



BALASORE ALLOYS LIMITED

29th CORPORATE REPORT | 2016-17



CREATING SUSTAINABLE VALUE FOR ALL STAKE HOLDERS

ODISHA MEMC WEEK CELEBRATION 2016-17

Company's Chromite Mines receiving first price in Mineral Beneficiation during Mining Environment and Mineral Conservation (MEMC) Week Celebration 2016-17 under the aegis of Indian Bureau of Mines (IBM).



STATE EXPORT AWARD

The Company receiving State Export Award for its outstanding performance in the field of export of Ferro Chrome.

CSR AWARD FOR VALUE DRIVEN SOCIAL CHANGE

The Company receiving Silver Award during competition-cum-seminar on "CSR Initiatives Value Driven Social Change" organised by The Institute of Quality & Environment Management Services (IQEMS) in association with South Africa High Commission, CREDAI Odisha and Rotary International.





BALASORE ALLOYS LIMITED

CIN: L27101OR1984PLC001354

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Anil Sureka, *Managing Director*
Mr. Janarthanam Govindasamy, *Director-Operations*
Ms. Mita Jha, *Executive Director – Human Resource*

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 Nwabuokei

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 Twenty-Ninth 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 **Saturday, 23rd September, 2017, 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, 2017 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 Mr. Anil Sureka (DIN: 00058228) 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 provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act 2013, read with Rules made thereunder and pursuant to the resolution passed by the Members in the 26th Annual General Meeting held on 25th September, 2014 and based on the recommendations of Audit Committee and the Board of Directors, the appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) as the Statutory Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company, be and is hereby ratified at a remuneration which shall be fixed by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

5. **Appointment of Ms. Mita Jha (DIN: 07258314), 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 Ms. Mita Jha (DIN: 07258314) as the Whole-time Director of the Company designated as Executive Director – Human Resource for a period of five years with effect from 27th July, 2017 till 26th July, 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 19th May, 2017, entered into between the Company and Ms. Mita Jha, 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 Ms. Mita Jha from time to time and the terms of the aforesaid Agreement shall be suitably modified to give effect to such alteration and/or variation.”

6. **Ratification of Remuneration of Cost Auditor of the Company for the financial year 2017-18.**

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. 2,00,000/- (Rupees Two Lacs 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 19th May, 2017, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.”

NOTICE - (Contd.)

“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.”

7. Maintenance of the Register of Members and other Statutory Registers at a place other than the Registered Office 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 Section 94 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rule 5(2) of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded to keep and maintain the Register of Members together with the Index of Members, Register of Debenture Holders and other Security Holders, if any, together with the Index of Debenture Holders and other Security Holders, if any, under Section 88 of the Act and the copies of annual returns under Section 92 of the Act together with copies of certificates and documents required to be annexed thereto at its administrative office situated at Park Plaza, 1st Floor, 71 Park Street, Kolkata – 700 016 with effect from 23rd September, 2017 instead of keeping the same at the Registered Office of the Company.”

“RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and the matters related thereto and to settle any questions, difficulties or doubts that may arise in this regard.”

8. Revision of Remuneration of Mr. Anil Sureka (DIN: 00058228), Managing 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, Schedule V and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendations of Nomination and Remuneration Committee and the Board of Directors, the consent of the Company be and is hereby accorded to the revision in remuneration payable to Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company, with effect from 1st April, 2016, for the remaining period of his tenure, as set out in the Explanatory Statement annexed to the Notice convening this Meeting and as per the Agreement dated 28th September, 2016, entered into between the Company and Mr. Anil Sureka, 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.”

9. Revision of Remuneration of Mr. Rajendra Kumar Parakh (DIN: 00459699), Director - Finance 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, Schedule V and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendations of Nomination and Remuneration Committee and Board of Directors the consent of the Company be and is hereby accorded to the revision of remuneration payable to Mr. Rajendra Kumar Parakh (DIN: 00459699), Director - Finance of the Company with effect from 1st April, 2016, for the remainder of his tenure till 30th June, 2017 as set out in the Explanatory Statement annexed to the Notice convening this Meeting and as per the Agreement dated 28th September, 2016, entered into between the Company and Mr. Rajendra Kumar Parakh, 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.”

10. Revision of Remuneration of Mr. Janarthanam Govindasamy (DIN: 07356448), Director - Operations 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, Schedule V and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendations of Nomination and Remuneration Committee and Board of Directors the consent of the Company be and is hereby accorded to the revision of remuneration payable to Mr. Janarthanam Govindasamy (DIN: 07356448), Director - Operations of the Company with effect from 1st April, 2016, for the remainder of his tenure as set out in the Explanatory Statement annexed to the Notice convening this Meeting and as per the Agreement dated 28th September, 2016, entered into between the Company and Mr. Janarthanam Govindasamy, 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.”

11. Appointment of Dr. Samuel Onyeabor Nwabuokei (DIN: 07835812), 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 Sections 149, 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) and the applicable provisions of SEBI (Listing Obligations



NOTICE - (Contd.)

and Disclosure Requirements) Regulations, 2015, Dr. Samuel Onyeabor Nwabuokei (DIN: 07835812), who, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th June, 2017 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who is liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as may deem necessary, proper or desirable to give effect to the aforesaid resolution."

By Order of the Board

Kolkata
25th August, 2017

Trilochan Sharma
President & Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 16th September, 2017 to Saturday, 23rd September, 2017 (both days inclusive) for determining the entitlement of the shareholders to the dividend for the financial year 2016-17, 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 11 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 ₹ 0.75 per share has been recommended by the Board of Directors for the year ended 31st March, 2017 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 16th September, 2017 and is proposed to be paid on and after 3rd October, 2017.
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. Members holding shares in physical form and desirous of registering bank particulars or changing bank particulars or change in their address already registered against their respective folios for payment of dividend are requested to write to the Company or its RTA.
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. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA for registration of transmission / transposition, deletion of name etc.

