.82	709.14
Prepaid Expenses	-	-	-	240.68	480.57	172.20
(C)	-	-	-	3,734.09	5,109.54	2,433.73
Total	(A to C) 16,987.23	17,215.79	4,514.46	18,201.83	15,611.57	11,895.84

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****7. Inventories**

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials and components [includes in transit and pledged ₹ 3,351.24 Lacs (31st March, 2017 - ₹ 3,559.92 Lacs) (1st April, 2016 - ₹ 32.70 lacs)]	13,936.55	16,680.76	10,562.18
Stores, Spares & Consumables	2,598.61	1,818.20	1,429.11
Finished goods	1,105.98	897.32	607.78
Stock under process	889.27	436.81	169.31
At estimated net realisable value			
Saleable Scraps	511.25	479.18	506.72
Total	19,041.66	20,312.27	13,275.11

7.1 Inventory given as security against borrowings Refer note - 15.1

8. Trade Receivables

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other receivables	5,313.36	3,978.91	2,457.97
Considered doubtful	14.51	14.51	-
	5,327.87	3,993.42	2,457.97
Provision for doubtful receivables	(14.51)	(14.51)	-
Total	5,313.36	3,978.91	2,457.97

8.1 Trade Receivables are netted with Bill discounting of ₹ 5,011.85 lacs (31st March, 2017 - ₹ 1,989.87 lacs) (1st April, 2016 - ₹ 4,606.43 lacs)

9. Cash and Bank Balances

(₹ in lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash and cash equivalents			
Balances with banks:			
In current accounts	633.97	163.73	489.25
In Deposit (Maturity of three months or less)#	878.72	545.75	23.46
In unpaid dividend account	125.72	96.04	76.42
Cheques on hand	690.13	335.00	-
Cash on hand	224.68	187.48	198.09
(A)	2,553.22	1,328.00	787.22
Other bank balances			
Margin money deposit #	877.08	1,695.54	720.42
(B)	877.08	1,695.54	720.42
Less : Book Overdraft	(C)		
	75.07	417.62	352.41
Total (A+B+C)	3,355.23	2,605.92	1,155.23

Fixed deposits are pledged with banks as security against guarantees/letters of credit issued by them.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****10. Equity Share Capital**

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Authorized Shares			
Equity Shares of ₹ 5/- Each	10,000.00	10,000.00	10,000.00
200,000,000 (31st March, 2017-200,000,000, 1st April, 2016 - 200,000,000)			
Issued and Subscribed Shares			
Equity Shares of ₹ 5/- Each	4,818.46	4,596.71	4,096.71
96,369,263 (31st March, 2017-91,934,263, 1st April, 2016 - 81,934,263)			
Paid-up Shares			
Equity Shares of ₹ 5/- Each Fully Paid up	4,666.27	4,444.52	3,944.52
93,325,411 (31st March, 2017 - 88,890,411, 1st April, 2016 - 78,890,411)			
Total	4,666.27	4,444.52	3,944.52

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year*Equity Shares*

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
At the Beginning of the Year	888.90	4,444.52	788.90	3,944.52	708.90	3544.52
Issued During the Year	44.35	221.75	100.00	500.00	80.00	400.00
Outstanding at the End of the Year	933.25	4,666.27	888.90	4,444.52	788.90	3,944.52

(b) Terms/ Rights Attached to Equity Shares

- (i) The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.
- (ii) In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% equity shares in the company

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Goldline Tracom Private Limited	12,402,346	15.72%	12,402,346	13.95%	12,402,346	15.72%
Jal Tarang Vanijya Private Limited	8,000,000	8.57%	8,000,000	9.00%	8,000,000	10.14%
Navoday Highrise Private Limited	6,942,674	7.44%	7,346,635	8.26%	7,346,635	9.31%
Global Steel Holdings Asia Pte. Limited	6,639,983	7.11%	2,900,000	3.26%	-	-
Prasan Global Ventures Singapore Pte. Limited	4,895,017	5.25%	4,200,000	4.72%	-	-
Navoday Niketan Private Limited	4,100,000	4.39%	4,953,215	5.57%	4,953,215	6.28%



BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11. Other Equity

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Capital Reserve			
Balance as per the last financial statements			
Capital investment subsidy (a)	41.96	41.96	41.96
Amount arisen on forfeiture of equity warrants (b)	490.00	490.00	490.00
Amount arisen on forfeiture of equity shares (c)	151.86	151.86	151.86
Closing Balance (a+b+c)	683.82	683.82	683.82
Securities Premium Account			
Balance as per the last financial statements	4,886.00	3,236.00	
Add : On issue of Shares	731.78	1,650.00	
Closing Balance (d)	5,617.78	4,886.00	3,236.00
General Reserve			
Balance as per the last financial statements (e)	7,923.20	7,923.20	7,923.20
Debenture Redemption Reserve			
Balance as per the last financial statements	367.04	739.98	
Add : Transfer From/(to) Profit and Loss Account	(367.04)	(372.94)	
Closing Balance (f)	-	367.04	739.98
Money Received Against Equity Share Warrants (g)	476.75	707.06	935.89
Other Comprehensive Income			
Balance as per the last financial statements	(66.94)	-	
Add : Movement in OCI (Net) during the year	(20.09)	(66.94)	
Closing Balance (h)	(87.03)	(66.94)	
Surplus in the Profit and Loss Account			
Balance as per the last financial statements	71,255.44	63,087.96	
Profit For The Year	6,555.56	8,364.24	
	77,811.00	71,452.20	
Less: Appropriations			
Transfer (to)/from debenture redemption reserve	367.04	372.94	
Proposed dividend	(666.69)	(473.34)	
Tax on dividend	(135.72)	(96.36)	
	(435.37)	(196.76)	
Net surplus in the Profit and Loss Account (i)	77,375.63	71,255.44	63,087.96
Total Reserves and Surplus (a to i)	91,990.15	85,755.62	76,606.85

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****11. Other Equity (Contd.)****11.1 Nature and Purpose of Reserve****1. Capital Reserve**

Capital Reserve is created by way of capital subsidy received from Odisha State Financial Corporation and due to forfeiture of application money received on warrants and partly paid up shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

2. Securities Premium Account

Securities Premium Account represents the premium received on issue of equity shares. In accordance with the provisions of Section 52 of the Companies Act, 2013 the securities premium account can only be utilised for the purpose of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

3. General Reserve

General Reserve forms part of retained earnings and is permitted to be distributed to shareholders as part of dividend.

4. Debenture Redemption Reserve

The Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures.

11.2 Money Received Against Equity Share Warrants

For the year ended 31st March, 2017

Pursuant to the consent of Board of Directors of the Company on 15th March, 2016, the special resolution passed by the members of the Company on 26th September, 2016 and other necessary approvals as required, the Committee for preferential issue of Warrants of the Board of Directors of the Company at its meeting held on 3rd November, 2016 approved the issue and allotment of 2,30,00,000 number of warrants, at the issue price of ₹ 21.50 per warrants, upon receipt of 25% of total consideration of ₹ 1,236.25 lacs, to promoter entities of the Company. Each warrants is convertible into equivalent number of equity shares of ₹ 5/- each at premium of ₹ 16.50 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. Accordingly the Company has received ₹ 1,244.56 lacs as stated above. During the year on 31st March, 2017 the Company has allotted 1,00,00,000 equity shares of face value of ₹ 5/- each to the warrant holders on exercise of the conversion right and receipt of balance payment.

For the year ended 31st March, 2018

During the year on 30th March, 2018 the Company has allotted 44,35,000 equity shares of face value of ₹ 5/- each to the warrant holders on exercise of the conversion right and receipt of balance payment. Also, Subsequent to the year end, due to non-receipt of balance payment pertaining to 88,65,000 warrants, on 15th May, 2018 the company has forfeited the money received against equity share warrants.



BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

12. Long-Term Borrowings

(₹ in Lacs)

	Non Current Position			Current Maturities		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured loan at amortised cost						
Deferred Payment Credits	527.76	1,010.16	344.44	482.38	645.60	377.91
Total (i)	527.76	1,010.16	344.44	482.38	645.60	377.91
11% Redeemable Non-Convertible Debentures						
STATE BANK OF INDIA	-	-	1,331.53	-	1,331.52	1,331.53
Date	Number	FaceValue in ₹				
31st March 2018	NIL	NIL				
31st March 2017	3,994,580	33				
1st April 2016	3,994,580	100				
STATE BANK OF HYDERABAD	-	-	166.31	-	166.31	166.31
Date	Number	FaceValue in ₹				
31st March 2018	NIL	NIL				
31st March 2017	498,940	33				
1st April 2016	498,940	100				
ALLAHABAD BANK	-	-	64.07	-	23.62	64.07
Date	Number	FaceValue in ₹				
31st March 2018	NIL	NIL				
31st March 2017	192,200	12				
1st April 2016	192,200	100				
Total (ii)	-	-	1,561.91	-	1,521.45	1,561.91
Unsecured Loan at amortised cost						
Loans from Body Corporate	-	-	-	440.00	975.00	-
Total (iii)	-	-	-	440.00	975.00	-
Total (i+ii+iii)	527.76	1,010.16	1,906.35	922.38	3,142.05	1,939.82

12.1 Repayment terms

(i) Deferred Payment Credits

For the Year ended 31st March, 2018

(₹ in Lacs)

Particulars	2018-19	2019-20	2020-21	2021-22
Deferred Payment Credits	482.38	412.53	109.20	6.03

12.2 Security Terms

(i) Deferred Payment Credits

Deferred Payment Credits are Secured Against Hypothecation of Assets Purchased Against Such Loans.

(ii) 11% Redeemable Non-Convertible Debentures

Redeemable Non-Convertible Debentures Referred Above are Secured by Way of Residual Charge on Assets (both movable and non-movable) of the Company and personal guarantee of Mr. Pramod Mittal & Mrs. Vartika Mittal Goenka

(iii) Loans from Body Corporate - Secured against part of promoter's shareholding.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****13. Deferred Tax Liabilities (net)**

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At Start of Year	1,786.89	1,695.54	
Charge/(credit) to Statement of Profit and Loss	1,091.74	91.35	
	2,878.63	1,786.89	1,695.54

13.1 Refer Note -30 for component of Deferred Tax.

14. Provisions

(₹ in Lacs)

	Non Current Provisions			Current Provisions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits: (Refer Note 28)						
Gratuity	1,093.09	880.93	669.30	53.87	50.42	12.61
Superannuation	-	-	-	75.71	61.95	40.62
Compensated Absences	529.83	482.68	398.11	51.43	54.12	24.39
	1,622.92	1,363.61	1,067.41	181.01	166.49	77.62
Other Provisions For -						
Taxation (Net of Advance Taxes)	-	-	-	9,977.16	8,782.29	3,506.87
Site Restoration	166.03	127.36	53.30	-	-	-
Tax on Dividend	-	-	-	-	96.36	-
	166.03	127.36	53.30	9,977.16	8,878.64	3,506.87
Total	1,788.95	1,490.97	1,120.71	10,158.17	9,045.13	3,584.49

14.1 Provision for site restoration

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At The Beginning Of The Year	127.36	53.30	50.00
Arisen During The Year	38.67	74.06	3.30
Utilized During The Year	-	-	-
At The End Of The Year	166.03	127.36	53.30
Non-Current Portion	166.03	127.36	53.30

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****15. Short-Term Borrowings**

(₹ in Lacs)

		As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
A) Secured loans - at amortised cost				
Working capital loan				
From Bank-				
Rupee loan		4,867.75	7,469.08	3,852.18
Foreign Currency loan		4,245.24	1,640.00	3,772.51
	(A)	9,112.99	9,109.08	7,624.69
B) Unsecured loans - at amortised cost				
Loans from body corporates		1,850.00	2,270.00	1,723.00
	(B)	1,850.00	2,270.00	1,723.00
C) Acceptances	(C)	5,710.39	5,987.05	4,501.01
Total	(A+B+C)	16,673.38	17,366.13	13,848.70

15.1. For the year ended 31st March, 2018 -

Working capital loan from banks referred above are secured by first charge over current assets and fixed assets of the Company. The loans are also secured by pledge of a part of shareholding of the promoter group [including shares held by Mr Pramod Mittal ((ceased to be director w.e.f 22th August, 2017) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010). The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal, Mrs Vartika Mittal Goenka and corporate guarantee of Shakti Chrome Limited, Ispat Minerals Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.

For the year ended 31st March, 2017 -

Working capital loan from banks referred above are secured by first charge over current assets and fixed assets of the Company. The loans are also secured by pledge of a part of shareholding of the promoter group [including shares held by Mr Pramod Mittal (a director) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010)] . The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal ,Mrs Vartika Mittal Goenka and corporate guarantee of Shakti Chrome Limited, Ispat Minerals Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.

For the year ended 1st April, 2016 -

Working capital loan from banks referred above are secured by first charge over current assets and fixed assets of the Company. The loans are also secured by pledge of a part of shareholding of the promoter group [including shares held by Mr Pramod Mittal (a director) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010)] . The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal, Mr V K Mittal(for part of secured loan) ,Mrs Vartika Mittal Goenka (for part of secured loan) and corporate guarantee of Shakti Chrome Limited, Ispat Minerals Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****16. Trade Payables**

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Micro and Small Enterprises	4.52	18.09	45.89
Creditor For Goods, Services etc (Including retention money)	26,533.51	29,151.66	21,083.50
Total	26,538.03	29,169.75	21,129.39

16.1. The details of amounts outstanding to Micro and Small Enterprises based on available information with the company is as Under:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Principal Amount Due and Remaining Unpaid	4.52	18.09	45.89
Interest Due on Above and The Unpaid Interest	10.57	8.52	6.06
Interest Paid	-	-	-
Payment Made Beyond the Appointed Day During the Year	-	-	-
Interest Due and Payable for the Period of Delay	2.05	2.47	6.06
Interest Accrued and Remaining Unpaid	2.05	2.47	6.06
Amount of further interest remaining due and payable in succeeding years	10.57	8.52	6.06

17. Other Financial Liabilities

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of long term Debts (Refer Note 12)	922.38	3,142.05	1,939.82
Interest accrued but not due on borrowings	20.47	10.03	2.50
Interest accrued and due on borrowings	338.33	189.38	96.01
Creditors for Capital expenditure	1,762.77	2,337.32	586.53
Unpaid Dividend (Refer Note 17.1)	125.72	96.04	76.42
Claims Payable	973.17	937.41	765.11
Derivative Liabilities	163.29	-	-
Other (Refer Note 17.2)	2,127.73	1,103.27	848.80
Total	6,433.86	7,815.50	4,315.19

17.1. These does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund

17.2. It includes ₹ 2,104.11 lacs (31st March, 2017- ₹ 1,103.27 lacs, 1st April, 2016 - ₹ 848.80 lacs) payables against arrangement for procurement of raw materials.

18. Other Current liabilities

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance from customers	6,102.19	2,496.74	2,674.94
Statutory Dues	1,747.51	3,355.22	1,579.17
Other liabilities	113.99	318.58	239.85
Total	7,963.69	6,170.53	4,493.95

**BALASORE ALLOYS LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****19. Revenue From Operations**

(₹ in Lacs)

	2017-18	2016-17
Revenue from operations		
Sale of products		
Finished goods	120,079.70	100,862.00
Saleable Scraps	769.76	517.61
Other operating revenue		
Export Benefits	1,710.46	2,632.43
Scrap sales	320.75	159.85
Revenue from operations	122,880.67	104,171.89

20. Other Income

(₹ in Lacs)

	2017-18	2016-17
Interest income from financial assets at amortised cost		
Bank deposits	100.27	79.63
Loans	319.47	351.28
Others	157.83	143.07
Insurance Claims	19.10	10.06
Profit on sale of fixed assets	6.07	-
Gain on Financial Assets	2.73	3.25
Unspent liabilities no longer required written back	324.15	50.80
Gain on Foreign Exchange Fluctuation (net)	2,219.27	1,526.56
Others (Refer note 41)	2,919.28	44.93
Total	6,068.17	2,209.58

21. Cost of Raw Materials Consumed

(₹ in Lacs)

	2017-18	2016-17
Inventory at the beginning of the year	16,680.76	10,562.18
Add: Purchases and other related expenses (including captive)	43,296.78	35,424.98
	59,977.54	45,987.16
Less: Inventory at the end of the year	13,936.55	16,680.76
Cost of raw materials consumed	46,040.99	29,306.40

a) Details of Raw Materials Consumed

(₹ in Lacs)

	2017-18	2016-17
Chrome Ore (including own generation/briquetted)	26,687.59	15,324.73
Coal and Coke etc.	16,190.65	10,045.66
Carbon Paste	926.73	616.15
Quartz	691.37	741.37
Magnesite	899.77	653.43
Dolomite	319.79	266.95
Others	325.09	1,658.11
Total	46,040.99	29,306.40

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****22. (Increase)/ decrease in Inventories**

(₹ in Lacs)

	<u>2017-18</u>	<u>2016-17</u>
Inventories at the end of the year:		
Stock under process	889.27	436.81
Finished goods	1,105.98	897.32
Saleable Scraps	521.07	489.00
	<u>2,516.32</u>	<u>1,823.12</u>
Inventories at the beginning of the year:		
Stock under process	436.81	169.31
Finished goods	897.32	607.78
Saleable Scraps	489.00	517.33
	<u>1,823.12</u>	<u>1,294.42</u>
Less: (Increase)/decrease of excise duty on inventories	6.66	(5.67)
Total	<u>(699.86)</u>	<u>(523.04)</u>

22.1 Excise Duty & Cess on inventories represents differential excise duty and cess on opening and closing stock of Finished Goods and processable scrap.