NOTICE - (Contd.)

10. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
11. Electronic copy of the Notice of the 29th 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 29th 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 29th AGM 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 29th AGM is being sent in the permitted mode.
12. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.balasurealloys.com for their download. 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@balasurealloys.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 also be available for inspection at the registered office and copies of the same shall also be available 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 at least 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 29th 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).
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 16th September, 2017, 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 16th September, 2017 should treat this Notice for information purpose only.
21. The Remote e-voting period commences on Tuesday, 19th September, 2017 and ends on Friday, 22nd September, 2017. During this period, Members of the Company, holding Shares either in physical form or dematerialised form, as on the cut-off date 16th September, 2017, may cast their vote by remote e- voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. 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, (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 atleast 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.balasurealloys.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.

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

The Shareholders at the 28th Annual General Meeting held on 28th September, 2016, appointed Ms. Mita Jha as an Independent Director of the Company to hold office for five consecutive years with effect from 12th August, 2016 and whose office was not liable to determination by retirement of Directors by rotation.

The management of the Company accords special focus in Human Resource to the areas like role clarity, organisation development, employee engagement, team work to facilitate a performance driven culture. Accordingly, considering Ms. Mita Jha's rich, vast knowledge, expertise and experience of more than 20 years and in particular her contribution to the Company in all human resource matters as an Independent Director of the Company, the Board at its meeting held on 19th May, 2017 on the recommendation of the Nomination and Remuneration committee and Audit Committee, appointed Ms. Mita Jha as a Whole Time Director designated as Executive Director – Human Resource of the Company for a period of five years with effect from 27th July, 2017 till 26th July, 2022, subject to approval of the shareholders by way of a Special Resolution in the ensuing 29th Annual General Meeting of the Company. Consequent, upon appointment of Ms. Mita Jha as the Whole-time Director designated as Executive Director – Human Resource of the Company, Ms. Mita Jha has ceased to be the Independent Director of the Company.

Based on the recommendation of the Nomination & Remuneration Committee and the Audit Committee, the Board of Directors have approved terms of appointment and remuneration of Ms. Mita Jha in their meeting held on 19th May, 2017. For the purpose, an agreement has been entered into by the Company with Ms. Mita Jha on 19th May, 2017. The main terms and conditions of appointment of Ms. Mita Jha, as contained in the said agreement dated 19th May, 2017 are furnished below:

(i) Basic Salary Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand 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 her performance.

(ii) In addition to the salary, Ms. Mita Jha shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors viz.

(i) Basis Salary-	₹	42,00,000 per annum
(ii) Perquisites -	₹	65,93,980 per annum
(iii) Others	₹	7,06,020 per annum
Total		₹ 1,15,00,000 per annum

(iii) The Executive Director – Human Resource shall be entitled to leave according to the Rules of the Company.

(iv) The Executive Director – Human Resource shall be liable to retire by rotation and her re-appointment at the AGM as a Director retiring by rotation would not constitute a break in her appointment as Executive Director – Human Resource.

(v) The Executive Director – Human Resource shall not be paid any Sitting Fees for attending the meetings of the Board or any Committee thereof.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her services as Executive Director – Human Resource. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Mita Jha as Executive Director – Human Resource, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, except Ms. Mita Jha and her relatives, are concerned or interested, financial or otherwise in the resolution set out at item no. 5.

Brief particulars of Ms. Mita Jha, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 is annexed to this notice.

Copy of the agreement dated 19th May, 2017 referred to the above is available for inspection at the registered office and copies of the same shall also be available 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, upto and including the date of Annual General Meeting and also at the Meeting.

Item No. 6

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, 2018 at a remuneration of Rs. 2,00,000/- (Rupees Two Lacs only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred to conduct the audit of the cost records.



NOTICE - (Contd.)

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. 6.

Item No.7

Pursuant to provisions of Section 94 of the Companies Act, 2013 ("the Act") certain documents such as the Register of Members and Index of Members separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books, are required to be maintained at the registered office of the Company, unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total Members entered in the Register of Members reside.

In the interest of operational and administrative convenience, it is proposed to maintain the Register and Index of Members / Debenture Holders, Register of other Security Holders and copies of annual returns and other statutory registers at the Company's administrative office situated at 'Park Plaza', 1st Floor, 71 Park Street, Kolkata – 700 016 with effect from 23rd September, 2017 instead of the Registered Office of the Company.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Orissa, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed vide Item No. 7 to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are in any way, whether financially or otherwise, concerned or interested in the said resolution.

Item No. 8

Mr. Anil Sureka was re-appointed as Managing Director with effect from 17th April, 2015 for a period of five years. The said appointment was duly approved by the shareholders at their meeting held on 29th September, 2015. The Board of Directors of the Company at their meeting held on 28th September, 2016, based on the recommendation of Nomination and Remuneration Committee have revised the remuneration payable to Mr. Anil Sureka upto ₹1,81,66,015 (Rupees One Crore Eighty One Lac Sixty Six Thousand and Fifteen only) per annum including an annual variable pay amounting to ₹ 19,46,359/- (Rupees Nineteen Lacs Forty Six Thousand Three Hundred Fifty Nine only) effective from 1st April, 2016, for the remainder of his tenure, along with such Perquisites and Allowances as set out in the agreement dated 28th September, 2016, entered into between Mr. Anil Sureka, Managing Director and the Company.