23. Employee Benefits Expense

(₹ in Lacs)

	<u>2017-18</u>	<u>2016-17</u>
Salaries, wages and bonus	5,972.99	5,344.07
Contribution to provident and other funds	323.53	279.09
Gratuity expense	185.50	147.23
Staff welfare expenses	556.41	530.01
Total	<u>7,038.43</u>	<u>6,300.40</u>



BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

24. Other Expenses

(₹ in Lacs)

	2017-18	2016-17
Consumption of stores and spares	3,327.56	3,052.51
Contract Labour Charges	2,798.57	2,432.19
Packing and Carriage charges	4,331.52	3,103.23
Rent & Hire Charges	1,001.72	1,066.26
Rates and taxes	76.47	69.23
Insurance	169.46	136.89
Repairs and maintenance		
Plant and machinery	1,505.00	989.65
Buildings	99.87	64.77
Others	336.38	374.45
Commission on Sales (other than sole selling agent)	227.42	1,522.07
Travelling and conveyance	1,450.23	1,843.05
Charity and Donations	15.04	13.64
Communication costs	208.88	174.72
Legal and professional fees	3,482.73	2,963.75
Directors' sitting fees	56.94	33.86
Auditors' Remuneration as auditor:		
Audit fee	99.79	86.16
In Other Capacity for Certification	15.00	15.65
Reimbursement of Expenses to auditor	0.09	0.04
Corporate Social Responsibility Expenses (Refer Note - 24.1)	108.46	58.33
Site Development Expenses	143.54	167.77
Bad debts / advances written off	12.56	2.33
Claim Expenses	-	163.99
Provision for doubtful debts and advances	17.50	619.51
Loss on sale/Discard of fixed assets (net)	-	31.42
Miscellaneous expenses	1,523.33	1,352.69
Total	21,008.06	20,338.16

24.1- Note :

- CSR amount required to be spent as per section 135 of Companies Act, 2013, read with schedule-VII thereof by the company during the year is ₹ 146.08 lacs (Previous year ₹ 99.21 lacs)
- Expenditure related to Corporate Social Responsibility Expenses is ₹ 108.46 lacs (Previous year ₹ 58.33 lacs)

Details of Amount spent towards CSR given below :

(₹ in lacs)

Particulars	2017-18	2016-17
Rural Development (Infrastructure Development)	48.23	17.55
Swachha Bharat Mission	16.79	0.74
Environment Protection & Development	2.14	5.31
Youth Development	2.35	5.39
Supply of Safe Drinking Water	4.28	6.76
Education Development	8.06	4.45
Health Promotion	1.63	3.16
Tribal Development	7.88	2.69
Eradication of Hunger	0.35	5.00
Women empowerment	6.83	0.61
Community relation	9.92	-
Animal Welfare	-	0.25
Environmental Conservation	-	6.42
Total	108.46	58.33

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****25. Depreciation & Amortization Expenses**

(₹ in Lacs)

	<u>2017-18</u>	<u>2016-17</u>
Depreciation of tangible assets	2,660.38	2,548.22
Amortization of intangible assets	371.09	160.64
	<u>3,031.47</u>	<u>2,708.86</u>

26. Finance Costs

(₹ in Lacs)

	<u>2017-18</u>	<u>2016-17</u>
Interest		
- To Banks [Net of recoveries from customers ₹ 83.53 lacs (₹ 192.39 lacs)]	1,355.52	1,166.65
- To Others	2,782.09	2,236.85
Other borrowing cost	469.61	513.41
Exchange difference to the extent considered as an adjustment to borrowing costs	7.94	17.31
Total	<u>4,615.16</u>	<u>3,934.22</u>

27. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

(All amounts in ₹ in lacs unless otherwise stated)

	<u>31st March, 2018</u>	<u>31st March, 2017</u>
Profit/(Loss) attributable to equity holders for basic earnings:	6,535.47	8,297.30
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	6,535.47	8,297.30

ii. Weighted average number of ordinary shares

	<u>31st March, 2018</u>	<u>31st March, 2017</u>
Present Weighted Average Equity Shares (In Numbers) for Basic EPS	8,89,14,712	7,88,90,411
Equivalent Weighted Average Equity Shares to be allotted against share warrant (In Numbers)	85,65,000	53,06,849
Weighted average number of shares at 31st March, for Diluted EPS	<u>9,74,79,712</u>	<u>8,41,97,260</u>

Basic and Diluted earnings per share

	<u>31st March, 2018</u> <u>INR</u>	<u>31st March, 2017</u> <u>INR</u>
Basic earnings per share	7.35	10.52
Diluted earnings per share	6.70	9.85

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****28. Employee benefits****(A) Defined Contribution Plan**

The contributions to the Provident Fund, Family Pension Fund and ESIC Fund of certain employees are made to a Government administered Fund and there are no further obligations beyond making such contribution.

	₹ In lacs	
	<u>31st March, 2018</u>	<u>31st March, 2017</u>
<u>Charge to the Statement of Profit and Loss based on contributions:</u>		
Employer's Contribution to Provident fund	255.19	213.36
Employer's Contribution to Supperannuation Fund	25.14	24.65
Employer's Contribution to ESIC	15.99	10.15

(B) Defined Benefit Plan**Gratuity**

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

	₹ In lacs		
	<u>31st March, 2018</u>	<u>31st March, 2017</u>	<u>1st April, 2016</u>
	<u>Gratuity</u>	<u>Gratuity</u>	<u>Gratuity</u>
	<u>(Funded plan)</u>	<u>(Funded plan)</u>	<u>(Funded plan)</u>
(i) <u>Change in Defined Benefit Obligation</u>			
Opening defined benefit obligation	1,097.26	859.58	892.86
<i>Amount recognised in profit and loss</i>			
Current service cost	117.80	94.66	114.78
Interest cost	77.24	65.61	67.06
<i>Amount recognised in other comprehensive income</i>			
Actuarial loss / (gain) arising from:			
Financial assumptions	(42.62)	54.56	0.93
Experience adjustment	80.65	59.80	(147.74)
<i>Other</i>			
Benefits paid	(69.51)	(36.95)	(68.31)
Closing defined benefit obligation	<u>1,260.82</u>	<u>1,097.26</u>	<u>859.58</u>


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
28. Employee benefits (Contd.)

₹ In lacs

	31st March, 2018	31st March, 2017	1st April, 2016
	Gratuity	Gratuity	Gratuity
	(Funded plan)	(Funded plan)	(Funded plan)
(ii) <u>Change in Fair Value of Assets</u>			
Opening fair value of plan assets	165.92	177.67	226.80
Adjustment to Opening Fair Value of Plan Asset	-	-	-
<i>Amount recognised in profit and loss</i>			
Interest income On Plan Asset	9.54	12.45	15.65
<i>Amount recognised in other comprehensive income</i>			
Actuarial gain / (loss)			
Excess/(insufficient) return on plan asset (excluding interest income)	7.31	11.99	(11.93)
<i>Other</i>			
Contributions by employer	0.22	0.76	15.46
Benefits paid	(69.51)	(36.95)	(68.31)
Closing fair value of plan assets	113.48	165.92	177.67
(iii) <u>Plan assets comprise the following</u>			
Investments with insurer (100%)	113.48	165.92	177.67
	113.48	165.92	177.67
(iv) <u>Principal actuarial assumptions used</u>			
Discount rate	7.62%	7.27%	7.80%
Mortality rate	(2006-08) Ultimate	(2006-08) Ultimate	(2006-08) Ultimate
Rate of escalation in salary (per annum)	10%	10%	10%
Expected Return on Plan Assets (per annum)	7.62%	7.27%	7.80%
Employee Attrition Rate			
Upto Age 40	4.2	4.2	4.2
Age 40 to 54	1.8	1.8	1.8
Age 55 to 57	2.2	2.2	2.2
Defined Benefit Plan			
(v) Expenses recognized in the statement of profit and loss for respective years are as follows			
Current service cost	117.80	94.66	114.78
Interest cost on net DBO	67.70	53.16	51.41
Employee Benefit Cost Of The Period	185.50	147.82	166.19
Actual return on plan assets	16.85	24.44	3.72
(vi) Reconciliation of fair value of Assets and Obligations			
Fair value of Plan Assets	113.48	165.92	177.67
Present value of Obligation	1,260.82	1,097.26	859.58
Amount recognised in Balance Sheet (Surplus/(Deficit)	(1,147.34)	(931.34)	(681.91)


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
28. Employee benefits (Contd.)
(vii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity		₹ In lacs	
	31st March, 2018		31st March, 2017	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate (1% movement)	(110.67)	127.79	(75.00)	142.47
Employee turnover (50% movement)	2.36	(2.41)	23.58	28.29
Salary Escalation (1% Movement)	123.61	(109.36)	138.27	(73.52)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment Risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(viii) Expected future cash flows

Particulars	₹ In lacs			
	1st Year	2 to 5 Years	6 to 10 years	More than 10 Years
31st March, 2018				
Defined benefit obligations (Gratuity)	67.29	190.24	584.88	1,772.51
Total	67.29	190.24	584.88	1,772.51

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 581.24 lacs (31st March, 2017 : ₹ 536.81 lacs).

29. Operating leases

The Company's leasing arrangements are generally from 1 month to 72 months. In respect of above arrangement, lease rentals payable are recognised in the statement of profit and loss for the year and included under Rent and Hire charges

(i) Expected future minimum commitments during the non-cancellable period under the lease agreement are as follows

Particulars	₹ In lacs		
	2018-19	2019-20	2020-21
Rental Payment Schedule	154.77	154.77	22.12

(ii) Amount recognised in profit & loss account

Particulars	₹ In lacs	
	2017-18	2016-17
Rent & Hire Charges	1,001.72	1,066.26



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

30. Deferred Tax Disclosure

(a) Movement in deferred tax balances

₹ In lacs

31st March, 2018

	Balance 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,196.04)	(961.36)	-	-	(4,157.40)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	803.55	(400.25)	-	-	403.30
Other disallowance under Income Tax Act, 1961	605.60	269.87	-	-	875.47
Tax assets (Liabilities)	(1,786.89)	(1,091.74)	-	-	(2,878.63)

(b) Movement in deferred tax balances

₹ In lacs

31st March, 2017

	Balance 1st April, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,500.37)	304.33	-	-	(3,196.04)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	1,648.32	(844.77)	-	-	803.55
Other disallowance under Income Tax Act, 1961	271.85	333.75	-	-	605.60
Fair value of Investment	(115.34)	115.34	-	-	-
Tax assets (Liabilities)	(1,695.54)	(91.35)	-	-	(1,786.89)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
31. Tax Reconciliation
(a) Income tax recognised in the Statement of Profit & Loss

₹ In lacs

Particular	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Tax	3,229.72	5,052.00
Deferred Tax	1,102.38	126.78
Prior year Tax	(82.32)	(57.69)
Total tax expense recognised in the current year	4,249.78	5,121.09

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:-

₹ In lacs

Particular	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before tax	10,805.35	13,485.32
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	3,739.52	4,667.00
Tax effect of:		
Fair value of investment	-	231.06
Expenses deductible for tax purposes	(2,158.50)	(1,374.66)
Expenses not deductible for tax purposes	1,638.07	1,528.31
Other	10.64	0.29
Current Tax Provision	3,229.72	5,052.00

32. Financial instruments - Fair values and risk management
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ In lacs

	At 31st March, 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument	404.60	-	404.60	-	-	404.60
Investment in Mutual Funds	127.91	-	127.91	127.91	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	538.36	538.36	-	-	-
Other Deposit	-	275.55	275.55	-	-	-
Current Financial assets						
Trade Receivables	-	5,313.36	5,313.36	-	-	-
Cash and Bank Balances	-	3,355.23	3,355.23	-	-	-
Loans & Advances	-	2,941.33	2,941.33	-	-	-
Other Current Asset	-	2,832.53	2,832.53	-	-	-
Total Financial Assets	532.51	16,474.52	17,007.03	127.91	-	404.60
Non Current Financial liabilities						
Deferred Payment Credits	-	527.76	527.76	-	-	-
Current Financial liabilities						
Working capital loan	-	9,112.99	9,112.99	-	-	-
Acceptances	-	5,710.39	5,710.39	-	-	-
Trade Payable	-	26,538.04	26,538.04	-	-	-
Other financial liabilities	-	8,120.56	8,120.56	-	-	-
Derivative Liabilities	-	163.29	163.29	-	-	-
Total Financial Liabilities	-	50,173.03	50,173.03	-	-	-


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
32. Financial instruments - Fair values and risk management (Contd.)

₹ In lacs

	At 31st March, 2017					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument	405.06	-	405.06	-	-	405.06
Investment in Mutual Funds	40.25	-	40.25	40.25	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	1,217.20	1,217.20	-	-	-
Loans to Body Corporate - Related Party	-	2,267.00	2,267.00	-	-	-
Rent Deposit	-	406.26	406.26	-	-	-
Other Deposit	-	274.38	274.38	-	-	-
Current Financial assets						
Trade Receivables	-	3,978.91	3,978.91	-	-	-
Cash and Bank Balances	-	2,605.92	2,605.92	-	-	-
Loans & Advances	-	2,491.29	2,491.29	-	-	-
Other Current Asset	-	3,199.57	3,199.57	-	-	-
Total Financial Assets	445.31	16,441.47	16,886.78	40.25	-	405.06
Non Current Financial liabilities						
Deferred Payment Credits	-	1,010.16	1,010.16	-	-	-
Current Financial liabilities						
Working capital loan	-	9,109.08	9,109.08	-	-	-
Acceptances	-	5,987.05	5,987.05	-	-	-
Trade Payable	-	29,169.75	29,169.75	-	-	-
Other Financial Liabilities	-	10,085.51	10,085.51	-	-	-
Total Financial Liabilities	-	55,361.55	55,361.55	-	-	-

₹ In lacs

₹ In lacs

At 31st March, 2016						
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument	405.06	-	405.06	-	-	405.06
Investment in Mutual Funds	37.00	-	37.00	37.00	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	850.00	850.00	-	-	-
Loans to Body Corporate - Related Party	-	2,267.00	2,267.00	-	-	-
Rent Deposit	-	375.03	375.03	-	-	-
Other Deposit	-	313.54	313.54	-	-	-
Current Financial assets						
Trade Receivables	-	2,457.97	2,457.97	-	-	-
Cash and Bank Balances	-	1,155.23	1,155.23	-	-	-
Loans & Advances	-	1,434.31	1,434.31	-	-	-
Other Current Asset	-	3,232.31	3,232.31	-	-	-
Derivative Asset	-	333.24	333.24	-	-	-
Total Financial Assets	442.06	12,419.58	12,861.64	37.00	-	405.06
Non Current Financial liabilities						
Deferred Payment Credits	-	344.44	344.44	-	-	-
11% Redeemable Non-Convertible Debentures	-	1,561.91	1,561.91	-	-	-
Current Financial liabilities						
Working capital loan	-	7,624.69	7,624.69	-	-	-
Acceptances	-	4,501.01	4,501.01	-	-	-
Trade Payable	-	21,129.39	21,129.39	-	-	-
Other Financial Liabilities	-	6,038.19	6,038.19	-	-	-
Total Financial Liabilities	-	41,199.63	41,199.63	-	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****32. Financial instruments - Fair values and risk management (Contd.)****B. Measurement of fair values**

Ind AS 113, 'Fair Value Measurement - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities included in Level 3.

Following methods and assumptions are used to estimate the fair values:

- a) Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- b) Fair value of the non-current borrowing items fall within Level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Transfers between Levels

There have been no transfers between Levels during the reporting periods.

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Forward Contracts & Options	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract	Foreign Exchange Spot and Forward Rates, Yield curve of respective currencies, currency basis spreads etc..
Unquoted equity shares	Adjusted NAV (Net Asset Value) method : It involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	₹ In lacs
	Equity securities
Opening Balance(1st April, 2016)	405.06
Net change in fair value (unrealised)	-
Closing Balance (31st March, 2017)	405.06
Opening Balance(1st April, 2017)	405.06
Net change in fair value (unrealised)	(0.46)
Closing Balance (31st March, 2018)	404.60

Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****32. Financial instruments - Fair values and risk management (Contd.)****i. Counterparty and Concentration of Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, investments, loans, other financial assets, and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit.

Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The Company has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 17,007.04 lacs and ₹ 16,886.77 lacs as at 31st March, 2018 and 31st March, 2017 respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31st March, 2018, that defaults in payment obligations will occur.

Of the year end trade receivable balance the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at 31st March, 2018 and 31st March, 2017:

Particulars	₹ In lacs	
	As at 31st March, 2018	As at 31st March, 2017
- More than six months	2,178.78	433.53
- Less than six months	3,134.58	3,545.38
Total	5,313.36	3,978.91

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experience does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****32. Financial instruments - Fair values and risk management (Contd.)****Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

	Contractual cash flows					₹ In lacs
	Carrying amount	Total Contractual cash Flow	0-1 year	1-3 years	3-5 years	More than 5 years
31st March, 2018						
Non-derivative financial liabilities						
Long Term Loans*	1,010.13	1,140.77	571.17	569.60	-	-
Short Term Loans	17,472.19	17,472.19	17,472.19	-	-	-
Total non-derivative liabilities	18,482.32	18,612.96	18,043.36	569.60	-	-
Derivative financial liabilities	163.29	163.29	163.29	-	-	-
Total derivative liabilities	163.29	163.29	163.29	-	-	-
	Contractual cash flows					₹ In lacs
	Carrying amount	Total Contractual cash Flow	0-1 year	1-3 years	3-5 years	More than 5 years
31st March, 2017						
Non-derivative financial liabilities						
Long Term Loans*	3,177.21	3,555.26	2,414.29	1,134.79	6.18	-
Short Term Loans	18,540.55	18,540.55	18,540.55	-	-	-
Total non-derivative liabilities	21,717.75	22,095.80	20,954.83	1,134.79	6.18	-
	Contractual cash flows					₹ In lacs
	Carrying amount	Total Contractual cash Flow	0-1 year	1-3 years	3-5 years	More than 5 years
1st April, 2016						
Non-derivative financial liabilities						
Long Term Loans*	3,846.17	4,336.73	2,290.78	2,045.95	-	-
Short Term Loans	13,947.21	13,947.21	13,947.21	-	-	-
Total non-derivative liabilities	17,793.38	18,283.94	16,237.99	2,045.95	-	-

*Includes current maturities

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities, and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its Trade receivables, Trade & other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts and options to hedge its currency risk, most with a maturity of less than one year from the reporting date.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
32. Financial instruments - Fair values and risk management (Contd.)

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31st March, 2018

Category	Instrument	Currency	Cross Currency	Amounts In lacs	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 420	Buy
	Options	USD	INR	USD 480	Buy

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as below

		31st March, 2018			
		USD	GBP	JPY	Others
Financial liabilities					
Short term borrowings	(A)	64.42	-	-	-
Trade and other payables		27.53	0.69	18.30	0.02
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	27.53	0.69	18.30	0.02
Total	(C)= (A+B)	91.95	0.69	18.30	0.02
Financial assets					
Current Assets					
Trade receivables		58.18	-	-	-
Less: Forward currency contract/options		900.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Cash & Cash equivalents	(E)	0.49	-	-	0.01
Total	(F)=(D+E)	0.49	-	-	0.01
Net exposure	(C-F)	91.46	0.69	18.30	0.01
		In lacs			
		31st March, 2017			
		USD	Others		
Financial liabilities					
Short term borrowings	(A)	25.00	-	-	-
Trade and other payables		34.41	0.48	-	-
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	34.41	0.48	-	-
Total	(C)= (A+B)	59.41	0.48	-	-
Financial assets					
Trade receivables		51.55	-	-	-
Less: Forward currency contract		-	-	-	-
Net Trade receivables	(D)	51.55	-	-	-
Cash & Cash equivalents	(E)	0.25	0.01	-	-
Total	(F)=(D+E)	51.80	0.01	-	-
Net exposure	(C-F)	7.61	0.47	-	-



BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

32. Financial instruments - Fair values and risk management (Contd.)

In lacs

		1st April, 2016	
		USD	Others
Financial liabilities			
Short term borrowings	(A)	56.50	-
Trade and other payables		20.68	-
Less: Forward currency contract		-	-
Net Trade Payable	(B)	20.68	-
Total	(C)= (A+B)	77.18	-
Financial assets			
Trade receivables		31.34	-
Less: Forward currency contract		155.00	-
Net Trade receivables	(D)	-	-
Cash & Cash equivalents	(E)	-	0.01
Total	(F)=(D+E)	-	0.01
Net exposure	(C - F)	(77.18)	0.01

The following significant exchange rates have been applied during the year-:

	Average rate in ₹		Year-end spot rate in ₹	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
INR				
USD	64.66	65.54	64.40	64.84
GBP	85.88	87.52	90.32	80.88
JPY	0.59	0.59	0.60	0.58

GBP is Great Britain Pound which is used in UK.