The revised remuneration payable to Mr. Sureka is within the limits prescribed in Section 197 and Section I of Part II of Schedule V of the Act. In terms of Section 196(4) payment of remuneration to managerial personnel requires approval of shareholders in a general meeting of the Company.

None of the Directors or Key Managerial Personnel of the company and their relatives, except Mr. Anil Sureka and his relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 8.

Brief particulars of Mr. Anil Sureka, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 is annexed to this notice.

Copy of the agreement dated 28th September, 2016 referred to the above is available for inspection at the registered office and copies of the same shall also be available 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, upto and including the date of Annual General Meeting and also at the Meeting.

Item No. 9

Mr. Rajendra Kumar Parakh was re-appointed as Director- Finance with effect from 7th November, 2014 for a period of five years. The said appointment was duly approved by the shareholders at their meeting held on 29th September, 2015. The Board of Directors of the Company at their meeting held on 28th September, 2016, based on the recommendation of Nomination and Remuneration Committee have revised the remuneration payable to Mr. Parakh upto ₹ 82,71,444 (Rupees Eighty Two lacs Seventy One Thousand Four Hundred and Forty Four only) per annum including an annual variable pay amounting to ₹ 7,57,656/- (Rupees Seven Lacs Fifty Seven Thousand Six Hundred Fifty Six only) effective from 1st April, 2016, for the remainder of his tenure till 30th June, 2017, along with such Perquisites and Allowances as set out in the agreement dated 28th September, 2016, entered into between Mr. Rajendra Kumar Parakh, Director - Finance and the Company.

The revised remuneration payable to Mr. Parakh is within the limits prescribed in Section 197 and Section I of Part II of Schedule V of the Act. In terms of Section 196(4) payment of remuneration to managerial personnel requires approval of shareholders in a general meeting of the company.



NOTICE - (Contd.)

None of the Directors or Key Managerial Personnel of the company and their relatives, except Mr. Rajendra Kumar Parakh and his relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 9.

Copy of the agreement dated 28th September, 2016 referred to the above is available for inspection at the registered office and copies of the same shall also be available 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, upto and including the date of Annual General Meeting and also at the Meeting.

Item No. 10

Mr. Janarthanam Govindasamy was appointed as Whole Time Director designated as Director - Operations with effect from 12th February, 2016 for a period of five years. The said appointment was duly approved by the shareholders at their meeting held on 28th September, 2016. The Board of Directors of the Company at their meeting held on 28th September, 2016, based on the recommendation of Nomination and Remuneration Committee have revised the remuneration payable to Mr. Janarthanam Govindasamy upto ₹ 60,00,000 (Rupees Sixty Lacs only) per annum effective from 1st April, 2016, for the remainder of his tenure, along with such Perquisites and Allowances as set out in the agreement dated 28th September, 2016, entered into between Mr. Janarthanam Govindasamy, Whole-time Director and the Company.

The revised remuneration payable to Mr. Janarthanam Govindasamy is within the limits prescribed in Section 197 and Section I of Part II of Schedule V of the Act. In terms of Section 196(4) payment of remuneration to managerial personnel requires approval of shareholders in a general meeting of the company.

None of the Directors or Key Managerial Personnel of the company and their relatives, except Mr. Janarthanam Govindasamy and his relatives is concerned or interested, financial or otherwise in the resolution set out at Item No. 10.

Copy of the agreement dated 28th September, 2016 referred to the above is available for inspection at the registered office and copies of the same shall also be available 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, upto and including the date of Annual General Meeting and also at the Meeting.

Item No. 11

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration committee of the Board of Directors, vide their Circular Resolution dated 8th June, 2017 had appointed Dr. Samuel Onyeabor Nwabuokei (a citizen of Nigeria) as an Additional Director of the Company with effect from 14th June, 2017. In terms of Section 161 of the Companies Act, 2013 (the 'Act') read with Article 169 of the Articles of Association of the Company, Dr. Samuel Onyeabor Nwabuokei will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with the requisite deposit from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Dr. Samuel Onyeabor Nwabuokei for appointment as a Director of the Company.

Dr. Samuel Onyeabor Nwabuokei, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and he has also given his consent to act as a Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as a Non – Executive and Non – Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Samuel Onyeabor Nwabuokei as a Non – Executive and Non – Independent Director, for the approval by the shareholders of the Company.

Brief particulars of Dr. Samuel Onyeabor Nwabuokei, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 is annexed to this notice.

Dr. Samuel Onyeabor Nwabuokei does not hold any Equity shares in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

Except Dr. Samuel Onyeabor Nwabuokei, being the appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned with or interested in, financial or otherwise, in the resolution set out at item no. 11 of the Notice.

By Order of the Board

Kolkata
25th August, 2017

Trilochan Sharma
President & Company Secretary

**NOTICE - (Contd.)****ANNEXURE TO NOTICE****DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 29TH ANNUAL GENERAL MEETING**