JPY is Japanese Yen which is used in Japan.

Other currencies includes RMB (Renminbi) which is used in China.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at 31st March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		Profit or loss	
		Strengthening	Weakening
Effect in INR			
31st March, 2018			
3% movement			
USD		(2.74)	2.74
GBP		(0.02)	0.02
JPY		(0.55)	0.55
Others		(0.00)	0.00
Total		(3.31)	3.31
		Profit or loss	
		Strengthening	Weakening
Effect in INR			
31st March, 2017			
3% movement			
USD		(0.23)	0.23
Others		(0.01)	0.01
Total		(0.24)	0.24

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****32. Financial instruments - Fair values and risk management (Contd.)****Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings taken at fixed rates & floating rate exposes the Company to fair value interest rate risk and cash flow interest rate risk respectively. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	₹ In lacs		
	31st March, 2018	31st March, 2017	1st April, 2016
Fixed-rate instruments			
Financial liabilities	3,300.14	6,422.21	5,569.17
	3,300.14	6,422.21	5,569.17
Variable-rate instruments			
Financial liabilities	14,823.39	15,096.13	12,125.70
	14,823.39	15,096.13	12,125.70
Total	18,123.53	21,518.34	17,694.87

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	₹ In lacs	
	Profit or loss	
INR	100 bp increase	100 bp decrease
31st March, 2018		
Variable-rate instruments	(148.23)	148.23
Cash flow sensitivity (net)	(148.23)	148.23
31st March, 2017		
Variable-rate instruments	(150.96)	150.96
Cash flow sensitivity (net)	(150.96)	150.96

33. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve (if any)



BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

33. Capital Management (Contd.)

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March, 2018 was as follows.

	₹ In lacs		
Particular	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total liabilities	18,482.32	21,717.75	17,793.38
Less : Cash and cash equivalent	3,355.23	2,605.92	1,155.23
Adjusted net debt	15,127.09	19,111.84	16,638.15
Total equity	96,656.42	90,200.13	80,551.36
Adjusted equity	96,656.42	90,200.13	80,551.36
Adjusted net debt to adjusted equity ratio	0.16	0.21	0.21

34. Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the Company has only one reportable segment as follows:

- Manufacturing/Minning of Ferro Alloys

The Executive Committee of the Company acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries.

	₹ In lacs	
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Domestic Revenues (Including Excise Duty)	24,036.89	17,873.11
Overseas Revenues (Including Export Benefits)	98,843.77	86,298.78

C. Information about major customers

Revenue from major customers of the Company was ₹ 22,476.11 lacs is 18.29% of total sales (₹ 22,999.97 lacs is 22.08 % of total sales)

D. Broad Category of Sales

Company deals mainly in Ferro Chrome.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****35. RELATED PARTY DISCLOSURE AS PER Ind-AS - 24****A. List of Related Parties over which control exists**

- (i) **Subsidiaries**
- Milton Holdings Limited
Balasore Metals Pte. Limited
Balasore Alloys Nigeria Limited

B. Name of the associates and joint ventures with whom transactions were carried out during the year

- (i) **Associate** Balasore Energy Limited

C. Name of the key management personnel and their relatives with whom transactions were carried out during the year.

- (i) **Key Management Personnel**
- Mr.Pramod Mittal (Chairman) (upto- 22.08.2017)
Mrs.Vartika Mittal Goenka (Woman director)(upto 29.05.2016)
Mr.Anil Sureka(Managing Director)
Mr.R.K.Parakh(Whole time Director) (upto- 30.06.2017)
Mr.G Janarthanam(Whole time Director) (upto- 06.03.2018)
Mr. Nikunj Pansari (Whole time Director) (wef- 14.12.2017)
Mrs. Mita Jha (Whole time Director) (wef- 27.07.2017 to 24.04.2018)
Mr Dhiren K Nath (Whole time Director) (wef-14.12.2017)
- (ii) **Enterprises over which Key Management Personnel and their Relatives are able to exercise significant influence ***
- Navdishia Real Estate Pvt. Ltd.
Gontermann Peipers (India) Ltd.
Shakti Chrome Ltd.
Ispat Minerals Ltd.
Ispat Profile India Ltd.
Ispat Corp Pvt. Ltd.
Global Steel Holdings Asia Pte. Ltd.
Direct Trading and Investment Singapore Pte. Ltd.
Prasan Global Ventures Singapore Pte. Ltd.

* The parties stated above are related parties in the broader sense of the term and are included for making the financial statements more transparent.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
35. RELATED PARTY DISCLOSURE AS PER IND-AS - 24 (Contd.)
D. Transactions during the year:-

₹ In lacs

Particulars	Transaction values during the year ended 31st March		Balances outstanding as at 31st March		
	2018	2017	2018	2017	2016
Interest income					
Ispat Profile India Ltd.	-	204.03	-	394.80	190.77
Gontermann Peipers (India) Ltd.	155.55	20.05	158.04	18.04	-
Sale of good and services					
Gontermann Peipers (India) Ltd.	-	59.56	83.09	83.09	42.33
Rent					
Navdisha Real Estate Private Limited	110.68	87.19	159.28	5.57	(24.39)
Managerial Remuneration					
Mr. Anil Sureka	185.88	164.26	-	-	-
Mr. R. K. Parakh	51.85	76.11	-	-	-
Mr. G Janarthanam	71.26	68.16	-	-	-
Mr. Nikunj Pansari	19.03	-	-	-	-
Mr. Dhiren K Nath	11.15	-	-	-	-
Ms Mita Jha	64.19	-	-	-	-
Interest Expense					
Ispat Corp Pvt.Ltd.	135.00	135.00	310.32	175.31	40.31
Purchase of Goods					
Gontermann Peipers (India) Ltd.	-	4.95	-	-	-
Loans given					
Ispat Profile India Ltd.	-	-	NIL*	2,267.00	2,267.00
Mr. R. K. Parakh	-	-	-	-	6.00
Mr. Nikunj Pansari	12.00	-	8.00	-	-
Mrs Mita Jha	1.71	-	1.71	-	-
Gontermann Peipers (India) Ltd.	533.69	564.00	1,097.69	564.00	-
Advance given					
Ispat Mineral Ltd	155.59	-	155.59	-	-
Loan Repaid					
Mr. Nikunj Pansari	4.00	-	-	-	-
Mr. R. K. Parakh	-	6.00	-	-	-
Deposit Given					
Navdisha Real Estate Private Limited	50.00	90.00	851.50	801.50	711.50
Subscription of share Capital Including Premium (Conversion)					
Global steel Holdings Asia Pte. Ltd.	804.09	623.50	-	-	-
Direct Trading & Investments Singapore Pte.Ltd.	-	623.50	-	-	-
Prasan Global Ventures Singapore Pte. Ltd.	149.43	903.00	-	-	-
Money received against share warrant (including forex gain/loss)					
Global steel Holding Asia Pte.Ltd.	605.44	543.64	0.94	199.59	279.45
Prasan Global Ventures Singapore Pte Ltd.	115.35	830.19	270.14	304.22	377.03
Direct Trading & Investments Singapore Pte.Ltd.	2.43	547.33	205.67	203.24	279.41
Loan from Body Corporate					
Ispat Corp Pvt. Ltd.	-	-	1,000.00	1,000.00	1,000.00
Guarantee Given					
Shakti Chrome Ltd.	-	-	262.19	262.19	262.19
Ispat Minerals Ltd.	-	-	93.59	93.59	93.59
Guarantee Taken					
Mr. Pramod Mittal	-	-	Refer Note 35.1		
Mrs. Vartika Mittal Goenka	-	-			
Shakti Chrome Ltd.	-	-	Refer Note 35.2		
Ispat Minerals Ltd.	-	-			
Balasore Energy Ltd.	-	-			

* Refer Note 42

35.1 All working capital loan / Non-convertible debenture are guaranteed by personal guarantee of mentioned personnel.

35.2 All working capital loan is guaranteed by corporate guarantee of mentioned entities

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****36 CONTINGENT LIABILITIES AND COMMITMENTS**

(All amounts in ₹ unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I)	Contingent Liabilities (not provided for in respect of)			
a)	Sales tax matters under appeal {Amount paid under appeal ₹52.51 lacs (31st March, 2017- ₹ 54.51 lacs) (31st March, 2016- ₹ 70.25 lacs)*}	468.77	519.52	492.27
b)	Entry tax matters {Amount paid under appeal ₹ 45.85 lacs (31st March, 2017- ₹ 111.77 lacs) (31st March, 2016- ₹100.26 lacs)*}	245.43	1,003.50	1,000.28
c)	Excise / Service tax matters {Amount paid under appeal ₹ 22.83 lacs (31st March, 2017- ₹ 35.59 lacs) (31st March, 2016- ₹ 29.63 lacs)}*	1,234.49	1,165.12	1,287.75
d)	Un-expired Bank Guarantees and Letters of Credit	4,545.25	4,389.37	731.82
e)	Bills discounted with Banks	5,011.85	1,989.87	4,606.43
f)	Guarantee given to financial institutions on behalf of others	355.78	355.78	355.78
	*In respect of above cases based on favourable decisions in similar cases and discussion with legal counsels the management is of the opinion that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.			
II)	Other Commitments			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,414.13	17,492.62	5,430.88
b)	Unpaid capital of wholly owned subsidiary Balasore Alloys Nigeria Limited	19.80	19.80	-
c)	Unpaid registration fees and stamp duty of New Mining Lease Deed.	1834.51	1,834.51	-

37 The Income-Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand up to the said assessment years is ₹ 400.34 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

38 A revised demand notice dated 11th April, 2018 has been issued by Deputy Director of Mines, Jaipur Road, Odisha amounting to ₹ 32,803.28 Lacs for the production in excess of the approved limit under, environment clearance during the period 2001-02 to 2007-08. The demand notices has been issued under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR Act).

The company filed a Revision Application before the Mines Tribunal, Delhi on 2nd May, 2018 in regard to the above revised demand notice praying for stay of the operation and/or execution of the notice and not to take any coercive action as the demand is without any basis and there is no legislative and/or statutory sanction for the same as the Section 21(5) of the MMDR Act is applicable only in respect of unauthorised raising and disposal of minerals, which is not the case of the Company.

The Revision application was heard on 10th May, 2018 and the Tribunal passed an order Staying the Demand Notice.

Based on the opinion of external legal counsel, the company believes that, the demand is legally unjustifiable and does not expect any liability in above matter.

39 The State Trading Corporation of India on 13th May, 2015 through the Ministry of Commerce and Industry has recorded a statement on the floor of the Rajya Sabha that a sum of ₹ 5,855 Lacs is recoverable from the Company as on 31st March, 2015. The alleged demand is very much disputed by the Company and is the subject matter for ascertainment by the Hon'ble Arbitral Tribunal consisting of two Hon'ble Retired Judges of Hon'ble Supreme Court and one Hon'ble Retired Judge of Hon'ble Calcutta High Court. Pursuant to order dated 23rd March, 2017 by Hon'ble Arbitral Tribunal which is passed without prejudice to the rights and contentions of the parties and subject to further adjustment about the final amount to be paid, if any, the Company



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

by way of abundant caution and prudence, has accounted for such alleged disputed amount without admitting the same in the financial year 2016-17. Pending final adjudication the company has paid ₹ 5,855 lacs towards such disputed dues as at 31st March, 2018

- 40** The Enforcement Directorate (ED) on 15th December, 2017 had passed a Provisional Attachment Order against M/s Balasore Alloys Ltd. (BAL) for the value of ₹ 24,489.07 lacs on the alleged ground that Sri Pramod Kumar Mittal and Global Steel Holdings Ltd. (GSHL) allegedly holds 30.35% of the shares of BAL through various Indian / Foreign promoter and investment companies.

On 5th of February, 2018 the Adjudicating Authority issued a show cause to BAL as to why the aforesaid Provisional Attachment Order should not be confirmed?

The Company filed an Appeal before the Appellate Tribunal on 17th May, 2018 challenging the said Show Cause Notice dated 5th February, 2018.

The Hon'ble Appellate Tribunal after hearing the matter on merits on 23rd May, 2018 delivered an Order/Judgment inter-alia recording that BAL is an independent publicly quoted company and is not an accused and there is no complaint against BAL under the Prevention of Money Laundering Act, 2002 (PMLA) and the alleged proceedings of Provisional Attachment are contrary to the earlier Order of the Hon'ble Tribunal. It also recorded that BAL is not involved in any schedule offence under the PMLA and inter-alia duly recorded that the purported notice under Section 8(1) of the PMLA has been wrongly issued to BAL and that the Hon'ble Appellate Tribunal had fixed the Appeal for final hearing on 17th of July, 2018 and directed the Adjudicating Authority to adjourn the proceedings before it until thereafter.

The Directors would like to inform that, the company has no business relationship with GSHL and Global Steel Philippines Inc. (GSPI) in any manner. Further, company had nothing to do with the alleged transactions between M/s State Trading Corporations (STC), GSHL & GSPI which is the basis of the cause of action of ED.

The action on the part of ED in relation to the Company is arbitrary and contrary to the well-established principle of the law as pronounced by Hon'ble Supreme Court as the Company is a separate legal entity independent from its shareholders as advised by the legal counsels and therefore, the company believe that, the above proceedings will not affect its operations of the company and would not impact it as a going concern. The purported Order of ED involving BAL is wholly without any jurisdiction, illegal and void ab initio.

- 41** North Eastern Electricity Supply Company of Orissa Limited (NESCO) had raised total claim of approximately ₹ 20,155.96 Lacs (including delayed payment surcharge) against the company as on 30th June, 2017. The company had paid ₹ 3,400 Lacs to NESCO in the past which was debited as power cost. As per the order of Hon'ble Supreme Court the matter was referred to Grievance Redressal Forum (GRF) of NESCO. GRF passed an order dated October 12, 2017 vide which it inter alia directed NESCO to recalculate its claim in the mode and manner as specified in the said order within a period of one month from the date of such order. NESCO has not yet intimated the Company of any recalculation.

Following the guidelines laid down in the aforesaid order passed by the GRF, the Company has made a calculation and a sum of ₹ 2,743.90 lacs is recoverable by the Company from NESCO and the same has been accounted for in other income.

- 42** The Company being one of the Promoter of Ispat Profile India Limited (IPIL), has 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 get working capital limits for its operation and financial facilities for its ongoing projects, growth and expansion plans.

IPIL has submitted 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 ₹ 2,661.81 lacs and shown as an exceptional item.

- 43** Company started incurring cost for development of underground mines at Sukinda to secure the additional raw materials for its ferro chrome plants. As at 31st March, 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's and services for aforesaid project. A significant part of the project cost would be financed through long term borrowings. Pending financial closure, some 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 has also committed to provide the contracted equipment's and services as and when required.

- 44** 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 installment 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.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

45 Details of Loans given, Investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013 :

- I) Loans given by the company to body corporate as at 31st March, 2018 (Refer Note No. 4).
- II) All the said loans and advances are given for business purposes.
- III) Investments made by the company as at 31st March, 2018 (Refer Note No. 3).
- IV) Guarantee given by the Company as at 31st March, 2018 (Refer Note No. 36).

46 The figure for the corresponding previous year have been restated/regrouped where ever necessary to make them comparable with the current period.

47 Subsequent Events

The Board of Directors have recommended dividend of ₹ 0.75 per fully paid up equity share of ₹ 5/- each, aggregating ₹ 847.83 lacs, including ₹ 147.89 lacs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on 31st March, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

48 Approval of Financial Statement

The financial statements were approved for issue by the board of directors on May 28, 2018

49. (a) Reconciliation of Balance sheet

₹ In lacs

		As at 31st March, 2017			As at 1st April, 2016		
	Note	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
ASSETS							
Non-Current Assets							
Property , Plant & Equipment	1A & 1B	78,595.21	3,913.36	82,508.57	86,198.48	(6,911.46)	79,287.02
Intangible Assets		2,093.66	-	2,093.66	1,786.82	-	1,786.82
Capital Work-in-Progress		9,426.55	-	9,426.55	9,024.80	-	9,024.80
Financial Asset							
Investments in Subsidiaries	2	2,194.83	(2,194.83)	-	2,194.83	(2,194.83)	-
Investments in Associates	2	1.70	(1.70)	-	1.70	(1.70)	-
Investments in Other	2	1,583.15	80.31	1,663.46	1,215.95	77.06	1,293.01
Loans		2,267.00	-	2,267.00	2,267.00	-	2,267.00
Others	2	-	680.64	680.64	-	688.57	688.57
Other Assets		17,215.79	-	17,215.79	4,514.46	-	4,514.46
Total Non-Current Assets		113,377.89	2,477.78	115,855.67	107,204.04	(8,342.36)	98,861.68
Current Assets							
Inventories		20,312.27	-	20,312.27	13,275.11	-	13,275.11
Financial Assets							
Trade Receivables		3,978.91	-	3,978.91	2,457.97	-	2,457.97
Cash and Bank Balances	6	3,023.54	(417.62)	2,605.92	1,507.63	(352.40)	1,155.23
Loans		2,491.29	-	2,491.29	1,434.31	-	1,434.31
Others	2	3,914.35	(714.78)	3,199.57	3,943.81	(378.26)	3,565.55
Other Assets		15,611.57	-	15,611.57	11,895.84	-	11,895.84
Total Current Assets		49,331.92	(1,132.40)	48,199.53	34,514.67	(730.66)	33,784.01
Total Assets		162,709.82	1,345.38	164,055.20	141,718.71	(9,073.02)	132,645.69



BALASORE ALLOYS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

49. (a) Reconciliation of Balance sheet (Contd.)