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

Name of Director	Mr. Anil Sureka	Ms. Mita Jha	Dr. Samuel Onyebor Nwabuokei
Date of Birth	19-11-1955	01-02-1968	21-03-1949
Date of Appointment	17-11-2011	12-08-2016	14-06-2017
Qualifications	B.COM & Associate Company Secretary.	Political Science Graduate & Masters in Personnel Management with an MBA (Gold Medalist) from Hull University, United Kingdom.	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.
Expertise in specific functional areas	Mr. Anil Sureka had been a guiding force for the Company by handling various assignments with distinction. He has over 40 years of corporate experience in reputed organizations. His array of exposure percolates to areas like Finance, Project Planning & Execution, Costing & Cost Control, Commercial matters including contract, Secretarial & legal aspects, Supply Chain Management, Marketing, Modern Management Initiatives, Human Resource and Administration etc.	Ms Mita Jha is having more than 20 years of diverse experience in Human Resource Management, Training, TQM in leading Multinational and Indian Organizations viz. Amcor Flexibles India Pvt. Limited, VLCC Health Care Limited, Franklin Templeton Asset Management (India) Private Limited etc.	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 area like Project Execution, Operation, manufacturing, commercial matters including Management of Quality System and Modern Management Initiatives etc.
Names of Listed Companies in which outside Directorship held	Nil	Nil	Nil
Chairman/Member of the committees of the Board of other Companies in which he is a Director	Nil	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
Disclosure in terms of Regulation 36 (3)(c) of the SEBI (LODR) Regulations, 2015 : Disclosure of the relationships between Director inter-se	N.A.	N.A.	N.A.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the 29th Annual Report and the Company's audited accounts for the financial year ended 31st March, 2017.

FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended 31st March, 2017 is summarized below:

(₹ in Lacs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Total Income	1,03,689.77	84,470.59	1,03,696.48	84,473.57
Profit/(Loss) Before Interest, Depreciation & Tax (PBIDT)	20,367.25	8,876.07	20,363.91	8,870.25
Finance Charges	3,934.22	3,151.37	3,934.25	3,151.37
Depreciation	2,280.05	2,225.95	2,280.05	2,225.95
Provision for Income Tax and Deferred Tax (Including for earlier years)	5,201.00	1,629.66	5201.00	1,629.66
Share of Loss of Associate Company	-	-	0.47	0.20
Net Profit After Tax (PAT)	8,951.98	1,869.09	8,948.62	1863.08
Profit brought forward from Previous Years	25,204.54	23,873.02	25,158.38	23,832.71
Profit Carried to Balance Sheet	34,529.46	25,204.54	34,479.94	25,158.38

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 22.75% from ₹ 84,470.59 lacs in 2015-16 to ₹ 1,03,689.77 lacs in 2016-17. PBIDT increased by 129.46% from ₹ 8,876.07 lacs in 2015-16 to ₹ 20,367.25 lacs in 2016-17. The Profit (PAT) for the Year increased by 378.95% from ₹ 1,869.09 lacs in 2015-16 to Rs: 8,951.98 lacs in 2016-17. Consequently, the earnings per share stood at ₹ 11.35 (basic) and ₹ 10.63 (diluted) for 2016-17 against ₹ 2.50 (basic) and ₹ 2.50 (diluted) for 2015-16.

DIVIDEND

Your Board needed to strike a prudent balance between rewarding shareholders and reinvesting business surplus in the business for capitalising 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, 2017 subject to the approval of the Shareholders at the 29th 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 March 31, 2017.

DIRECTORS' REPORT (Contd.)

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2017 was ₹ 4,444.52 lacs. The Committee for Preferential Issue of Warrants has allotted 1,00,00,000 Equity Shares of ₹ 5/- each at a premium of ₹16.50 to the Promoter Group Companies on preferential basis on 31st March, 2017 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. Ltd	29,00,000
2.	Direct Trading & Investments Singapore Pte. Ltd.	29,00,000
3.	Prasan Global Ventures Singapore Pte. Ltd.	42,00,000
	Total	1,00,00,000

OPERATIONS

Fiscal 2016-17 was an important milestone in your Company's journey as we registered our highest ferro-alloy production at 1,31,013.76 MT against 1,22,626.53 MT in 2015-16, a 6.84% increase.

Besides, the untiring efforts of the team in successfully implementing various projects (using the TPM, Lean Six Sigma and IMS techniques) 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 1,53,809 MT of slag which facilitated in conserving granite stone otherwise used in construction activities.

The Company has commenced its commercial production with effect from 15th September, 2016 at its sukinda unit, which was acquired from Jabamayee Ferro Alloys Limited as a going concern on a slump sale basis. The installed Capacity of the unit is 15660 MT per annum.

MINES

Government of Odisha is pleased to order grant of chromite mining lease vide letter dated 09.01.2017 under section 10A(2) (c) of the Mines and Minerals (Development and Regulations), (MMDR) Act, 2015 read with rule 8(2) of Mineral Concession Rules, (MCR), 2016 to the company over an area of 35.60 Hects and asked to furnish the performance security in form of Bank Guarantee and also to sign the Mines Development and Production Agreement followed by execution of the lease deed and registration thereof on or before 11.01.2017 as required under rule 8 (4) of the MCR, 2016.

As per section 10A (2) (c) of MMDR Act, 2015, the mining lease is only required to be granted before 11.01.2017. For this ambiguity between MMDR Act, 2015 and MCR, 2016, the company moved to Orissa High Court as it was found to be difficult in executing the mining lease deed and registering thereof within such a short period.

Hon'ble High court allowed company's writ and interim order passed that the provisions of Rule 8(4) of MCR, 2016 shall not be made applicable to the company till next date of listing.

The matter is still pending at the Hon'ble High Court of Orissa.

EXPORT

Your Company exported 109,183 MT Ferro Chrome valued at ₹ 86,298.78 Lacs in 2016-17 against 88,537.50 MT valued at ₹ 61,186.12 Lacs during 2015-16. Exports constituted 85.29% of your Company's turnover in 2016-17.

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 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 Baldrige model was internally driven by Business Excellence ('BE') team who now has senior executives having rich experience of implementation of this model in some of the best business houses of the country.



DIRECTORS' REPORT (Contd.)