		As at 31st March, 2017			As at 1st April, 2016		
	Note	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	6	4,596.38	(151.86)	4,444.52	4,096.38	(151.86)	3,944.52
Other Equity	1A,1B,2,3,4,5	83,840.75	1,914.86	85,755.61	84,721.23	(8,114.39)	76,606.84
Total Equity		88,437.13	1,763.00	90,200.13	88,817.61	(8,266.25)	80,551.36
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Borrowings		1,010.16	-	1,010.16	1,906.35	-	1,906.35
Deferred Tax Liabilities (net)	4	1,786.89	-	1,786.89	1,580.20	115.34	1,695.54
Provisions		1,490.97	-	1,490.97	1,120.71	-	1,120.71
Total Non-Current Liabilities		4,288.02	-	4,288.02	4,607.26	115.34	4,722.60
Current Liabilities							
Financial Liabilities							
Borrowings		17,366.13	-	17,366.13	13,848.70	-	13,848.70
Trade Payable		29,169.75	-	29,169.75	21,129.39	-	21,129.39
Other		7,815.50	-	7,815.50	4,315.19	-	4,315.19
Other Current Liabilities	6	6,588.17	(417.64)	6,170.53	4,846.37	(352.42)	4,493.95
Provisions	3	9,045.13	-	9,045.13	4,154.19	(569.70)	3,584.49
Total Current Liabilities		69,984.67	(417.64)	69,567.05	48,293.84	(922.11)	47,371.73
Total Equity and Liabilities		162,709.82	1,345.38	164,055.20	141,718.71	(9,073.02)	132,645.69

(b) Reconciliation of total comprehensive income for the year ended 31st March, 2017

Note	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind As INR
INCOME			
Revenue From Operations	104,171.89	-	104,171.89
Other Income	2	2,508.34	2,209.58
Total Revenue (I)	106,680.23	298.76	106,381.47
EXPENSES:			
Cost of Raw Materials Consumed	29,306.40	-	29,306.40
Excise Duty	2,990.46	-	2,990.46
(Increase)/ Decrease in Inventories	(523.04)	-	(523.04)
Power	27,840.68	-	27,840.68
Employee Benefit Expenses	5	6,402.77	6,300.40
Other Expenses	2	20,295.71	20,338.16
Depreciation & Amortization expenses	1A & 1B	2,280.05	2,708.86
Finance Costs		3,934.22	3,934.22
Total (II)	92,527.25	(368.89)	92,896.14
Profit Before Exceptional Item (III)	14,152.98	667.65	13,485.33
Exceptional Items	-	-	-
Profit Before Taxes (III)	14,152.98	667.65	13,485.33
Tax Expenses			
Current Tax	5,052.00	-	5,052.00
Deferred Tax Charge	4	206.69	126.78
Taxation Expenses of Earlier Years		(57.69)	(57.69)
Total Tax Expenses (IV)	5,201.00	79.91	5,121.09
Profit For the Year [(III) (IV)]	8,951.98	587.73	8,364.24
Other Comprehensive Income :			
i. Items that will not be reclassified to Profit or Loss			
Remeasurement of post employment benefit obligations	5	-	102.37
Income tax relating to item that will not be reclassified to Profit or Loss		(35.43)	35.43
Total Comprehensive Income For the Year	8,951.98	654.67	8,297.30

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****49. (c) Reconciliation of Profit and Other Equity between Ind As and Previous GAAP**

Nature of Adjustment	Note	Net Profit	Other Equity	
		Year Ended 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
Net Profit/Other Equity as per Previous Indian GAAP		8,951.99	83,840.75	84,721.23
Summary of Ind AS adjustments				
Fair valuation of investments	2	3.24	(2,116.22)	(2,119.47)
Fair valuation of security deposit	2	(11.22)	(34.14)	(22.92)
Property , Plant & Equipment	1A & 1B	-	4,342.18	(6,911.46)
Shares Forfeited	6	-	151.86	151.86
Proposed dividend on equity shares and tax thereon reversed to retained earnings		-	-	569.70
Accounting for derivative and foreign exchange differences	2	(333.23)	-	333.24
Depreciation on mining lease	1A & 1B	(428.82)	(428.82)	-
Remeasurement of post employment benefit obligations	5	102.37	-	-
Deferred tax on above adjustments	4	79.91	-	(115.34)
Total Ind AS adjustments		(587.75)	1,914.86	(8,114.39)
Net Profit before OCI/ Other Equity as per Ind AS		8,364.24	85,755.61	76,606.84

Notes to the reconciliation:**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. 1st April, 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 1st April, 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 Proposed dividend

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after transition date. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

49. (c) Reconciliation of Profit and Other Equity between Ind As and Previous GAAP (Contd.)

4 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.

5 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.

6 Reclassification as per Ind As Schedule III

49. (d) Reconciliation of statement of Cash Flow

There are no material adjustments to the statement of cash flow as reported under previous GAAP.

As per our report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Place : Kolkata
Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF BALASORE ALLOYS LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Balasore Alloys Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the consolidated statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (INDAS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated financial position of the Company as at 31st March, 2018 and its consolidated profit (financial performance) including other comprehensive income, its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note 43 to the consolidated financial statements 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 adjustment have been carried out for carrying value of capital work in progress of ₹ 8,621.20 lacs and the advances to vendor of ₹ 15,940.64 lacs relating to this project at this stage.



BALASORE ALLOYS LIMITED

- b) We draw attention to Note 44 to the consolidated financial statements regarding advance of ₹ 3,683.57 lacs contracted to a vendor for procurement of raw material. For the reasons stated in the said note management is confident of settling the advance and therefore, there is no need to make any adjustment at this stage.

Our Opinion is not qualified in respect of the aforesaid matters.

Other Matters

We did not audit the financial statements of three subsidiaries whose financial statement reflects total assets of ₹ 340.81 lacs as at 31st March, 2018 and total revenues of ₹ NIL lacs and net cash outflows of ₹ 0.08 lacs for the 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. The consolidated financial statements include the Group's share of net loss of ₹ NIL Lacs for the year ended 31st March, 2018 as considered in the consolidated financial statements, in respect of one associate, whose financial statement has not been audited by us. This financial statement have been audited by other auditor whose report has been furnished to us by 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 report of other auditor.

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 auditor and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statement and the other financial information of associate, as referred in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
 - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Cash Flow Statement and consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2005, as amended;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who are appointed under Section 139 of the Act, of its associate incorporated in India, none of the directors of Holding Company and its associate incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its associate incorporated in India, refer to our separate Report in "Annexure A", to this report;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 report of the other auditor on separate financial statement as also the other financial information of the associate, as noted in the 'Other Matters' paragraph :
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as referred to in Note 36 to 40 to the consolidated financial statements.
 - ii. The Group has no material foreseeable losses on long-term contracts including derivative contracts, as required under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India during the year ended 31st March, 2018.

For Chaturvedi & Shah
Chartered Accountants

Firm Registration No. 101720W

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018



**“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS OF BALASORE ALLOYS LIMITED**

(Referred to in paragraph 1(f) under the heading “Report on other legal and regulatory requirements” of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of
the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Balasore Alloys Limited (hereinafter referred to as “the Holding Company”) and its associate incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Control

The respective Board of Directors of the of the Holding company and associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, as referred to in the Other Matters paragraph, the Holding Company and its associate company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to an associate company incorporated in India, is based on the corresponding report of the auditor of such company.

Place : Kolkata
Date : 28th May, 2018

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W
Amit Chaturvedi
Partner
Membership No. 103141

**BALASORE ALLOYS LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**

(₹ in Lacs)

	Notes	As at 31st March ,2018	As at 31st March ,2017	As at 1st April ,2016
ASSETS				
Non-Current Assets				
Property , Plant & Equipment	2	83,240.85	82,508.57	79,287.02
Intangible Assets	2	3,146.91	2,093.66	1,786.82
Capital Work-in-Progress	2	11,993.39	9,426.55	9,024.80
Financial Asset				
Investments in Associates	3	-	-	-
Investments in Other	3	1,752.36	1,663.46	1,293.01
Loans	4	-	2,267.00	2,267.00
Others	5	813.91	680.64	688.57
Other Assets	6	16,987.23	20,094.43	7,459.14
Total Non-Current Assets		117,934.65	118,734.31	101,806.36
Current Assets				
Inventories	7	19,224.30	20,312.27	13,275.11
Financial Assets				
Trade Receivables	8	5,313.36	3,985.39	2,457.97
Cash and Bank Balances	9	3,356.09	2,608.15	1,157.54
Loans	4	2,941.33	2,491.29	1,434.31
Others	5	2,832.54	3,199.56	3,565.55
Other Assets	6	18,359.17	15,781.94	12,073.09
Total Current Assets		52,026.79	48,378.60	33,963.57
Total Assets		169,961.44	167,112.91	135,769.93
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	4,666.27	4,444.52	3,944.52
Other Equity	11	91,860.61	88,770.01	79,694.07
Total Equity		96,526.88	93,214.53	83,638.59
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	12	527.76	1,010.16	1,906.35
Deferred Tax Liabilities (net)	13	2,878.63	1,786.89	1,695.54
Provisions	14	1,788.95	1,490.97	1,120.71
Total Non-Current Liabilities		5,195.34	4,288.02	4,722.60
Current Liabilities				
Financial Liabilities				
Borrowings	15	16,673.38	17,366.13	13,848.70
Trade Payable	16	26,631.60	29,177.77	21,135.42
Other	17	6,433.86	7,815.50	4,315.19
Other Current Liabilities	18	8,342.21	6,205.83	4,524.94
Provisions	14	10,158.17	9,045.13	3,584.49
Total Current Liabilities		68,239.22	69,610.36	47,408.74
Total Equity and Liabilities		169,961.44	167,112.91	135,769.93
Significant Accounting Policies	1			
Notes on Financial Statements	2-51			

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**BALASORE ALLOYS LIMITED****CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in Lacs)

	Notes	2017-18	2016-17
INCOME			
Revenue From Operations	19	122,880.67	104,171.89
Other Income	20	6,068.17	2,216.29
Total Revenue (I)		128,948.84	106,388.17
EXPENSES:			
Cost of Raw Materials Consumed	21	46,040.99	29,306.40
Purchase of Stock-in-Trade		182.46	-
Excise Duty		1,846.38	2,990.46
(Increase)/ Decrease in Inventories	22	(882.31)	(523.04)
Power		32,601.04	27,840.68
Employee Benefit Expenses	23	7,038.43	6,300.40
Other Expenses	24	24,158.12	20,348.23
Depreciation & Amortization expenses	25	3,031.47	2,708.86
Finance Costs	26	4,616.38	3,934.22
Total (II)		118,632.96	92,906.21
Profit Before Exceptional Item (III)		10,315.88	13,481.96
Exceptional Items (Refer Note- 42)		2,661.81	-
Profit Before Taxes (IV)		7,654.07	13,481.96
Tax Expenses			
Current Tax		3,229.72	5,052.00
Deferred Tax Charge		1,102.38	126.78
Taxation Expenses of Earlier Years		(82.32)	(57.69)
Total Tax Expenses (V)		4,249.78	5,121.09
Profit For the Year [(IV) - (V)]		3,404.29	8,360.87
Other Comprehensive Income :			
i. Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of post employment benefit obligations		(30.72)	(102.37)
Income tax relating to item that will not be reclassified to Profit or Loss		10.63	35.43
Total Comprehensive Income For the Year		3,384.20	8,293.93
Earnings Per Equity Share (Nominal Value of Share ₹ 5/-)			
Basic EPS (₹)		3.81	10.52
Diluted EPS (₹)		3.47	9.85

Significant Accounting Policies 1
Notes on Financial Statements 2-51

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(₹ in Lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES:	Notes	2017-18	2016-17
Profit Before Tax		7,654.06	13,481.96
Adjustment For :			
Depreciation/Amortisation Expenses		3,031.47	(4,202.60)
Loss/(Profit) on Sale/Discard of Fixed Assets (Net)		32.18	34.68
Unrealized Foreign Exchange Gain/Loss		(520.33)	183.72
Unspent Liabilities no Longer Required Written Back		(324.15)	(50.80)
Fair valuation of investment		(3.93)	-
Irrecoverable Debts , Deposits & Advances Written Off		2,674.36	2.33
Provision for Doubtful Debts/Advances		3,072.75	619.51
Interest Expense		4,138.27	3,403.50
Interest Income		(577.57)	(542.75)
Operating Profit Before Working Capital Changes			
Movements in Working Capital :			
Increase/ (Decrease) in Trade Payables and Other Current Liabilities		816.00	10,155.06
Increase/ (decrease) in Provisions		281.78	459.13
Decrease / (Increase) in Trade Receivables		(797.76)	(1,422.14)
Decrease / (Increase) In Inventories		1,087.97	(7,037.17)
Decrease / (Increase) in Loans and Advances and Other Assets		(6,600.29)	(5,490.38)
Cash Generated From /(Used in) Operations		13,964.81	9,594.06
Taxes Paid (Net)		(2,916.15)	(636.91)
Net Cash Flow From Operating Activities (A)		11,048.66	8,957.15
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including CWIP and Capital Advances)		(4,900.87)	(10,649.98)
Purchase of Investment		(115.00)	(367.20)
Sale of Investment		30.02	-
Proceeds From Sale of Fixed Assets		-	3.26
Maturity of/(Investment in) Fixed Deposit		485.49	(1,497.41)
Interest Received		911.86	689.43
Net Cash Flow From/(Used) in Investing Activities (B)		(3,588.50)	(11,821.90)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From/(conversion of) Money Received Against Share Warrant		723.22	1,921.17
Repayment of Long-Term Borrowings		(3,097.50)	(2,047.96)
Proceeds of Long-Term Borrowings		395.42	2,353.99
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)		(898.76)	(453.72)
Net Movement in Short-term Borrowings		(692.74)	3,563.69
Interest Paid		(3,015.25)	(2,384.56)
Net Cash Flow From/ (Used) in Financing Activities (C)		(6,585.61)	2,952.62
Exchange Difference or Transaction of Foreign Subsidiaries (D)		7.33	(69.46)
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C +D)		881.88	18.41
Cash & Cash Equivalents as at the Beginning of the Year		784.48	766.07
Cash & Cash Equivalents as at the End of the Year		1,666.36	784.48
Cash & Cash Equivalents as at the End of the Year Includes			
Cash-on-Hand		224.69	187.48
Cheques/ drafts on hand		690.13	335.00
Balances with Banks:			
In Current Accounts		625.82	165.96
In Unpaid Dividend Account *		125.72	96.04
Cash and Cash Equivalents at the End of the Year (Refer Note 9)		1,666.36	784.48
Change in liabilities arising from financing activities-			
	1st April, 2017	Cash Flow	31st March, 2018
Short Term Borrowing	17,366.13	(692.74)	16,673.38
Long Term Borrowing	4,152.21	(2,702.08)	1,450.13

Summary of Significant Accounting Policies

1

*The company can utilize these balance only towards settlement of the respective unpaid dividend.

The accompanying notes are forming part of the financial statements.

As per our report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Place : Kolkata
Date : 28th May, 2018

For and on behalf of the Board of Directors
Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024



BALASORE ALLOYS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(a) Equity share capital

	No. of Shares	(₹ in Lacs) Amount
Balance at the beginning of the reporting period i.e. 1st April, 2016	78,890,411	3,944.52
Changes in equity share capital	10,000,000	500.00
Balance at the end of reporting period i.e. 31st March, 2017	88,890,411	4,444.52
Changes in equity share capital	4,435,000	221.75
Balance as at 31st March, 2018	93,325,411	4,666.27

(b) Other Equity

Other Equity	Reserves and Surplus								(₹ in Lacs)	
Particulars	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Foreign Currency Translation Reserve	Other comprehensive Income Remeasurement of Post Employment Benefits Obligations	Total	
AS ON 31ST MARCH, 2017										
Balance at the beginning of the reporting period i.e. 1st April, 2016	935.89	683.82	3,236.00	7,923.20		739.98	66,175.18	-	-	79,694.07
Total Comprehensive Income for the year	-	-	-	-		-	8,360.87	-	(66.94)	8,293.93
Transfer from/(to) retained earnings	-	-	-	-		(372.94)	372.94	-	-	-
Dividend	-	-	-	-		-	(473.34)	-	-	(473.34)
Tax on dividend	-	-	-	-		-	(96.36)	-	-	(96.36)
On issue of Shares	(228.83)	-	1,650.00	-		-	-	-	-	1,421.17
Addition/(Deduction) for the year	-	-	-	-		-	-	(69.46)	-	(69.46)
Balance at the end of reporting period i.e. 31st March, 2017	707.06	683.82	4,886.00	7,923.20		367.04	74,339.29	(69.46)	(66.94)	88,770.00

Particulars	Reserves and Surplus								Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Foreign Currency Translation Reserve	Other comprehensive Income Remeasurement of Post Employment Benefits Obligations	
AS ON 31ST MARCH, 2018									
Balance at the beginning of the reporting period i.e. 1st April, 2017	707.06	683.82	4,886.00	7,923.20	367.04	74,339.29	(69.46)	(66.94)	88,770.00
Total Comprehensive Income for the year	-	-	-	-	-	3,404.29	-	(20.09)	3,384.20
Transfer from/(to) retained earnings	-	-	-	-	(367.04)	367.04	-	-	-
Dividend	-	-	-	-	-	(666.68)	-	-	(666.68)
Tax on dividend	-	-	-	-	-	(135.72)	-	-	(135.72)
On issue of Shares	(230.31)	-	731.78	-	-	-	-	-	501.47
Addition/(Deduction) for the year	-	-	-	-	-	-	7.33	-	7.33
Balance at the end of reporting period i.e. 31st March, 2018	476.75	683.82	5,617.78	7,923.20	-	77,308.22	(62.13)	(87.03)	91,860.60

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****1A. General information**

Balasore Alloys Limited (the Company) is a public company domiciled in India and incorporated in 1984 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and The Calcutta Stock Exchange Limited. The Company have its registered office and manufacturing facility at Balasore and Sukinda, Odisha.

The Company is primarily engaged in raising of Chrome Ore from its captive mines located in Odisha and manufacturing and selling of Ferro Chrome of various grades.

1B. Significant Accounting policies**A. Basis of preparation**

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) including the rules notified under the relevant provisions of the Companies Act, 2013. The financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 April, 2016. Refer note 49 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and its net profit.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
 1. Certain financial instruments (including derivative instruments) measured at fair value through profit or loss
 2. Defined benefit plans - plan assets measured at fair value

B. Principles of Consolidation

The consolidated financial statements relate to Balasore Alloys Limited ('the Company') and its following subsidiary companies and associate :

Name of the Companies	Relationship	Country of Incorporation	Proportion of Ownership / Interest		
			31st March, 2018	31st March, 2017	1 st April, 2016
Milton Holding Limited	Subsidiary	Mauritius	100 %	100 %	100 %
Balasore Metals Pte Limited	Subsidiary	Singapore	100%	100%	100%
Balasore Alloys Nigeria Ltd	Subsidiary	Nigeria	99%	99%	-
Balasore Energy Limited	Associate	India	34%	34%	34%

The consolidated financial statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- (c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve through OCI.
- (d) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (e) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- (f) Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (g) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- (i) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates Statement of Profit and Loss and through its reserves for the balance based on available information.

C. Other Significant Accounting Policies

A. Property, plant and equipment/ Capital Work In Progress

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Projects under commissioning and other Capital Work-in-Progress are carried at costs, comprising direct cost, related incidental expenses and interest on borrowings.

Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method.

Leasehold land and improvements are amortised over the lease period.

Mining Lease is depreciated based on unit of production method.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fairvalue at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the lease period. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

C. Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is as follows:

Particulars	Depreciation
Computer Software	Over the period of 3 years
Mines Development	Over the period of 5 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

D. Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

E. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

F. Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

G. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for decommissioning liability

The Company records a provision for decommissioning costs towards site restoration activity. Decommissioning costs are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfil decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

H. Employee Benefits Expense**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

I. Tax Expenses

The tax expense for the period comprises current and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****- Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

J. Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

K. Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably and excluding taxes or duties collected on behalf of the government.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the amount has been established.

Export Obligations / Entitlements / Incentives

Benefit/(Obligation) on account of entitlement on export or deemed export orders, to import duty-free raw materials, under the various Exim Schemes are estimated and accounted in the year in which the export/deemed export orders are executed.

L. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

M. Earnings per share

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

N. Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

O. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

P. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Executive Committee assesses the financial performance and position of the Company, and makes strategic decisions.

The CODM reviews performance of the whole company for the purpose of allocating resources based on an analysis of various performance indicators. Company has only reportable segment i.e. Manufacturing/Mining of Ferro Alloys on an overall basis.

Q. Financial instruments

(i) Financial Assets

A. Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****D. Equity Investment**

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss.

E. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial Liabilities**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost.

Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps and forwards & options to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

b) Fair Value Hedge

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

(iv) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

a) Decommissioning Liabilities

The liability for decommissioning costs are recognized when the Company has obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions.

b) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

c) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****e) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1D. Standards issued but not effective

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

1E. First Time Adoption of IND AS

I. First time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions :

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

Ind AS 101 permits a first time adopter to continue with 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, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its PPE and intangible asset at their previous GAAP carrying values.

b) Cumulative Translation Difference

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
2. FIXED ASSETS

(₹ in Lacs)

Description	Gross Block			Depreciation/Amortisation			Net block	
	As at 1st April, 2017	Additions	Deductions/ Adjustments	As at 31st March, 2018	As at 1st April, 2017	For the year	As at 31st March, 2018	As at 31st March, 2018
Property, Plant & Equipment								
(i) Tangible assets								
Own assets:								
Freehold land	403.06	-	-	403.06	-	-	-	403.06
Buildings	11,637.84	101.31	-	11,739.15	3,839.55	808.79	4,648.34	7,090.81
Plant and machinery	31,814.94	3,102.82	535.96	34,381.80	15,198.48	1,120.16	15,809.47	18,572.34
Office Equipment	391.03	35.72	-	426.75	268.42	40.97	309.39	117.36
Furniture and fixtures	448.21	80.52	-	528.73	248.86	30.92	279.78	248.96
Vehicles	1,904.64	22.10	-	1,926.74	353.89	225.79	579.68	1,347.06
Computer & Peripherals	395.91	76.98	0.39	472.50	293.95	55.32	348.90	123.60
Sub-Total	46,995.63	3,419.46	536.35	49,878.74	20,203.15	2,281.95	21,975.54	27,903.19
Leased assets:								
Leasehold land	82.66	-	-	82.66	11.88	1.24	13.12	69.54
Mining Lease	85,279.23	-	-	85,279.23	29,633.92	377.19	30,011.11	55,268.12
Sub-Total	85,361.89	-	-	85,361.89	29,645.80	378.43	30,024.23	55,337.66
Total (i)	132,357.52	3,419.46	536.35	135,240.63	49,848.95	2,660.38	51,999.78	83,240.85
(ii) Intangible assets								
Computer Software	678.37	627.78	-	1,306.15	504.86	192.03	696.89	609.26
Mines Development	2,413.04	796.57	-	3,209.61	502.92	176.93	679.85	2,529.76
Goodwill	11.27	-	-	11.27	1.24	2.14	3.38	7.89
Total (ii)	3,102.68	1,424.35	-	4,527.03	1,009.02	371.09	1,380.11	3,146.91
Total (i+ii)	135,460.20	4,843.81	536.35	139,767.66	50,857.97	3,031.47	53,379.89	86,387.76
Capital work-in-progress								11,993.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018



BALASORE ALLOYS LIMITED

2. FIXED ASSETS (Contd.) (₹ in Lacs)

Description	Gross Block			Depreciation/ amortisation			Net block As at 31st March, 2017
	As at 1st April, 2016	Additions	Deductions/ Adjustments	As at 31st March, 2017	For the year	Deductions/ Adjustments	
(i) Tangible assets							
Own assets:							
Freehold land	425.41	0.21	22.56	403.06	-	-	403.06
Buildings	10,759.04	886.09	7.29	11,637.84	795.81	0.04	7,798.29
Plant and machinery	27,978.85	3,836.09	-	31,814.94	1,064.81	-	16,616.46
Office Equipment	342.02	53.22	4.21	391.03	42.04	4.00	122.61
Furniture and fixtures	428.75	19.46	-	448.21	27.75	-	199.35
Vehicles	938.05	976.72	10.13	1,904.64	128.19	5.48	1,550.75
Computer & Peripherals	363.65	32.68	0.42	395.91	58.90	0.40	101.96
Sub-Total	41,235.77	5,804.47	44.61	46,995.63	2,117.50	9.92	26,792.48
Leased assets:							
Leasehold land	82.66	-	-	82.66	1.24	-	70.78
Mining Lease	85,279.23	-	-	85,279.23	429.49	-	55,645.31
Sub-Total	85,361.89	-	-	85,361.89	430.73	-	55,716.09
Total (i)	126,597.66	5,804.47	44.61	132,357.52	2,548.23	9.92	82,508.57
(ii) Intangible assets							
Computer Software	652.55	25.82	-	678.37	67.97	-	173.51
Mines Development	1,982.66	430.38	-	2,413.04	91.42	-	1,910.12
Goodwill	-	11.27	-	11.27	1.24	-	10.03 -
Total (ii)	2,635.21	467.47	-	3,102.68	160.63	-	2,093.66
Total (i+ii)	129,232.87	6,271.94	44.61	135,460.20	2,708.86	9.92	84,602.23
Capital work-in-progress							9,426.55

2.1 Capital Work-in-progress include:

- ₹ 1,012.75 Lacs (₹ 1,012.75 Lacs) on account of project development expenditure.
- ₹ 515.79 Lacs (₹ 910.67 Lacs) on account of cost of construction materials at site.

2.2 Project Development Expenditure (In respect of projects upto 31st March, 2018, included under capital work in progress)

Particulars	2017-2018	2016-2017
Opening Balance	1,012.75	1,556.69
Add:		
Employee Benefit Expenses	-	32.20
Travelling And Conveyance	-	5.02
Miscellaneous Expenses	-	96.35
Total	-	133.57
Less: Project Development Expenses capitalised during the year	-	677.51
Closing Balance	1,012.75	1,012.75

2.3 For Assets Pledged as security - Refer Note 12.2 & 15.1


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
3. Non-Current Investments

(₹ in Lacs)

		Non Current			
	Unit	As at	Unit	As at	Unit
	31st March, 2018	31st March, 2017	31st March, 2017	31st March, 2017	1st April, 2016
A. Investment measured at Amortised cost					
(i) Investment in government securities					
6 years National Savings Certificates (Deposited with Government Departments)		0.95		0.95	0.95
(ii) Investment in Unquoted debentures					
9% Unsecured redeemable non-convertible debentures of ₹ 100 each fully paid-up in Krish Trexim Private Limited	1217200	1,217.20	1217200	1,217.20	850000
					850.00
Total of investment measured at Amortised cost (A= i+ii)		<u>1,218.15</u>		<u>1,218.15</u>	<u>850.95</u>
B. Investment measured at Fair value through Profit and Loss					
Unquoted equity shares					
(i) Investment in associate					
Equity Shares of ₹ 10 each fully paid-up in Balasore Energy Limited	170000	-	170000	-	170000
					-
(ii) Investment in Other					
Equity shares of ₹ 10 each fully paid-up in Facor Power Limited	3000000	-	3000000	-	3000000
					-
(iii) Unquoted equity shares					
Equity shares of ₹ 10 each fully paid-up in Elephanta Gases Limited	300000	404.60	300000	405.06	300000
					405.06
(iv) Unquoted mutual funds					
State Bank of India					
Dual Advantage Fund - Series- V	NIL	-	250000	30.02	250000
					26.77
Dual Advantage Fund - Series- X	100000	11.89	100000	10.23	100000
					10.23
Dual Advantage Fund - Series- XXVI	350000	35.21	-	-	-
					-
Dual Advantage Fund - Series- XXIII	200000	20.53	-	-	-
					-
Dual Advantage Fund - Series- XXIV	200000	20.27	-	-	-
					-
Dual Advantage Fund - Series- XXVII	200000	20.00	-	-	-
					-
Dual Advantage Fund - Series- XXV	200000	20.01	-	-	-
					-
Total of Investment measured at Fair value through Profit and Loss (B = i to iv)		<u>532.51</u>		<u>445.31</u>	<u>442.06</u>
Total (A + B)		<u>1,752.36</u>		<u>1,663.46</u>	<u>1,293.01</u>


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
4. Loans (₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current			Current		
	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016
Loans						
Body Corporates	-	-	-	1,746.89	1,859.20	1,382.00
Body Corporates - Related Parties (Refer Note - 35)	-	2,267.00	2,267.00	1,097.69	564.00	-
Advance to Employees	-	-	-	96.76	68.09	52.31
	-	2,267.00	2,267.00	2,941.33	2,491.29	1,434.31

5. Other Financial Assets (₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current			Current		
	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016
Rent Deposit	538.36	406.26	375.03	108.03	105.48	104.42
Other Deposit	275.55	274.38	313.54	0.76	0.26	1.46
Security Deposits	-	-	-	2,409.93	2,445.21	2,332.34
Derivative Asset	-	-	-	-	-	333.24
Interest Receivable on						
Bank Deposits	-	-	-	16.87	22.69	13.93
Long-term investments	-	-	-	98.59	98.59	367.20
Loans, Other Deposits	-	-	-	198.36	527.33	412.96
	813.91	680.64	688.57	2,832.54	3,199.57	3,565.55

6. Other Assets (₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current			Current		
	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016	As at 31st March,2018	As at 31st March,2017	As at 1st April ,2016
Capital advances						
Considered good	16,987.23	20,094.43	7,459.14	-	-	-
Considered doubtful	17.50	-	-	-	-	-
	17,004.73	20,094.43	7,459.14	-	-	-
Provision for doubtful advances	(17.50)	-	-	-	-	-
(A)	16,987.23	20,094.43	7,459.14	-	-	-
Advances towards supply/ services/Expenses						
Considered good - Others	-	-	-	14,625.08	10,672.40	9,639.36
Considered doubtful - Others	-	-	-	3,673.03	614.64	9.64
	-	-	-	18,298.11	11,287.04	9,649.00
Provision for doubtful advances	-	-	-	(3,673.03)	(614.64)	(9.64)
(B)	-	-	-	14,625.08	10,672.40	9,639.36
Others						
Balances with statutory/ government authorities	-	-	-	2,908.31	3,756.15	1,552.39
Export benefits receivables	-	-	-	585.10	872.82	709.14
Prepaid Expenses	-	-	-	240.68	480.57	172.20
(C)	-	-	-	3,734.09	5,109.54	2,433.73
Total	(A to C) 16,987.23	20,094.43	7,459.14	18,359.17	15,781.94	12,073.09

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****7. Inventories**

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials and components [includes in transit and pledged ₹ 3,351.24 Lacs (31st March, 2017 - ₹ 3,559.92 Lacs) (1st April, 2016 - ₹ 32.70 lacs)]	13,936.55	16,680.76	10,562.18
Stores, Spares & Consumables	2,598.61	1,818.20	1,429.11
Finished goods	1,288.62	897.32	607.78
Stock under process	889.27	436.81	169.31
At estimated net realisable value			
Saleable Scraps	511.25	479.18	506.72
7.1 Inventory given as security against borrowings Refer note - 15.1			
Total	19,224.30	20,312.27	13,275.11

8. Trade Receivables**(Unsecured, considered good unless stated otherwise)**

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other receivables	5,313.36	3,985.39	2,457.97
Considered doubtful	14.51	14.51	-
	5,327.87	3,999.90	2,457.97
Provision for doubtful receivables	(14.51)	(14.51)	-
Total	5,313.36	3,985.39	2,457.97

8.1 Trade Receivables are netted with Bill discounting of ₹ 5,011.85 lacs (31st March, 2017 - ₹ 1,989.87 lacs) (1st April, 2016 - ₹ 4,606.43 lacs)

9. Cash and Bank Balances

(₹ in lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash and cash equivalents			
Balances with banks:			
In current accounts	625.82	165.96	491.49
In Deposit (Maturity of three months or less)#	878.72	545.75	23.46
In unpaid dividend account	125.72	96.04	76.42
Cheques on hand	690.13	335.00	-
Cash on hand	224.69	187.48	198.16
(A)	2,545.08	1,330.23	789.53
Other bank balances			
Margin money deposit #	877.08	1,695.54	720.42
(B)	877.08	1,695.54	720.42
Less : Book Overdraft	(C)		
	66.07	417.62	352.41
Total (A+B+C)	3,356.09	2,608.15	1,157.54

Fixed deposits are pledged with banks as security against guarantees / letters of credit issued by them.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
10. Equity Share Capital

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Authorized Shares			
Equity Shares of ₹ 5/- Each	10,000.00	10,000.00	10,000.00
200,000,000 (31st March, 2017-200,000,000, 1st April, 2016 - 200,000,000)			
Issued and Subscribed Shares			
Equity Shares of ₹ 5/- Each	4,818.46	4,596.71	4,096.71
96,369,263 (31st March, 2017-91,934,263, 1st April, 2016 - 81,934,263)			
Paid-up Shares			
Equity Shares of ₹ 5/- Each Fully Paid up	4,666.27	4,444.52	3,944.52
93,325,411 (31st March, 2017 - 88,890,411, 1st April, 2016 - 78,890,411)			
Total	4,666.27	4,444.52	3,944.52

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year
Equity Shares

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
At the Beginning of the Year	888.90	4,444.52	788.90	3,944.52	708.90	3544.52
Issued During the Year	44.35	221.75	100.00	500.00	80.00	400.00
Outstanding at the End of the Year	933.25	4,666.27	888.90	4,444.52	788.90	3,944.52

(b) Terms/ Rights Attached to Equity Shares

- The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.
- In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% equity shares in the company

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Goldline Tracom Private Limited	12,402,346	15.72%	12,402,346	13.95%	12,402,346	15.72%
Jal Tarang Vanijya Private Limited	8,000,000	8.57%	8,000,000	9.00%	8,000,000	10.14%
Navoday Highrise Private Limited	6,942,674	7.44%	7,346,635	8.26%	7,346,635	9.31%
Global Steel Holdings Asia Pte. Limited	6,639,983	7.11%	2,900,000	3.26%	-	-
Prasan Global Ventures Singapore Pte. Limited	4,895,017	5.25%	4,200,000	4.72%	-	-
Navoday Niketan Private Limited	4,100,000	4.39%	4,953,215	5.57%	4,953,215	6.28%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****11. Other Equity**

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Capital Reserve			
Balance as per the last financial statements			
Capital investment subsidy (a)	41.96	41.96	41.96
Amount arisen on forfeiture of equity warrants (b)	490.00	490.00	490.00
Amount arisen on forfeiture of equity shares (c)	151.86	151.86	151.86
Closing Balance (a+b+c)	683.82	683.82	683.82
Securities Premium Account			
Balance as per the last financial statements	4,886.00	3,236.00	
Add : On issue of Shares	731.78	1,650.00	
Closing Balance (d)	5,617.78	4,886.00	3,236.00
General Reserve			
Balance as per the last financial statements (e)	7,923.20	7,923.20	7,923.20
Debenture Redemption Reserve			
Balance as per the last financial statements	367.04	739.98	
Add : Transfer From/(to) Profit and Loss Account	(367.04)	(372.94)	
Closing Balance (f)	-	367.04	739.98
Money Received Against Equity Share Warrants (g)	476.75	707.06	935.89
Foreign Currency Translation Reserve			
Balance as per the last financial statements	(69.46)	-	
Addition/(Deduction) for the year	7.33	(69.46)	
Closing Balance (h)	(62.13)	(69.46)	
Other Comprehensive Income			
Balance as per the last financial statements	(66.94)	-	
Add : Movement in OCI (Net) during the year	(20.09)	(66.94)	
Closing Balance (i)	(87.03)	(66.94)	
Surplus in the Profit and Loss Account			
Balance as per the last financial statements	74,339.29	66,175.18	
Profit For The Year	3,404.29	8,360.87	
	77,743.58	74,536.05	
Less: Appropriations			
Transfer (to)/from debenture redemption reserve	367.04	372.94	
Proposed dividend	(666.68)	(473.34)	
Tax on dividend	(135.72)	(96.36)	
	(435.36)	(196.76)	
Net surplus in the Profit and Loss Account (j)	77,308.22	74,339.29	66,175.18
Total Other Equity (a to j)	91,860.61	88,770.01	79,694.07

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****11. Other Equity (Contd.)****11.1 Nature and Purpose of Reserve****1. Capital Reserve**

Capital Reserve is created by way of capital subsidy received from Odisha State Financial Corporation and due to forfeiture of application money received on warrants and partly paid up shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

2. Securities Premium Account

Securities Premium Account represents the premium received on issue of equity shares. In accordance with the provisions of Section 52 of the Companies Act, 2013 the securities premium account can only be utilised for the purpose of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

3. General Reserve

General Reserve forms part of retained earnings and is permitted to be distributed to shareholders as part of dividend.

4. Debenture Redemption Reserve

The Companies Act requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures.

11.2 Money Received Against Equity Share Warrants

For the year ended 31st March, 2017

Pursuant to the consent of Board of Directors of the Company on 15th March, 2016, the special resolution passed by the members of the Company on 26th September, 2016 and other necessary approvals as required, the Committee for preferential issue of Warrants of the Board of Directors of the Company at its meeting held on 3rd November, 2016 approved the issue and allotment of 2,30,00,000 number of warrants, at the issue price of ₹ 21.50 per warrants, upon receipt of 25% of total consideration of ₹ 1,236.25 lacs, to promoter entities of the Company. Each warrants is convertible into equivalent number of equity shares of ₹ 5/- each at premium of ₹ 16.50 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. Accordingly the Company has received ₹ 1,244.56 lacs as stated above. During the year on 31st March, 2017 the Company has allotted 1,00,00,000 equity shares of face value of ₹ 5/- each to the warrant holders on exercise of the conversion right and receipt of balance payment.

For the year ended 31st March, 2018

During the year on 30th March, 2018 the Company has allotted 44,35,000 equity shares of face value of ₹ 5/- each to the warrant holders on exercise of the conversion right and receipt of balance payment. Also, Subsequent to the year end, due to non-receipt of balance payment pertaining to 88,65,000 warrants, on 15th May, 2018 the company has forfeited the money received against equity share warrants.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
12. Long-Term Borrowings

(₹ in Lacs)

	Non Current Position			Current Maturities		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured loan at amortised cost						
Deferred Payment Credits	527.76	1,010.16	344.44	482.38	645.60	377.91
Total (i)	527.76	1,010.16	344.44	482.38	645.60	377.91
11% Redeemable Non-Convertible Debentures						
STATE BANK OF INDIA	-	-	1,331.53	-	1,331.52	1,331.53
Date	Number	FaceValue in ₹				
31st March 2018	NIL	NIL				
31st March 2017	3,994,580	33				
1st April 2016	3,994,580	100				
STATE BANK OF HYDERABAD	-	-	166.31	-	166.31	166.31
Date	Number	FaceValue in ₹				
31st March 2018	NIL	NIL				
31st March 2017	498,940	33				
1st April 2016	498,940	100				
ALLAHABAD BANK	-	-	64.07	-	23.62	64.07
Date	Number	FaceValue in ₹				
31st March 2018	NIL	NIL				
31st March 2017	192,200	12				
1st April 2016	192,200	100				
Total (ii)	-	-	1,561.91	-	1,521.45	1,561.91
Unsecured Loan at amortised cost						
Loans from Body Corporate	-	-	-	440.00	975.00	-
Total (iii)	-	-	-	440.00	975.00	-
Total (i+ii+iii)	527.76	1,010.16	1,906.35	922.38	3,142.05	1,939.82

12.1 Repayment terms
(i) Deferred Payment Credits
For the Year ended 31st March, 2018

(₹ in Lacs)

Particulars	2018-19	2019-20	2020-21	2021-22
Deferred Payment Credits	482.38	412.53	109.20	6.03

12.2 Security Terms
(i) Deferred Payment Credits

Deferred Payment Credits are Secured Against Hypothecation of Assets Purchased Against Such Loans.