The team's efforts in implementing these global techniques yielded heartening results. Productivity and product quality improved, asset utilization improved while wages declined. Besides, disciplined preventive maintenance facilitated in improving equipment health. During the financial year, your Company received certifications for the latest ISO 9001: 2015, ISO 14001: 2015 and ISO 55001: 2014 (Asset Management System). The Company is continuing with the OHSAS 18001:2007 certification on Occupational Health & Safety Management System and ISO 50001:2011, Energy Management System. Your Company cleared Stage 1 Audit of ISO 27001:2013, Information Security Management and SA8000:2014, Social Accountability Management System. 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.

In its endeavor 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. An external assessment of the Company based on the Malcolm Baldrige Model is scheduled to be held in July, 2017 to calibrate our systems and processes and provide a way forward for further improvements.

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 contained is required, although in practice commercial grades of stainless steel contain at least 18%chrome.

As in most commodities in 2016, supply cuts in late 2015 followed by an unexpected step-up in Chinese stainless-steel production have caused significant tightness in the FeCr and chrome ore market. FeCr prices increased by 86% and chrome ore by more than 200% as compared from April 2016 to April 2017.

With no real substitute for Ferro Chrome in stainless steel and limited supply flexibility, supply tightness expected to persist to the end of the decade. This has pulled the Indian FeCr industry out of its slump, but the real beneficiaries are the integrated FeCr producers with captive chrome mines.

The market size for High Carbon Ferro Chrome is 11.10 Million Tonnes and Asia forms the largest consumer segment of this market with Chinese demand alone being over 7 Million Tonnes. With over 80% of the world's Chrome Ore reserves South Africa is a major player in Chrome Alloys.

BUSINESS STRATEGY

Volume-driven growth: Your Company has increased the operating capacity to 1,45,000 MT per annum through capacity balancing, process optimization and marginal capital investment. This will further increase the operating capacity to 1,46,210 MT.

The company is continuously exploring opportunities for growth and expansion. The company has already acquired the Ferro Chrome Business along with Sukinda Plant of Jabamayee Ferro Alloys Limited as a going concern on a slump sale basis providing the requisite inorganic growth to the Company.

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 accurate 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 reserves for open cast mining in the Kaliapani Chromite Mines in Sukinda would continue for few years. For long term 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.

DIRECTORS' REPORT (Contd.)

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.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

SUBSIDIARIES

MILTON HOLDINGS LIMITED (MHL)

Milton Holdings Limited (MHL), Mauritius, a Wholly-owned Subsidiary, had invested through joint venture in Manganese-ore mining projects in Brazil. As at the date of Balance Sheet, the Company has an investment in shares of MHL, aggregating in value to USD 4.7351 million (Equivalent to ₹ 2,194.83 Lacs).

BALASORE METALS PTE. LIMITED

Balasure Metals Pte. Limited (BMPL), Singapore, is a Wholly-owned Subsidiary of the Company. As at the date of Balance Sheet, the Company has an investment in share of Balasure Metals Pte. Limited aggregating, in value, to USD1.00.

BALASORE ALLOYS NIGERIA LIMITED

Balasure Alloys Nigeria Limited (BANL), is a Subsidiary of the Company. As at the date of Balance Sheet, the Company has agreed to make an investment in the Share Capital of Balasure Alloys Nigeria Limited aggregating, in value upto ₹ 19.80 Lacs.

ASSOCIATES

Balasure Energy Limited, is an Associate of the Company. As at the date of Balance Sheet, the Company has an investment in 17,000 shares of Balasure Energy Limited aggregating, in value, to ₹ 1,70,000.

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.balasurealloys.com.

Further, as per fourth proviso of the said section, the audited annual accounts of each of the Subsidiaries and Associate Companies have also been placed on the website of the Company. Shareholders interested in obtaining a copy of the audited annual accounts of the Subsidiaries and Associate Companies may write to the Company Secretary at the Company's registered office and Administrative office.

The audited financial statements and audit reports of each of the Subsidiaries are available for inspection at the registered as well as administrative office of the Company and that of the Subsidiaries during working days between 11.00 A.M. to 1.00 P.M except Saturdays.

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 thereunder.

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. 13 and 14 of the Financial Statements of the Company for the year ended on 31st March, 2017.

**DIRECTORS' REPORT (Contd.)****PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year ended March 31, 2017, your Company's transactions with all the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder 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 (LODR) 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 Accounting Standards (AS-18) 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

M/s. Chaturvedi & Shah, Chartered Accountants, (Firm Registration No. 101720W), Statutory Auditors of the Company have been appointed by the members at the 26th Annual General Meeting held on 25th September, 2014 and shall hold office for a period of 4 years starting from 1st April, 2014 subject to be ratified by the members of the Company at every Annual General Meeting of the Company.

M/s. Chaturvedi & Shah have given their consent to act as Auditors, if 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 appointment, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

Members are requested to ratify their appointment as the Statutory Auditors of the Company and to fix their remuneration for the financial year ending on 31st March, 2018.

A resolution proposing 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 recommendation of the Audit Committee, the Board of Directors at its meeting held on May 19, 2017, 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 2017-18 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 March 31, 2016 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 March 31, 2017 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 Rules, 13 of (The Companies (Accounts) Rules 2014) and based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 19, 2017, 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 2017-18 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 recommendation of the Audit Committee, the Board of Directors at its meeting held on May 19, 2017, 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 2017-18.

DIRECTORS' REPORT (Contd.)

The report of M/s. MKB & Associates, Secretarial Auditor of the Company for the financial year ended on 31st March, 2017 is annexed to this Report as **Annexure - 2**. The Secretarial Audit Report contains the following qualification as:

“out of the entire shareholding of the Promoters 4,660 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.”