(ii) 11% Redeemable Non-Convertible Debentures

Redeemable Non-Convertible Debentures Referred Above are Secured by Way of Residual Charge on Assets (both movable and non-movable) of the Company and personal guarantee of Mr. Pramod Mittal & Mrs. Vartika Mittal Goenka

(iii) Loans from Body Corporate - Secured against part of promoter's shareholding.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****13. Deferred Tax Liabilities (net)**

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At Start of Year	1,786.89	1,695.54	
Charge/(credit) to Statement of Profit and Loss	1,091.74	91.35	
	2,878.63	1,786.89	1,695.54

13.1 Refer Note -30 for component of Deferred Tax.

14. Provisions

(₹ in Lacs)

	Non Current Provisions			Current Provisions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits: (Refer Note 28)						
Gratuity	1,093.09	880.93	669.30	53.87	50.42	12.61
Superannuation	-	-	-	75.71	61.95	40.62
Compensated Absences	529.83	482.68	398.11	51.43	54.12	24.39
	1,622.92	1,363.61	1,067.41	181.01	166.49	77.62
Other Provisions For -						
Taxation (Net of Advance Taxes)	-	-	-	9,977.16	8,782.28	3,506.87
Site Restoration	166.03	127.36	53.30	-	-	-
Tax on Dividend	-	-	-	-	96.36	-
	166.03	127.36	53.30	9,977.16	8,878.64	3,506.87
Total	1,788.95	1,490.97	1,120.71	10,158.17	9,045.13	3,584.49

14.1 Provision for site restoration

(₹ in Lacs)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
At The Beginning Of The Year	127.36	53.30	50.00
Arisen During The Year	38.67	74.06	3.30
Utilized During The Year	-	-	-
At The End Of The Year	166.03	127.36	53.30
Non-Current Portion	166.03	127.36	53.30

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****15. Short-Term Borrowings**

(₹ in Lacs)

		As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
A) Secured loans - at amortised cost				
Working capital loan				
From Bank-				
Rupee loan		4,867.75	7,469.08	3,852.18
Foreign Currency loan		4,245.24	1,640.00	3,772.51
	(A)	9,112.99	9,109.08	7,624.69
B) Unsecured loans - at amortised cost				
Loans from body corporates		1,850.00	2,270.00	1,723.00
	(B)	1,850.00	2,270.00	1,723.00
C) Acceptances	(C)	5,710.39	5,987.05	4,501.01
Total	(A+B+C)	16,673.38	17,366.13	13,848.70

15.1. For the year ended 31st March, 2018 -

Working capital loan from banks referred above are secured by first charge over current assets and fixed assets of the Company. The loans are also secured by pledge of a part of shareholding of the promoter group [including shares held by Mr Pramod Mittal ((ceased to be director w.e.f 22th August, 2017) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010). The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal ,Mrs Vartika Mittal Goenka and corporate guarantee of Shakti Chrome Limited, Ispat Minerals Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.

For the year ended 31st March, 2017 -

Working capital loan from banks referred above are secured by first charge over current assets and fixed assets of the Company. The loans are also secured by pledge of a part of shareholding of the promoter group [including shares held by Mr Pramod Mittal (a director) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010)] . The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal ,Mrs Vartika Mittal Goenka and corporate guarantee of Shakti Chrome Limited, Ispat Minerals Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.

For the year ended 1st April, 2016 -

Working capital loan from banks referred above are secured by first charge over current assets and fixed assets of the Company. The loans are also secured by pledge of a part of shareholding of the promoter group [including shares held by Mr Pramod Mittal (a director) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010)] . The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal ,Mr V K Mittal(for part of secured loan) ,Mrs Vartika Mittal Goenka (for part of secured loan) and corporate guarantee of Shakti Chrome Limited, Ispat Minerals Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.

**BALASORE ALLOYS LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****16. Trade Payables**

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Micro and Small Enterprises	4.52	18.09	45.89
Creditor For Goods, Services etc (Including retention money)	26,627.08	29,159.68	21,089.53
Total	26,631.60	29,177.77	21,135.42

16.1. The details of amounts outstanding to Micro and Small Enterprises based on available information with the company is as Under:

Particulars	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Principal Amount Due and Remaining Unpaid	4.52	18.09	45.89
Interest Due on Above and The Unpaid Interest	10.57	8.52	6.06
Interest Paid	-	-	-
Payment Made Beyond the Appointed Day During the Year	-	-	-
Interest Due and Payable for the Period of Delay	2.05	2.47	6.06
Interest Accrued and Remaining Unpaid	2.05	2.47	6.06
Amount of further interest remaining due and payable in succeeding years	10.57	8.52	6.06

17. Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Current Maturities of long term Debts (Refer Note 12)	922.38	3,142.05	1,939.82
Interest accrued but not due on borrowings	20.47	10.03	2.50
Interest accrued and due on borrowings	338.33	189.38	96.01
Creditors for Capital expenditure	1,762.77	2,337.32	586.53
Unpaid Dividend (Refer Note 17.1)	125.72	96.04	76.42
Claims Payable	973.17	937.41	765.11
Derivative Liabilities	163.29	-	-
Other (Refer Note 17.2)	2,127.73	1,103.27	848.80
Total	6,433.86	7,815.50	4,315.19

17.1. These does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund

17.2. It includes ₹ 2,104.11 lacs (31st March, 2017- ₹ 1,103.27 lacs, 1st April, 2016 - ₹ 848.80 lacs) payables against arrangement for procurement of raw materials.

18. Other Current liabilities

	As at 31st March, 2018	As at 31st March, 2017	(₹ in Lacs) As at 1st April, 2016
Advance from customers	6,480.71	2,496.74	2,674.94
Statutory Dues	1,747.51	3,390.51	1,610.15
Other liabilities	113.99	318.58	239.85
Total	8,342.21	6,205.83	4,524.94

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

19. Revenue From Operations		(₹ in Lacs)
	2017-18	2016-17
Revenue from operations		
Sale of products		
Finished goods	120,079.70	100,862.00
Saleable Scraps	769.76	517.61
Other operating revenue		
Export Benefits	1,710.46	2,632.43
Scrap sales	320.75	159.85
Revenue from operations	122,880.67	104,171.89
20. Other Income		(₹ in Lacs)
	2017-18	2016-17
Interest income from financial assets at amortised cost		
Bank deposits	100.27	79.63
Loans	319.47	351.28
Others	157.83	143.07
Insurance Claims	19.10	10.06
Profit on sale of fixed assets	6.07	-
Gain on Financial Assets	2.73	3.25
Unspent liabilities no longer required written back	324.15	50.80
Gain on Foreign Exchange Fluctuation (net)	2,219.27	1,526.56
Others (Refer note 41)	2,919.28	51.64
Total	6,068.17	2,216.29
21. Cost of Raw Materials Consumed		(₹ in Lacs)
	2017-18	2016-17
Inventory at the beginning of the year	16,680.76	10,562.18
Add: Purchases and other related expenses (including captive)	43,296.78	35,424.98
	59,977.54	45,987.16
Less: Inventory at the end of the year	13,936.55	16,680.76
Cost of raw materials consumed	46,040.99	29,306.40
a) Details of Raw Materials Consumed		(₹ in Lacs)
	2017-18	2016-17
Chrome Ore (including own generation/briquetted)	26,687.59	15,324.73
Coal and Coke etc.	16,190.65	10,045.66
Carbon Paste	926.73	616.15
Quartz	691.37	741.37
Magnesite	899.77	653.43
Dolomite	319.79	266.95
Others	325.09	1,658.11
Total	46,040.99	29,306.40

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****22. (Increase)/ decrease in Inventories**

(₹ in Lacs)

	<u>2017-18</u>	<u>2016-17</u>
Inventories at the end of the year:		
Stock under process	889.27	436.81
Finished goods	1,288.43	897.32
Saleable Scraps	521.07	489.00
	<u>2,698.77</u>	<u>1,823.12</u>
Inventories at the beginning of the year:		
Stock under process	436.81	169.31
Finished goods	897.32	607.78
Saleable Scraps	489.00	517.33
	<u>1,823.12</u>	<u>1,294.42</u>
Less: (Increase)/decrease of excise duty on inventories	6.66	(5.67)
Total	<u>(882.31)</u>	<u>(523.04)</u>

22.1 Excise Duty & Cess on inventories represents differential excise duty and cess on opening and closing stock of Finished Goods and processable scrap.

23. Employee Benefits Expense

(₹ in Lacs)

	<u>2017-18</u>	<u>2016-17</u>
Salaries, wages and bonus	5,972.99	5,344.07
Contribution to provident and other funds	323.53	279.09
Gratuity expense	185.50	147.23
Staff welfare expenses	556.41	530.01
Total	<u>7,038.43</u>	<u>6,300.40</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****24. Other Expenses**

(₹ in Lacs)

	2017-18	2016-17
Consumption of stores and spares	3,327.56	3,052.51
Contract Labour Charges	2,798.57	2,432.19
Packing and Carriage charges	4,403.72	3,103.23
Rent & Hire Charges	1,001.72	1,066.26
Rates and taxes	76.47	69.23
Insurance	169.87	136.89
Repairs and maintenance		
Plant and machinery	1,505.00	989.65
Buildings	99.87	64.77
Others	336.38	374.45
Commission on Sales (other than sole selling agent)	227.42	1,522.07
Travelling and conveyance	1,450.23	1,843.05
Charity and Donations	15.04	13.64
Communication costs	208.88	174.72
Legal and professional fees	3,500.59	2,967.43
Directors' sitting fees	57.76	34.70
Auditors' Remuneration as auditor:		
Audit fee	103.29	87.34
In Other Capacity for Certification	15.00	15.65
Reimbursement of Expenses to auditor	0.09	0.04
Corporate Social Responsibility Expenses (Refer Note - 24.1)	108.46	58.33
Site Development Expenses	143.54	167.77
Bad debts / advances written off	12.56	2.33
Claim Expenses	-	163.99
Provision for doubtful debts and advances	3,072.75	619.51
Loss on sale/Discard of fixed assets (net)	-	31.42
Miscellaneous expenses	1,523.35	1,357.05
Total	24,158.12	20,348.23

24.1- Note :

- a) CSR amount required to be spent as per section 135 of Companies Act, 2013, read with schedule-VII thereof by the company during the year is ₹ 146.08 lacs (Previous year ₹ 99.21 lacs)
- b) Expenditure related to Corporate Social Responsibility Expenses is ₹ 108.46 lacs (Previous year ₹ 58.33 lacs)

Details of Amount spent towards CSR given below :

(₹ in lacs)

Particulars	2017-18	2016-17
Rural Development (Infrastructure Development)	48.23	17.55
Swachha Bharat Mission	16.79	0.74
Environment Protection & Development	2.14	5.31
Youth Development	2.35	5.39
Supply of Safe Drinking Water	4.28	6.76
Education Development	8.06	4.45
Health Promotion	1.63	3.16
Tribal Development	7.88	2.69
Eradication of Hunger	0.35	5.00
Women empowerment	6.83	0.61
Community relation	9.92	-
Animal Welfare	-	0.25
Environmental Conservation	-	6.42
Total	108.46	58.33


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
25. Depreciation & Amortization Expenses

(₹ in Lacs)

	2017-18	2016-17
Depreciation of tangible assets	2,660.38	2,548.22
Amortization of intangible assets	371.09	160.64
	3,031.47	2,708.86

26. Finance Costs

(₹ in Lacs)

	2017-18	2016-17
Interest		
- To Banks [Net of recoveries from customers ₹ 83.53 lacs (₹ 192.39 lacs)]	1,355.52	1,166.65
- To Others	2,782.75	2,236.85
Other borrowing cost	470.17	513.41
Exchange difference to the extent considered as an adjustment to borrowing costs	7.94	17.31
Total	4,616.38	3,934.22

27. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

(All amounts in ₹ in lacs unless otherwise stated)

	31st March, 2018	31st March, 2017
Profit/(Loss) attributable to equity holders for basic earnings:	3,384.22	8,293.94
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	3,384.22	8,293.94

ii. Weighted average number of ordinary shares

	31st March, 2018	31st March, 2017
Present Weighted Average Equity Shares (In Numbers) for Basic EPS	8,89,14,712	7,88,90,411
Equivalent Weighted Average Equity Shares to be allotted against share warrant (In Numbers)	85,65,000	53,06,849
Weighted average number of shares at 31st March, for Diluted EPS	9,74,79,712	8,41,97,260

Basic and Diluted earnings per share

	31st March, 2018 INR	31st March, 2017 INR
Basic earnings per share	3.81	10.51
Diluted earnings per share	3.47	9.85

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****28. Employee benefits****(A) Defined Contribution Plan**

The contributions to the Provident Fund, Family Pension Fund and ESIC Fund of certain employees are made to a Government administered Fund and there are no further obligations beyond making such contribution.

₹ In lacs

	<u>31st March, 2018</u>	<u>31st March, 2017</u>
<u>Charge to the Statement of Profit and Loss based on contributions:</u>		
Employer's Contribution to Provident fund	255.19	213.36
Employer's Contribution to Supperannuation Fund	25.14	24.65
Employer's Contribution to ESIC	15.99	10.15

(B) Defined Benefit Plan**Gratuity**

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

₹ In lacs

	<u>31st March, 2018</u>	<u>31st March, 2017</u>	<u>1st April, 2016</u>
	<u>Gratuity</u>	<u>Gratuity</u>	<u>Gratuity</u>
	<u>(Funded plan)</u>	<u>(Funded plan)</u>	<u>(Funded plan)</u>
(i) <u>Change in Defined Benefit Obligation</u>			
Opening defined benefit obligation	1,097.26	859.58	892.86
<i>Amount recognised in profit and loss</i>			
Current service cost	117.80	94.66	114.78
Interest cost	77.24	65.61	67.06
<i>Amount recognised in other comprehensive income</i>			
Actuarial loss / (gain) arising from:			
Financial assumptions	(42.62)	54.56	0.93
Experience adjustment	80.65	59.80	(147.74)
<i>Other</i>			
Benefits paid	(69.51)	(36.95)	(68.31)
Closing defined benefit obligation	<u>1,260.82</u>	<u>1,097.26</u>	<u>859.58</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****28. Employee benefits (Contd.)**

₹ In lacs

	31st March, 2018	31st March, 2017	1st April, 2016
	Gratuity	Gratuity	Gratuity
	(Funded plan)	(Funded plan)	(Funded plan)
(ii) <u>Change in Fair Value of Assets</u>			
Opening fair value of plan assets	165.92	177.67	226.80
Adjustment to Opening Fair Value of Plan Asset	-		-
<i>Amount recognised in profit and loss</i>			
Interest income On Plan Asset	9.54	12.45	15.65
<i>Amount recognised in other comprehensive income</i>			
Actuarial gain / (loss)			
Excess/(insufficient) return on plan asset (excluding interest income)	7.31	11.99	(11.93)
<i>Other</i>			
Contributions by employer	0.22	0.76	15.46
Benefits paid	(69.51)	(36.95)	(68.31)
Closing fair value of plan assets	113.48	165.92	177.67
(iii) <u>Plan assets comprise the following</u>			
Investments with insurer (100%)	113.48	165.92	177.67
	113.48	165.92	177.67
(iv) <u>Principal actuarial assumptions used</u>			
Discount rate	7.62%	7.27%	7.80%
Mortality rate	(2006-08) Ultimate	(2006-08) Ultimate	(2006-08) Ultimate
Rate of escalation in salary (per annum)	10%	10%	10%
Expected Return on Plan Assets (per annum)	7.62%	7.27%	7.80%
Employee Attrition Rate			
Upto Age 40	4.2	4.2	4.2
Age 40 to 54	1.8	1.8	1.8
Age 55 to 57	2.2	2.2	2.2
Defined Benefit Plan			
(v) Expenses recognized in the statement of profit and loss for respective years are as follows			
Current service cost	117.80	94.66	114.78
Interest cost on net DBO	67.70	53.16	51.41
Employee Benefit Cost Of The Period	185.50	147.82	166.19
Actual return on plan assets	16.85	24.44	3.72
(vi) Reconciliation of fair value of Assets and Obligations			
Fair value of Plan Assets	113.48	165.92	177.67
Present value of Obligation	1,260.82	1,097.26	859.58
Amount recognised in Balance Sheet (Surplus/(Deficit)	(1,147.34)	(931.34)	(681.91)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

28. Employee benefits (Contd.)

(vii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity		₹ In lacs	
	31st March, 2018		31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(110.67)	127.79	(75.00)	142.47
Employee turnover (50% movement)	2.36	(2.41)	23.58	28.29
Salary Escalation (1% Movement)	123.61	(109.36)	138.27	(73.52)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment Risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(viii) Expected future cash flows

Particulars	₹ In lacs			
	1st Year	2 to 5 Years	6 to 10 years	More than 10 Years
31st March, 2018				
Defined benefit obligations (Gratuity)	67.29	190.24	584.88	1,772.51
Total	67.29	190.24	584.88	1,772.51

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 581.24 lacs (31st March, 2017 : ₹ 536.81 lacs).