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.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

I. INDEPENDENT DIRECTORS:

(a) APPOINTMENT OF INDEPENDENT DIRECTORS:

Ms. Mita Jha (DIN: 07258314) was appointed as Non - Executive Independent Director at the Annual General Meeting of the Company held on 28th September, 2016 for a term of five years with effect from 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 shall cease to be the Independent Director of the Company.

(b) STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149 OF THE COMPANIES ACT, 2013 AND REGULATION 16 OF SEBI (LODR) 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 (LODR) Regulations, 2015.

(c) 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 detail, 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.balasoalloys.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 (LODR) Regulation, 2015, the Company is required to have atleast one Woman Director on its Board. The Company complies with the aforesaid requirement as Mrs. Vartika Mittal Goenka (DIN: 02451225), has been a Director of the Company till 29th May, 2016. Thereafter, Ms. Mita Jha was appointed as Director of the Company on 12th August, 2016.

(b) APPOINTMENT OF DIRECTORS:

Based on the recommendations of Nomination and Remuneration Committee and Audit Committee, the Board at its meeting held on 12th August, 2016 appointed Ms. Mita Jha (DIN: 07258314), as Non Executive Director (Category – Independent Director) of the Company w.e.f., 12th August, 2016. Further, the Board of Directors of the Company in its Meeting held on 19th May, 2017 based on the recommendations of Nomination and Remuneration Committee and Audit Committee appointed her 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 subject to the approval of Shareholders of the Company at the 29th Annual General Meeting of the Company.

**DIRECTORS' REPORT (Contd.)****(c) RESIGNATION OF DIRECTORS:**

During the year under review, Mrs. Vartika Mittal Goenka (DIN: 02451225), Women Director of the Company resigned from the Board of the Company w.e.f. 29th May, 2016 and Mr. R K Parakh (DIN: 00459699), resigned w.e.f. 30th June, 2017 from the office of Director - Finance & Chief Financial Officer (CFO) of the Company. The Board placed on record its sincere appreciation for the valuable guidance and contribution made by Mrs. Vartika Mittal Goenka and Mr. R K Parakh 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. Anil Sureka (DIN: 00058228) 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 informations in respect of the Directors seeking appointment/re-appointment as required under Regulation 36 of the SEBI (LODR) 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 ensuring Annual General Meeting. The Board of Directors recommends the above appointment(s)/re-appointment(s).

III. KEY MANAGERIAL PERSONNEL :

The Board of Directors at its meeting held on 20th May, 2014, pursuant to Section 203(2) of the Companies Act, 2013 noted and ratified the appointments, terms and conditions of appointments including remuneration of Mr. Anil Sureka, Managing Director, Mr. R K Parakh, Director-Finance & Chief Financial Officer and Mr. Trilochan Sharma, President & Company Secretary of the Company as Key Managerial Personnel of the Company. The Board of Directors of the Company has appointed Ms. Mita Jha (DIN: 07258314), as Whole-time Director of the Company designated as Executive Director – Human Resource w.e.f., 27th July, 2017.

MEETINGS:**MEETINGS OF BOARD OF DIRECTORS :**

During the financial year ended on 31st March, 2017, Five 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 2016-17 was held on Saturday, 25th March, 2017. In this meeting, the Directors evaluated the performance of Board and its Committee as a whole, Chairman of the Board, 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 including Employees employed throughout the financial year under review and in receipt of remuneration aggregating not less than ₹ 1,02,00,000 per annum as given in **Annexure-'4'** hereto and forms part of this Report.

DIRECTORS' REPORT (Contd.)

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, 2017, 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.

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 under 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. R K Parakh, Director Finance cum Chief Financial Officer 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, 2017. 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.



DIRECTORS' REPORT (Contd.)

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, 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 Chairman and the Non Independent Directors was carried out by the Independent Directors.

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

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.

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 members 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/Investors/Policy/Remuneration%20Policy%20--%20Final.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 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.



DIRECTORS' REPORT (Contd.)

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.

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 a large, empowering individual making them self-reliant.

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.balasurealloys.com/upload/media/CSR/CSR_Policy_Final.pdf

The Report on CSR activities or initiatives for the financial year 2016-17 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.balasurealloys.com/upload/media/code/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.



DIRECTORS' REPORT (Contd.)

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.

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.

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.

OTHER REQUIREMENTS:

EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return as on the financial year ended on 31st March, 2017 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.

There are no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

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. 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. Your Company always remains vigilant to capitalize on talent pool in order to promote performance driven work culture, both within and outside the organization.

AWARD AND RECOGNITION

The Company has received many awards from various organizations in recognition of its outstanding performance / contribution to the industry and society. Some of the awards received during the financial year 2016-17 are mentioned below:

1. Odisha Metalliferrous Mines Safety week celebration 2016-17:
 - a. 1st prize in Innovation category.
 - b. 1st prize in Safety performance & Consciousness category of group 'B' Contractual working category of Mines.
 - c. 1st prize in Overall First Aid of group 'B and D' category of Mines.
 - d. 1st Prize in "Water Management / Monsoon Preparation in Mines".
 - e. 2nd prize in Health & Welfare category of group 'B' category of Mines.
 - f. 2nd prize in Maintenance category of group 'B' Contractual working category of Mines.
 - g. 2nd prize in Maintenance category of group 'B' category of Mines.
 - h. 3rd prize in Safety & Compliance category of group 'B' category of Mines.



BALASORE ALLOYS LIMITED

2. The Company was awarded Best Meritorious Award in '21st NALCO All Odisha Quality Circle Convention' in the "Meritorious Category" organized by NALCO at Bhubaneswar.
3. Accredited by National Accreditation Body for Laboratory testing & calibration (NABL), CISR, New Delhi for Testing Laboratory.
4. Certified by Japanese Industrial Standard (JIS), Japan for Product certification.
5. Awarded Energy Savings certificate by BES, Ministry of Power, Government of India for implementing energy conservation measures.
6. BAL was awarded with State Export Awards for outstanding performance in the field of export of Ferrochrome in the Metallurgical Product category for the year 2012-13 and 2014-15 at Bhubaneswar.
7. The Company was awarded CSR Silver Medal for Value Driven Social Change organized by Institute of Quality & Environment Management Services (IQEMS) backed by support from South Africa High Commission, CREDAI Odisha, Rotary International.

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 AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of seven years shall be transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

CREDIT RATING

During the year under review, Credit Analysis & Research Limited (CARE) has reaffirmed the Credit Rating of CARE BBB-; Stable (Triple B Minus; Outlook: Stable) 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 Rating is 'Stable'.

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

Place : Kolkata
Date : 19th May, 2017

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**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****Part "A": Subsidiaries****(₹ in Lacs)**

Sl. No.	Particulars	Name of the Subsidiaries		
		Balasure Alloys Nigeria Ltd***	Milton Holdings Ltd.	Balasure 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 64.84	1USD = INR 64.84	1USD = INR 64.84
4.	Share capital (Issued, Subscribed & Paid Up)**	20**	2194.83	0.00*
5.	Reserves & surplus (incl. debit balance in Profit & Loss Account).	-	846.24	-26.64
6.	Total assets	-	3,049.09	8.65
7.	Total Liabilities	-	8.02	35.29
8.	Investments	-	-	-
9.	Turnover	-	-	-
10.	Profit / Loss before taxation	-	-2.41	-0.95
11.	Provision for taxation	-	-	-
12.	Profit after taxation	-	-2.41	-0.95
13.	Proposed Dividend	-	-	-
14.	% of shareholding	99%	100%	100%

* 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 Balasure Alloys Nigeria Limited.

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

Notes:

- Names of subsidiaries which are yet to commence operations:** - Balasure Metals Pte. Ltd. and Balasure Alloys Nigeria Ltd. are yet to commence their operations.
- Names of subsidiaries which have been liquidated or sold during the year:** - N.A.

For Chaturvedi & Shah

Firm Registration Number: 101720W
Chartered Accountants

Amit Chaturvedi

Partner
Membership no.: 103141

Place : Kolkata

Date : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

R K Parakh
(Director-Finance)
DIN No.- 00459699

Trilochan Sharma
(Company Secretary)
Membership No. FCS 6024

**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, 2017
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*	(-0.90)

* 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 Number: 101720W
Chartered Accountants

Amit Chaturvedi

Partner
Membership no.: 103141

Place : Kolkata
Date : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

R K Parakh
(Director-Finance)
DIN No.- 00459699

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, 2017

[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, 2017 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, 2017, 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 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.

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

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 resolutions 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 borrow upto maximum amount of Rs. 2500 Crores under Section 180(1)(c) of the Companies Act, 2013;
- b) to mortgage, charge, hypothecate, lien and / or pledge as may be necessary on such of the assets of the Company, both present and future, upto maximum amount of Rs. 2500 Crores under Section 180(1)(a) of the Companies Act, 2013.

We further report that during the audit period the Company has passed the following special resolutions through postal ballot on 26th September, 2016, which authorize the Board to exercise power:

- a) to issue and allot 2,30,00,000 (Two Crore Thirty Lacs only) Convertible Warrants of nominal value of Rs. 5/- each under section 42 and 62 of the Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b) to give loans, provide guarantee, security, make investments upto maximum amount of Rs. 500 Crore under Section 186 of the Companies Act, 2013.

We further report that during the audit period the Company has allotted 2,30,00,000 Convertible Warrants to the Promoter Group of the Company on preferential basis out of which 1,00,00,000 Convertible Warrants have been converted into 1,00,00,000 Equity Shares on 31st March, 2017.

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 : 19th May, 2017



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 Banthia
[Partner]
ACS no. 11470
COP no. 7596
FRN: P2010WB042700

Place : Kolkata
Date : 19th May, 2017



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 2016-17:
- Median: 327348
- Managing Director: 50.18 times
- Director-Finance: 23.25 times
- Director-Operations: 20.82 times
- Company Secretary: 9.58 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 2016-17:
- Managing Director: 12.00%
- Director-Finance: 37.83%
- Director-Operations: 20.00%
- Company Secretary: NIL
- (iii) Percentage increase in the median remuneration of employees in the financial year 2016-17:
- Median 2015-16: 279948
- Median 2016-17: 327348
- 16.93% Increase in median remuneration
- (iv) There are 905 Number of employees (905 Permanent employees and 15 Contractual employees) on the rolls of the Company as on 31.03.2017.
- (v) Average percentile increase 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 (2016-17): 23.12%
- Avg % increase Managerial Personnel (2016-17): 19.16%
- (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 : 19th May, 2017