29. Operating leases

The Company's leasing arrangements are generally from 1 month to 72 months. In respect of above arrangement, lease rentals payable are recognised in the statement of profit and loss for the year and included under Rent and Hire charges

(i) Expected future minimum commitments during the non-cancellable period under the lease agreement are as follows

Particulars	₹ In lacs		
	2018-19	2019-20	2020-21
Rental Payment Schedule	154.77	154.77	22.12

(ii) Amount recognised in profit & loss account

Particulars	₹ In lacs	
	2017-18	2016-17
Rent & Hire Charges	1,001.72	1,066.26



BALASORE ALLOYS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

30. Deferred Tax Disclosure

(a) Movement in deferred tax balances

₹ In lacs

	31st March, 2018				
	Balance 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,196.04)	(961.36)	-	-	(4,157.40)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	803.55	(400.25)	-	-	403.30
Other disallowance under Income Tax Act, 1961	605.60	269.86	-	-	875.47
Tax assets (Liabilities)	(1,786.89)	(1,091.75)	-	-	(2,878.63)

(b) Movement in deferred tax balances

₹ In lacs

	31st March, 2017				
	Balance 1st April, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / liability
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,500.37)	304.33	-	-	(3,196.04)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	1,648.32	(844.77)	-	-	803.55
Other disallowance under Income Tax Act, 1961	271.85	333.75	-	-	605.60
Fair value of Investment	(115.34)	115.34	-	-	-
Tax assets (Liabilities)	(1,695.54)	(91.35)	-	-	(1,786.89)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
31. Tax Reconciliation
(a) Income tax recognised in the Statement of Profit & Loss

₹ In lacs

Particular	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current Tax	3,229.72	5,052.00
Deferred Tax	1,102.38	126.78
Prior year Tax	(82.32)	(57.69)
Total tax expense recognised in the current year	4,249.78	5,121.09

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:-

₹ In lacs

Particular	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit before tax	7,654.08	13,481.97
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	2,648.93	4,665.84
Tax effect of:		
Fair value of investment	-	231.06
Income Tax impact on losses of subsidiary	1,090.59	1.16
Expenses deductible for tax purposes	(2,158.50)	(1,374.66)
Expenses not deductible for tax purposes	1,638.07	1,528.31
Other	10.64	0.29
Current Tax Provision	3,229.72	5,052.00

32. Financial instruments - Fair values and risk management
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ In lacs

	At 31st March, 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument	404.60	-	404.60	-	-	404.60
Investment in Mutual Funds	127.91	-	127.91	127.91	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	538.36	538.36	-	-	-
Other Deposit	-	275.55	275.55	-	-	-
Current Financial assets						
Trade Receivables	-	5,313.36	5,313.36	-	-	-
Cash and Bank Balances	-	3,356.08	3,356.08	-	-	-
Loans & Advances	-	2,941.33	2,941.33	-	-	-
Other Current Asset	-	2,832.53	2,832.53	-	-	-
Total Financial Assets	532.51	16,475.37	17,007.88	127.91	-	404.60
Non Current Financial liabilities						
Deferred Payment Credits	-	527.76	527.76	-	-	-
Current Financial liabilities						
Working capital loan	-	9,112.99	9,112.99	-	-	-
Acceptances	-	5,710.39	5,710.39	-	-	-
Trade Payable	-	26,631.61	26,631.61	-	-	-
Other financial liabilities	-	8,120.56	8,120.56	-	-	-
Derivative Liabilities	-	163.29	163.29	-	-	-
Total Financial Liabilities	-	50,266.60	50,266.60	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

32. Financial instruments - Fair values and risk management (Contd.)

₹ In lacs

At 31st March, 2017						
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument	405.06	-	405.06	-	-	405.06
Investment in Mutual Funds	40.25	-	40.25	40.25	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	1,217.20	1,217.20	-	-	-
Loans to Body Corporate - Related Party	-	2,267.00	2,267.00	-	-	-
Rent Deposit	-	406.26	406.26	-	-	-
Other Deposit	-	274.38	274.38	-	-	-
Current Financial assets						
Trade Receivables	-	3,985.39	3,985.39	-	-	-
Cash and Bank Balances	-	2,608.15	2,608.15	-	-	-
Loans & Advances	-	2,491.29	2,491.29	-	-	-
Other Current Asset	-	3,199.56	3,199.56	-	-	-
Total Financial Assets	445.31	16,450.18	16,895.48	40.25	-	405.06
Non Current Financial liabilities						
Deferred Payment Credits	-	1,010.16	1,010.16	-	-	-
Current Financial liabilities						
Working capital loan	-	9,109.08	9,109.08	-	-	-
Acceptances	-	5,987.05	5,987.05	-	-	-
Trade Payable	-	29,177.77	29,177.77	-	-	-
Other Financial Liabilities	-	10,085.50	10,085.50	-	-	-
Total Financial Liabilities	-	55,369.56	55,369.56	-	-	-

₹ In lacs

₹ In lacs

At 31st March, 2016						
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument	405.06	-	405.06	-	-	405.06
Investment in Mutual Funds	37.00	-	37.00	37.00	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	850.00	850.00	-	-	-
Loans to Body Corporate - Related Party	-	2,267.00	2,267.00	-	-	-
Rent Deposit	-	375.03	375.03	-	-	-
Other Deposit	-	313.54	313.54	-	-	-
Current Financial assets						
Trade Receivables	-	2,457.97	2,457.97	-	-	-
Cash and Bank Balances	-	1,157.54	1,157.54	-	-	-
Loans & Advances	-	1,434.31	1,434.31	-	-	-
Other Current Asset	-	3,232.31	3,232.31	-	-	-
Derivative Asset	-	333.24	333.24	-	-	-
Total Financial Assets	442.06	12,421.89	12,863.95	37.00	-	405.06
Non Current Financial liabilities						
Deferred Payment Credits	-	344.44	344.44	-	-	-
11% Redeemable Non-Convertible Debentures	-	1,561.91	1,561.91	-	-	-
Current Financial liabilities						
Working capital loan	-	7,624.69	7,624.69	-	-	-
Acceptances	-	4,501.01	4,501.01	-	-	-
Trade Payable	-	21,135.42	21,135.42	-	-	-
Other Financial Liabilities	-	6,038.19	6,038.19	-	-	-
Total Financial Liabilities	-	41,205.66	41,205.66	-	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

32. Financial instruments - Fair values and risk management (Contd.)

B. Measurement of fair values

Ind AS 113, 'Fair Value Measurement - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities included in Level 3.

Following methods and assumptions are used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Fair value of the non-current borrowing items fall within Level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Transfers between Levels

There have been no transfers between Levels during the reporting periods.

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Forward Contracts & Options	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract	Foreign Exchange Spot and Forward Rates, Yield curve of respective currencies, currency basis spreads etc..
Unquoted equity shares	Adjusted NAV (Net Asset Value) method : It involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not applicable

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	₹ In lacs
	Equity securities
Opening Balance(1st April, 2016)	405.06
Net change in fair value (unrealised)	-
Closing Balance (31st March, 2017)	405.06
Opening Balance(1st April, 2017)	405.06
Net change in fair value (unrealised)	(0.46)
Closing Balance (31st March, 2018)	404.60

Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****32. Financial instruments - Fair values and risk management (Contd.)****i. Counterparty and Concentration of Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, investments, loans, other financial assets, and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit.

Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The Company has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 17,007.88 lacs and ₹ 16,475.37 lacs as at 31st March, 2018 and 31st March, 2017 respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31st March, 2018, that defaults in payment obligations will occur.

Of the year end trade receivable balance the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at 31st March, 2018 and 31st March, 2017:

Particulars	₹ In lacs	
	As at 31st March, 2018	As at 31st March, 2017
- More than six months	2,178.78	433.53
- Less than six months	3,134.58	3,551.86
Total	5,313.36	3,985.39

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experience does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.



32. Financial instruments - Fair values and risk management (Contd.)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

	Contractual cash flows					₹ In lacs
31st March, 2017	Carrying amount	Total Contractual cash Flow	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long Term Loans*	3,177.21	3,555.26	2,414.29	1,134.79	6.18	-
Short Term Loans	18,540.55	18,540.55	18,540.55	-	-	-
Total non-derivative liabilities	21,717.75	22,095.80	20,954.83	1,134.79	6.18	-

*Includes current maturities

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities, and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

The Company is exposed to currency risk on account of its Trade receivables, Trade & other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts and options to hedge its currency risk, most with a maturity of less than one year from the reporting date.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
32. Financial instruments - Fair values and risk management (Contd.)

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31st March, 2018

Category	Instrument	Currency	Cross Currency	Amounts In lacs	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 420	Buy
	Options	USD	INR	USD 480	Buy

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as below

		31st March, 2018			
		USD	GBP	JPY	Others
Financial liabilities					
Short term borrowings	(A)	64.42	-	-	-
Trade and other payables		27.53	0.69	18.30	0.02
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	27.53	0.69	18.30	0.02
Total	(C)= (A+B)	91.95	0.69	18.30	0.02
Financial assets					
Current Assets					
Trade receivables		60.59	-	-	-
Less: Forward currency contract/options		900.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Cash & Cash equivalents	(E)	0.50	-	-	0.01
Total	(F)=(D+E)	0.50	-	-	0.01
Net exposure	(C-F)	91.45	0.69	18.30	0.01
		In lacs			
		31st March, 2017			
		USD	Others		
Financial liabilities					
Short term borrowings	(A)	25.00	-	-	-
Trade and other payables		34.41	0.48	-	-
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	34.41	0.48	-	-
Total	(C)= (A+B)	59.41	0.48	-	-
Financial assets					
Trade receivables		51.55	-	-	-
Less: Forward currency contract		-	-	-	-
Net Trade receivables	(D)	51.55	-	-	-
Cash & Cash equivalents	(E)	0.25	0.01	-	-
Total	(F)=(D+E)	51.80	0.01	-	-
Net exposure	(C-F)	7.61	0.47	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

32. Financial instruments - Fair values and risk management (Contd.)

In lacs

		1st April, 2016	
		USD	Others
Financial liabilities			
Short term borrowings	(A)	56.50	-
Trade and other payables		20.68	-
Less: Forward currency contract		-	-
Net Trade Payable	(B)	20.68	-
Total	(C)= (A+B)	77.18	-
Financial assets			
Trade receivables		31.34	-
Less: Forward currency contract		155.00	-
Net Trade receivables	(D)	-	-
Cash & Cash equivalents	(E)	-	0.01
Total	(F)=(D+E)	-	0.01
Net exposure	(C - F)	(77.18)	0.01

The following significant exchange rates have been applied during the year-:

	Average rate in ₹		Year-end spot rate in ₹	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
INR				
USD	64.66	65.54	64.40	64.84
GBP	85.88	87.52	90.32	80.88
JPY	0.59	0.59	0.60	0.58

GBP is Great Britain Pound which is used in UK.

JPY is Japanese Yen which is used in Japan.

Other currencies includes RMB (Renminbi) which is used in China.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at 31st March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		Profit or loss	
		Strengthening	Weakening
Effect in INR			
31st March, 2018			
3% movement			
USD		(2.74)	2.74
GBP		(0.02)	0.02
JPY		(0.55)	0.55
Others		(0.00)	0.00
Total		(3.31)	3.31
Profit or loss			
		Strengthening	Weakening
Effect in INR			
31st March, 2017			
3% movement			
USD		(0.23)	0.23
Others		(0.01)	0.01
Total		(0.24)	0.24

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****32. Financial instruments - Fair values and risk management (Contd.)****Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings taken at fixed rates & floating rate exposes the Company to fair value interest rate risk and cash flow interest rate risk respectively. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	₹ In lacs		
	<u>31st March, 2018</u>	<u>31st March, 2017</u>	<u>1st April, 2016</u>
Fixed-rate instruments			
Financial liabilities	3,300.14	6,422.21	5,569.17
	<u>3,300.14</u>	<u>6,422.21</u>	<u>5,569.17</u>
Variable-rate instruments			
Financial liabilities	14,823.39	15,096.13	12,125.70
	<u>14,823.39</u>	<u>15,096.13</u>	<u>12,125.70</u>
Total	<u>18,123.53</u>	<u>21,518.34</u>	<u>17,694.87</u>

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	₹ In lacs	
	<u>Profit or loss</u>	
INR	<u>100 bp increase</u>	<u>100 bp decrease</u>
31st March, 2018		
Variable-rate instruments	(148.23)	148.23
Cash flow sensitivity (net)	<u>(148.23)</u>	<u>148.23</u>
31st March, 2017		
Variable-rate instruments	(150.96)	150.96
Cash flow sensitivity (net)	<u>(150.96)</u>	<u>150.96</u>

33. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve (if any)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****33. Capital Management (Contd.)**

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March, 2018 was as follows.

	₹ In lacs		
Particular	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total liabilities	18,482.32	21,717.75	17,793.38
Less : Cash and cash equivalent	3,356.08	2,608.15	1,157.54
Adjusted net debt	15,126.23	19,109.60	16,635.84
Total equity	96,526.90	93,214.53	83,638.59
Adjusted equity	96,526.90	93,214.53	83,638.59
Adjusted net debt to adjusted equity ratio	0.16	0.21	0.20

34. Segment Reporting**A. General Information****Factors used to identify the entity's reportable segments including the basis of organisation**

For management purposes the Company has only one reportable segment as follows:

- Manufacturing/Minning of Ferro Alloys

The Executive Committee of the Company acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries.

	₹ In lacs	
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Domestic Revenues (Including Excise Duty)	24,036.89	17,873.11
Overseas Revenues (Including Export Benefits)	98,843.77	86,298.78

C. Information about major customers

Revenue from major customers of the Company was ₹ 22,476.11 lacs is 18.29% of total sales (₹ 22,999.97 lacs is 22.08 % of total sales)

D. Broad Category of Sales

Company deals mainly in Ferro Chrome.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

35. RELATED PARTY DISCLOSURE AS PER Ind-AS - 24

A. Name of the key management personnel and their relatives with whom transactions were carried out during the year.

(i) Key Management Personnel

Mr.Pramod Mittal (Chairman) (upto- 22.08.2017)
 Mrs.Vartika Mittal Goenka (Woman director)(upto 29.05.2016)
 Mr.Anil Sureka(Managing Director)
 Mr.R.K.Parakh(Whole time Director) (upto- 30.06.2017)
 Mr.G Janarthanam(Whole time Director) (upto- 06.03.2018)
 Mr. Nikunj Pansari (Whole time Director) (wef- 14.12.2017)
 Mrs. Mita Jha (Whole time Director) (wef- 27.07.2017 to 24.04.2018)
 Mr Dhiren K Nath (Whole time Director) (wef-14.12.2017)

(ii) Enterprises over which Key Management Personnel and their Relatives are able to exercise significant influence *

Navdisha Real Estate Pvt. Ltd.
 Gontermann Peipers (India) Ltd.
 Shakti Chrome Ltd.
 Ispat Minerals Ltd.
 Ispat Profile India Ltd.
 Ispat Corp Pvt. Ltd.
 Global Steel Holdings Asia Pte. Ltd.
 Direct Trading and Investment Singapore Pte. Ltd.
 Prasan Global Ventures Singapore Pte. Ltd.

* The parties stated above are related parties in the broader sense of the term and are included for making the financial statements more transparent.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
35. RELATED PARTY DISCLOSURE AS PER IND-AS - 24 (Contd.)
D. Transactions during the year:-

₹ In lacs

Particulars	Transaction values during the year ended 31st March		Balances outstanding as at 31st March		
	2018	2017	2018	2017	2016
Interest income					
Ispat Profile India Ltd.	-	204.03	-	394.80	190.77
Gontermann Peipers (India) Ltd.	155.55	20.05	158.04	18.04	-
Sale of good and services					
Gontermann Peipers (India) Ltd.	-	59.56	83.09	83.09	42.33
Rent					
Navdisha Real Estate Private Limited	110.68	87.19	159.28	5.57	(24.39)
Managerial Remuneration					
Mr. Anil Sureka	185.88	164.26	-	-	-
Mr. R. K. Parakh	51.85	76.11	-	-	-
Mr. G Janarthanam	71.26	68.16	-	-	-
Mr. Nikunj Pansari	19.03	-	-	-	-
Mr. Dhiren K Nath	11.15	-	-	-	-
Ms Mita Jha	64.19	-	-	-	-
Interest Expense					
Ispat Corp Pvt.Ltd.	135.00	135.00	310.32	175.31	40.31
Purchase of Goods					
Gontermann Peipers (India) Ltd.	-	4.95	-	-	-
Loans given					
Ispat Profile India Ltd.	-	-	NIL*	2,267.00	2,267.00
Mr. R. K. Parakh	-	-	-	-	6.00
Mr. Nikunj Pansari	12.00	-	8.00	-	-
Mrs Mita Jha	1.71	-	1.71	-	-
Gontermann Peipers (India) Ltd.	533.69	564.00	1,097.69	564.00	-
Advance given					
Ispat Mineral Ltd	155.59	-	155.59	-	-
Loan Repaid					
Mr. Nikunj Pansari	4.00	-	-	-	-
Mr. R. K. Parakh	-	6.00	-	-	-
Deposit Given					
Navdisha Real Estate Private Limited	50.00	90.00	851.50	801.50	711.50
Subscription of share Capital Including Premium (Conversion)					
Global steel Holdings Asia Pte. Ltd.	804.09	623.50	-	-	-
Direct Trading & Investments Singapore Pte.Ltd.	-	623.50	-	-	-
Prasan Global Ventures Singapore Pte. Ltd.	149.43	903.00	-	-	-
Money received against share warrant (including forex gain/loss)					
Global steel Holding Asia Pte.Ltd.	605.44	543.64	0.94	199.59	279.45
Prasan Global Ventures Singapore Pte Ltd.	115.35	830.19	270.14	304.22	377.03
Direct Trading & Investments Singapore Pte.Ltd.	2.43	547.33	205.67	203.24	279.41
Loan from Body Corporate					
Ispat Corp Pvt. Ltd.	-	-	1,000.00	1,000.00	1,000.00
Guarantee Given					
Shakti Chrome Ltd.	-	-	262.19	262.19	262.19
Ispat Minerals Ltd.	-	-	93.59	93.59	93.59
Guarantee Taken					
Mr. Pramod Mittal	-	-	Refer Note 35.1		
Mrs. Vartika Mittal Goenka	-	-			
Shakti Chrome Ltd.	-	-	Refer Note 35.2		
Ispat Minerals Ltd.	-	-			
Balasore Energy Ltd.	-	-			

* Refer Note 42

35.1 All working capital loan / Non-convertible debenture are guaranteed by personal guarantee of mentioned personnel.

35.2 All working capital loan is guaranteed by corporate guarantee of mentioned entities

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****36 CONTINGENT LIABILITIES AND COMMITMENTS**

(All amounts in ₹ unless otherwise stated)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I)	Contingent Liabilities (not provided for in respect of)			
a)	Sales tax matters under appeal {Amount paid under appeal ₹52.51 lacs (31st March, 2017- ₹ 54.51 lacs) (31st March, 2016- ₹ 70.25 lacs)*}	468.77	519.52	492.27
b)	Entry tax matters {Amount paid under appeal ₹ 45.85 lacs (31st March, 2017- ₹ 111.77 lacs) (31st March, 2016- ₹100.26 lacs)*}	245.43	1,003.50	1,000.28
c)	Excise / Service tax matters {Amount paid under appeal ₹ 22.83 lacs (31st March, 2017- ₹ 35.59 lacs) (31st March, 2016- ₹ 29.63 lacs)}*	1,234.49	1,165.12	1,287.75
d)	Un-expired Bank Guarantees and Letters of Credit	4,545.25	4,389.37	731.82
e)	Bills discounted with Banks	5,011.85	1,989.87	4,606.43
f)	Guarantee given to financial institutions on behalf of others	355.78	355.78	355.78
	*In respect of above cases based on favourable decisions in similar cases and discussion with legal counsels the management is of the opinion that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.			
II)	Other Commitments			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,414.13	17,492.62	5,430.88
b)	Unpaid capital of wholly owned subsidiary Balasore Alloys Nigeria Limited	19.80	19.80	-
c)	Unpaid registration fees and stamp duty of New Mining Lease Deed.	1,834.51	1,834.51	-

37 The Income-Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand up to the said assessment years is ₹ 400.34 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

38 A revised demand notice dated 11th April, 2018 has been issued by Deputy Director of Mines, Jaipur Road, Odisha amounting to ₹ 32,803.28 Lacs for the production in excess of the approved limit under, environment clearance during the period 2001-02 to 2007-08. The demand notices has been issued under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR Act).

The company filed a Revision Application before the Mines Tribunal, Delhi on 2nd May, 2018 in regard to the above revised demand notice praying for stay of the operation and/or execution of the notice and not to take any coercive action as the demand is without any basis and there is no legislative and/or statutory sanction for the same as the Section 21(5) of the MMDR Act is applicable only in respect of unauthorised raising and disposal of minerals, which is not the case of the Company.

The Revision application was heard on 10th May, 2018 and the Tribunal passed an order Staying the Demand Notice.

Based on the opinion of external legal counsel, the company believes that, the demand is legally unjustifiable and does not expect any liability in above matter.

39 The State Trading Corporation of India on 13th May, 2015 through the Ministry of Commerce and Industry has recorded a statement on the floor of the Rajya Sabha that a sum of ₹ 5,855 Lacs is recoverable from the Company as on 31st March, 2015. The alleged demand is very much disputed by the Company and is the subject matter for ascertainment by the Hon'ble Arbitral Tribunal consisting of two Hon'ble Retired Judges of Hon'ble Supreme Court and one Hon'ble Retired Judge of Hon'ble Calcutta High Court. Pursuant to order dated 23rd March, 2017 by Hon'ble Arbitral Tribunal which is passed without prejudice to the rights and contentions of the parties and subject to further adjustment about the final amount to be paid, if any, the Company

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

by way of abundant caution and prudence, has accounted for such alleged disputed amount without admitting the same in the financial year 2016-17. Pending final adjudication the company has paid ₹ 5,855 lacs towards such disputed dues as at 31st March, 2018

- 40** The Enforcement Directorate (ED) on 15th December, 2017 had passed a Provisional Attachment Order against M/s Balasore Alloys Ltd. (BAL) for the value of ₹ 24,489.07 lacs on the alleged ground that Sri Pramod Kumar Mittal and Global Steel Holdings Ltd. (GSHL) allegedly holds 30.35% of the shares of BAL through various Indian / Foreign promoter and investment companies.

On 5th of February, 2018 the Adjudicating Authority issued a show cause to BAL as to why the aforesaid Provisional Attachment Order should not be confirmed?

The Company filed an Appeal before the Appellate Tribunal on 17th May, 2018 challenging the said Show Cause Notice dated 5th February, 2018.

The Hon'ble Appellate Tribunal after hearing the matter on merits on 23rd May, 2018 delivered an Order/Judgment inter-alia recording that BAL is an independent publicly quoted company and is not an accused and there is no complaint against BAL under the Prevention of Money Laundering Act, 2002 (PMLA) and the alleged proceedings of Provisional Attachment are contrary to the earlier Order of the Hon'ble Tribunal. It also recorded that BAL is not involved in any schedule offence under the PMLA and inter-alia duly recorded that the purported notice under Section 8(1) of the PMLA has been wrongly issued to BAL and that the Hon'ble Appellate Tribunal had fixed the Appeal for final hearing on 17th of July, 2018 and directed the Adjudicating Authority to adjourn the proceedings before it until thereafter.

The Directors would like to inform that, the company has no business relationship with GSHL and Global Steel Philippines Inc. (GSPI) in any manner. Further, company had nothing to do with the alleged transactions between M/s State Trading Corporations (STC), GSHL & GSPI which is the basis of the cause of action of ED.

The action on the part of ED in relation to the Company is arbitrary and contrary to the well-established principle of the law as pronounced by Hon'ble Supreme Court as the Company is a separate legal entity independent from its shareholders as advised by the legal counsels and therefore, the company believe that, the above proceedings will not affect its operations of the company and would not impact it as a going concern. The purported Order of ED involving BAL is wholly without any jurisdiction, illegal and void ab initio.

- 41** North Eastern Electricity Supply Company of Orissa Limited (NESCO) had raised total claim of approximately ₹ 20,155.96 Lacs (including delayed payment surcharge) against the company as on 30th June, 2017. The company had paid ₹ 3,400 Lacs to NESCO in the past which was debited as power cost. As per the order of Hon'ble Supreme Court the matter was referred to Grievance Redressal Forum (GRF) of NESCO. GRF passed an order dated October 12, 2017 vide which it inter alia directed NESCO to recalculate its claim in the mode and manner as specified in the said order within a period of one month from the date of such order. NESCO has not yet intimated the Company of any recalculation.

Following the guidelines laid down in the aforesaid order passed by the GRF, the Company has made a calculation and a sum of ₹ 2,743.90 lacs is recoverable by the Company from NESCO and the same has been accounted for in other income.

- 42** The Company being one of the Promoter of Ispat Profile India Limited (IPIL), has 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 get working capital limits for its operation and financial facilities for its ongoing projects, growth and expansion plans.

IPIL has submitted 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 ₹ 2,661.81 lacs and shown as an exceptional item.

- 43** Company started incurring cost for development of underground mines at Sukinda to secure the additional raw materials for its ferro chrome plants. As at 31st March, 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's and services for aforesaid project. A significant part of the project cost would be financed through long term borrowings. Pending financial closure, some 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 has also committed to provide the contracted equipment's and services as and when required.

- 44** 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 installment 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.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- 45** Details of Loans given, Investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013 :
- Loans given by the company to body corporate as at 31st March, 2018 (Refer Note No. 4).
 - All the said loans and advances are given for business purposes.
 - Investments made by the company as at 31st March, 2018 (Refer Note No. 3).
 - Guarantee given by the Company as at 31st March, 2018 (Refer Note No. 36).

- 46** The figure for the corresponding previous year have been restated/regrouped where ever necessary to make them comparable with the current period.

47 Subsequent Events

The Board of Directors have recommended dividend of ₹ 0.75 per fully paid up equity share of ₹ 5/- each, aggregating ₹ 847.83 lacs, including ₹ 147.89 lacs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on 31st March, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

48. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary/Associates

Name Of the Enterprise	Net Assets i.e. Total assets minus total liabilities		Share Of Profit or Loss	
	As % of Consolidated net assets	Amount (₹ In lacs)	As % of Consolidated net assets	Amount (₹ In lacs)
Parent				
Balasore Alloys Limited	102.41	98,852.95	193.12	6,535.52
Subsidiaries				
Milton Holding Limited	(2.30)	(2,216.19)	(90.68)	(3,068.98)
Balasore Metals Pte. Limited	(0.11)	(109.86)	(2.43)	(82.32)
Balasore Alloys Nigeria Limited	-	-	-	-
Associates (Investments as per the equity method)				
Balasore Energy Limited	-	-	-	-
Balasore Energy Limited	-	-	-	-

49. (a) Reconciliation of Balance sheet

₹ In lacs

		As at 31st March, 2017			As at 1st April, 2016		
	Note	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
ASSETS							
Non-Current Assets							
Property , Plant & Equipment	1A & 1B	78,595.21	3,913.36	82,508.57	86,198.48	(6,911.46)	79,287.02
Intangible Assets		2,093.66	-	2,093.66	1,786.82	-	1,786.82
Capital Work-in-Progress		9,426.55	-	9,426.55	9,024.80	0.00	9,024.80
Financial Asset							
Investments in Subsidiaries	2	-	-	-	-	-	-
Investments in Associates	2	-	-	-	-	-	-
Investments in Other	2	1,583.15	80.30	1,663.46	1,215.95	77.06	1,293.01
Loans		2,267.00	-	2,267.00	2,267.00	-	2,267.00
Others	2	-	680.64	680.64	-	688.57	688.57
Other Assets		20,094.43	-	20,094.43	7,459.14	-	7,459.14
Total Non-Current Assets		114,060.00	4,674.31	118,734.31	107,952.19	(6,145.83)	101,806.36
Current Assets							
Inventories		20,312.27	-	20,312.27	13,275.11	-	13,275.11
Financial Assets							
Trade Receivables		3,985.39	-	3,985.39	2,457.97	-	2,457.97
Cash and Bank Balances	6	3,025.76	(417.61)	2,608.15	1,509.95	(352.41)	1,157.54
Loans		2,491.29	-	2,491.29	1,434.31	-	1,434.31
Others	2	3,914.35	(714.79)	3,199.56	3,943.80	(378.25)	3,565.55
Other Assets		15,781.94	-	15,781.94	12,073.09	-	12,073.09
Total Current Assets		49,511.00	(1,132.40)	48,378.60	34,694.23	(730.66)	33,963.57
Total Assets		163,571.00	3,541.90	167,112.91	142,646.42	(6,876.49)	135,769.93


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
49. (a) Reconciliation of Balance sheet (Contd.)

		As at 31st March, 2017			As at 1st April, 2016		
	Note	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR	Amount as per previous GAAP INR	Effects of transition to Ind AS INR	Amount as per Ind AS INR
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	6	4,596.38	(151.86)	4,444.52	4,096.38	(151.86)	3,944.52
Other Equity	1A,1B,2,3,4,5	84,658.64	4,111.37	88,770.01	85,611.93	(5,917.86)	79,694.07
Total Equity		89,255.02	3,959.51	93,214.53	89,708.31	(6,069.72)	83,638.59
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Borrowings		1,010.16	-	1,010.16	1,906.35	-	1,906.35
Deferred Tax Liabilities (net)	4	1,786.89	-	1,786.89	1,580.20	115.34	1,695.54
Provisions		1,490.97	-	1,490.97	1,120.71	-	1,120.71
Total Non-Current Liabilities		4,288.01	-	4,288.02	4,607.26	115.34	4,722.60
Current Liabilities							
Financial Liabilities							
Borrowings		17,366.13	-	17,366.13	13,848.70	-	13,848.70
Trade Payable		29,177.77	-	29,177.77	21,135.42	-	21,135.42
Other		7,815.50	-	7,815.50	4,315.19	-	4,315.19
Other Current Liabilities	6	6,623.44	(417.61)	6,205.83	4,877.35	(352.42)	4,524.93
Provisions	3	9,045.13	-	9,045.13	4,154.19	(569.69)	3,584.49
Total Current Liabilities		70,027.97	(417.61)	69,610.36	48,330.85	(922.11)	47,408.74
Total Equity and Liabilities		163,571.00	3,541.90	167,112.91	142,646.42	(6,876.49)	135,769.93

(b) Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Note	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
		INR	INR	INR
INCOME				
Revenue From Operations		104,171.89	-	104,171.89
Other Income	2	2,515.05	298.76	2,216.29
Total Revenue (I)		106,686.94	298.76	106,388.17
EXPENSES:				
Cost of Raw Materials Consumed		29,306.40	-	29,306.40
Excise Duty		2,990.46	-	2,990.46
(Increase)/ Decrease in Inventories		(523.04)	-	(523.04)
Power		27,840.68	-	27,840.68
Employee Benefit Expenses	5	6,402.77	102.37	6,300.40
Other Expenses	2	20,305.77	(42.46)	20,348.23
Depreciation & Amortization expenses	1A & 1B	2,280.05	(428.81)	2,708.86
Finance Costs		3,934.22	-	3,934.22
Total (II)		92,537.31	(368.90)	92,906.21
Profit Before Exceptional Item (III)		14,149.61	667.67	13,481.96
Exceptional Items		-	-	-
Profit Before Taxes (III)		14,149.61	667.67	13,481.96
Tax Expenses				
Current Tax		5,052.00	-	5,052.00
Deferred Tax Charge	4	206.69	79.91	126.78
Taxation Expenses of Earlier Years		(57.69)	-	(57.69)
Total Tax Expenses (IV)		5,200.99	79.91	5,121.09
Profit For the Year [(III) (IV)]		8,948.62	587.75	8,360.87
Other Comprehensive Income :				
i. Items that will not be reclassified to Profit or Loss				
(a) Remeasurement of post employment benefit obligations	5	-	102.37	(102.37)
Income tax relating to item that will not be reclassified to Profit or Loss		-	(35.43)	35.43
Total Comprehensive Income For the Year		8,948.62	654.69	8,293.93


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
49. (c) Reconciliation of Profit and Other Equity between Ind As and Previous GAAP

Nature of Adjustment	Note	Net Profit	Other Equity	
		Year Ended 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
Net Profit/Other Equity as per Previous Indian GAAP		8,948.62	84,658.64	85,611.93
Summary of Ind AS adjustments				
Fair valuation of investments	2	3.24	80.30	77.06
Fair valuation of security deposit	2	(11.22)	(34.14)	(22.92)
Property , Plant & Equipment	1A & 1B	-	-	(6,911.46)
Shares Forfeited	6	-	151.86	151.86
Proposed dividend on equity shares and tax thereon reversed to retained earnings		-	-	569.70
Accounting for derivative and foreign exchange differences	2	(333.24)	-	333.24
Depreciation on mining lease	1A & 1B	(428.82)	3,913.36	-
Remeasurement of post employment benefit obligations	5	102.37	-	-
Deferred tax on above adjustments	4	79.91	-	(115.34)
Total Ind AS adjustments		(587.76)	4,111.38	(5,917.86)
Net Profit before OCI/Other Equity as per Ind AS		8,360.86	88,770.02	79,694.07

Notes to the reconciliation:
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. 1st April, 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 1st April, 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 Proposed dividend

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after transition date. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****49. (c) Reconciliation of Profit and Other Equity between Ind As and Previous GAAP (Contd.)****4 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.

5 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.

6 Reclassification as per Ind As Schedule III**49. (d) Reconciliation of statement of Cash Flow**

There are no material adjustments to the statement of cash flow as reported under previous GAAP.

50. Approval of Financial Statement

The financial statements were approved for issue by the board of directors on 28th May, 2018.

51. Information pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 is disclosed in Annexure "A".

As per our report of even date

For Chaturvedi & Shah

Firm Registration No.: 101720W
Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 28th May, 2018

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

Nikunj Pansari
(Director - Finance & CFO)
DIN No.- 08023216

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024



BALASORE ALLOYS LIMITED

ANNEXURE -A

Salient features of financial statements of Subsidiary/ Associates as per Companies Act, 2013.

Part "A" Subsidiaries

(₹ in Lacs except % of Shareholdings)

Sl. No.	Name of the Subsidiary Company	Balasore Alloys Nigeria Ltd***	Milton Holdings Ltd***	Balasore Metals Pte Ltd***
1	The Financial year of the Subsidiary Company ended on	31st March' 2018	31st March' 2018	31st March' 2018
2	Exchange rate	1 USD=INR 65.04	1 USD=INR 65.04	1 USD=INR 65.04
3	Equity Share Capital (Issued, Subscribed & Paid Up)	20**	3,068.54	0.00*
4	Reserves & Surplus (incl. debit balance in Profit & Loss Account)	-	(3,089.91)	(109.86)
5	Total Assets	-	0.39	340.41
6	Total Liabilities	-	21.76	450.28
7	Investments	-	-	-
8	Turnover	-	-	-
9	Profit/(Loss) before Tax	-	(3,068.95)	(82.31)
10	Provision for taxation	-	-	-
11	Profit/(Loss) after taxation	-	(3,068.95)	(82.31)
12	Other Comprehensive Income	-	-	-
13	Total Comprehensive Income for the year	-	(3,068.95)	(82.31)
14	% of Shareholding	99%	100%	100%

*The Holding Company held the entire Equity Share Capital of 1 Ordinary, Fully paid share having Face value of USD 1.00 amounting to USD 1.00

On 31.03.2017 – 1US\$=INR 64.84

On 31.03.2018 – 1US\$=INR 65.04

**₹ 19.80 Lacs is towards unpaid capital of subsidiary Balasore Alloys Nigeria Limited.

***Financial Information based on unaudited financials of Subsidiary Company.

The above statement also indicates performance and financial position of each of the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Part "B" Associate

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company

Name of Associate	Share of Associates held by the company on the year end					Profit/ Loss for the year			
	Latest Audited Balance Sheet Date	No	Amount of Investment in Associates ₹ in Lacs	Extent of Holding %	Net worth attributable to Shareholding as per latest audited Balance Sheet ₹ in Lacs	Considered in Consolidation ₹ in Lacs	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate is not Consolidated
Balasore Energy Limited	31.03.2018	17000	1.70	34%	-	-	(0.53)	Note-A	Note-B

Note - A. There is a significant influence due to (%) of Share Capital

B. Loss not considered due to losses exceeding cost of Investment.

The above statement also indicates performance and financial position of associate.



BALASORE ALLOYS LIMITED

CIN: L27101OR1984PLC001354

Registered Office: Balgopalpur - 756020, Dist. Balasore, Odisha.

Website : www.balasorealloys.com; Email: mail@balasorealloys.com

Phone: +91-6782-275781-85 Fax: +91-6782-275724

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Amendment Rules, 2015]

Name of the Member(s) :

Registered Address :

E-Mail ID :

Folio No. :

Client ID / DP ID :

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

1. Name: E-Mail ID:

Address:

Signature:

OR failing him/her

2. Name: E-Mail ID:

Address:

Signature:

OR failing him/her

3. Name: E-Mail ID:

Address:

Signature:

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 at 9.30 A.M. at the Registered Office of the Company at Balgopalpur - 756 020, Dist. Balasore, Odisha and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	#	
Ordinary Business		For	Against
1	Adoption of the Audited Financial Statement of the Company for the year ended on 31 st March, 2018, together with the Reports of the Directors and Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended on 31 st March, 2018.		
3	Re-appointment of Dr. Samuel Onyeabor Nwabukei (DIN: 07835812) who retires by rotation, and being eligible, offers himself for re-appointment.		
4	Re-appointment of M/s. Chaturvedi & Shah, Chartered Accountants as Statutory Auditors for the second term of five years.		
Special Business			
5	Re-appointment of Mr. Asish Kumar Bhattacharyya (DIN: 00799039) as an Independent Director for another term of five years.		
6	Re-appointment of Mr. Shantanu Mohapatra (DIN:00176836) as an Independent Director for another term of five years.		
7	Re-appointment of Mr. Sujit Kumar Majumdar (DIN: 00177344) as an Independent Director for another term of five years.		
8	Re-appointment of Mr. Susil Kumar Pal (DIN: 00268527) as an Independent Director for another term of five years.		
9	Re-appointment of Mr. Kashi Prasad Khandelwal (DIN: 00748523) as an Independent Director for another term of five years.		
10	Appointment of Mr. Dhiren Kumar Nath (DIN: 08022082), as Director.		
11	Appointment of Mr. Dhiren Kumar Nath (DIN: 08022082), as the Whole-time Director of the Company.		
12	Appointment of Mr. Nikunj Pansari (DIN: 08023216), as Director of the Company from 14 th December, 2017 till 25 th July, 2018.		
13	Appointment of Mr. Nikunj Pansari (DIN: 08023216), as Director.		
14	Appointment of Mr. Nikunj Pansari (DIN: 08023216), as the Whole-time Director of the Company.		
15	Ratification of remuneration of Cost Auditor of the Company for the financial year 2018-19.		

Signed this day of, 2018

Signature of Shareholder(s)

Signature of Proxy Holders(s)

Affix
revenue
stamp

Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement and Notes please refer to the Notice of the 30th Annual General Meeting.
3. # It is optional to put a 'X' in the appropriate column against the Resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



**Odisha
Metaliferous
Mines Safety
week celebration
2017-18**



- First Prize in Overall Performance.
- First Prize In Swachhata category.
- First Prize In First Aid Competition.
- Special Prize for Outstanding Performance in Safety.
- First Prize In Best Employee category.

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If undelivered please return to:

MCS SHARE TRANSFER AGENT LIMITED

(Unit: Balasore Alloys Ltd.)

12/1/5 Manoharpukur Road, Kolkata - 700 026