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, 2017**

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 Kumar Sureka	Managing Director	Contractual	B. Com & CS	62	17.04.2012	44 Years	164.26	JSW Ispat Steel Ltd
2	Rajendra Kumar Parakh	Director - Finance, CFO	Contractual	CA	50	17.11.2011	25 Years	76.11	GPIL, CFO
3	G Janarthanam	Director- Operations	Contractual	B.E - Mechanical & MBA - HR & Marketing	58	12.02.2016	39 years	68.16	GPIL, Director
4	Balendra Kumar Nath	Sr. Vice President - Corporate Affairs	Permanent	B.E - Mech	58	02.01.2012	32 Years	52.20	JSW Ispat Steel Ltd, Sr. Vice President
5	Abhay Chawdhury	Director - Project Finance (Non-Board Director)	Permanent	C.A.	53	03.06.2014	29 Years	48.46	CA & Associates Inc
6	Ashok Pattnaik	Director (Non-Board Director)	Contractual	M.A.-Sociology, MBA - HR & PM, LLB	56	10.12.2014	32 Years	46.09	Rohit Ferro Tech Limited, Chief Executive (Coordination & HR)
7	Bachchan Kumar	President-Mines	Permanent	M.Tech-Geology	57	02.08.2013	31 Years	45.88	HCC Ltd., DGM-Geology
8	Tuhin Nag	Vice President- Eng. & Project	Contractual	B.E - Mech	59	16.06.2014	35 Years	41.59	Danieli Engineering India Limited- VP
9	P. M Nair	Director - Business Development (Non-Board Director)	Contractual	B.E. - Chemical	70	20.06.2016	38 Years	37.47	GINL, Director
10	Vinod Kumar Jodhani	Sr. Vice President - CRM	Permanent	B. Com	48	01.01.1990	28 Years	31.93	NA

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, pension funds, house rent allowance, leave travelfacility 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 March 31, 2017.

For and on behalf of the Board

Place : Kolkata
Date : 19th May, 2017

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**DIRECTORS' REPORT (Contd.)****Annexure - 5**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017
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 : 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.	Wholly owned 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. SHARE HOLDING 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, 2016)				No. of Shares held at the end of the year (as on 31st March, 2017)				% 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	0.68	533660	4660	538320	0.61	-0.07
(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	52.74	41604076	0	41604076	46.80	-5.94
(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	53.42	42137736	4660	42142396	47.41	-6.01
(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.	2393420	0	2393420	3.03	12393420	0	12393420	13.94	10.91
(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)	2393420	0	2393420	3.03	12393420	0	12393420	13.94	10.91
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	44531156	4660	44535816	56.45	54531156	4660	54535816	61.35	4.90
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	100	13500	13600	0.02	100	13500	13600	0.02	0
(b) Banks / FI	8151	587922	596073	0.76	3151	587922	591073	0.66	-0.10
(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	2.15	1697013	0	1697013	1.91	-0.24
(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)	1705264	601422	2306686	2.93	1700264	601422	2301686	2.59	-0.34
2. Non-Institutions									
(a) Bodies Corp.	5748675	58711	5807386	7.36	5041608	58577	5100185	5.74	-1.62
(b) NRI/ Foreign Co.	315292	597757	913049	1.16	650488	595835	1246323	1.40	0.24
(c) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	8914377	8805110	17719487	22.46	9319953	8728521	18048474	20.30	-2.16
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7606903	0	7606903	9.64	7591843	0	7591843	8.54	-1.10
(d) Others (specify)	1084	0	1084	0	66084	0	66084	0.07	0.07
Sub-total (B)(2)	22586331	9461578	32047909	40.62	22669976	9382933	32052909	36.06	-4.56
Total Public Shareholding (B)=(B)(1)+(B)(2)	24291595	10063000	34354595	43.55	24370240	9984355	34354595	38.65	-4.90
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	68822751	10067660	78890411	100	78901396	9989015	88890411	100	-

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Share holding at the end of the year (As on 31.03.2017)			% 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 Pvt Ltd	12402346	15.72	15.59	12402346	13.95	13.84	-1.77
2.	Navoday Exim Private Limited	500000	0.64	0.63	500000	0.56	0.56	-0.08
3	Navdishya Real Estate Private Limited	1801880	2.29	2.28	1801880	2.03	2.03	-0.26
4	Indethal Holding Limited	1304100	1.65	0.00	1304100	1.47	0.00	-0.18
5	Ispat Steel Holdings Ltd	689400	0.88	0.00	689400	0.78	0.00	-0.10
6	Seema Lohia	528880	0.67	0.00	528880	0.59	0.00	-0.08
7	Securex Holding Limited	365900	0.46	0.00	365900	0.41	0.00	-0.05
8	Navoday Highrise Private Limited	7346635	9.31	0.00	7346635	8.26	0.00	-1.05
9	Navoday Niketan Private Limited	4953215	6.28	0.00	4953215	5.57	4.77	-0.71
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	0.01	0.00	5710	0.01	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	420	0.00	0.00	0.00
15	Santosh Kumar Rateria	560	0.00	0.00	560	0.00	0.00	0.00
16	Dankuni Investments Limited	3300000	4.18	0.00	3300000	3.71	0.00	-0.47
17	Navoday Consultants Limited	3300000	4.18	0.00	3300000	3.71	0.00	-0.47
18	Jaltarang Vanijya Pvt. Ltd.	8000000	10.14	0.00	8000000	9.00	0.00	-1.14
19	Direct Trading & Investments Singapore Pte. Ltd.	-	-	-	2900000	3.26	0.00	-
20	Global Steel Holdings Asia Pte. Ltd.	-	-	-	2900000	3.26	0.00	-
21	Prasan Global Ventures Singapore Pte. Ltd.	-	-	-	4200000	4.72	0.00	-


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. Ltd.				
	At the beginning of the year	12402346	15.72		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			12402346	13.95
2	Navoday Exim Pvt. Ltd.				
	At the beginning of the year	500000	0.64		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			500000	0.56
3	Navdisha Real Estate Pvt. Ltd.				
	At the beginning of the year	1801880	2.29		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			1801880	2.03
4	Indethal Holdings Limited				
	At the beginning of the year	1304100	1.65		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			1304100	1.47
5	Ispat Steel Holdings Limited				
	At the beginning of the year	689400	0.88		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			689400	0.78
6	Seema Lohia				
	At the beginning of the year	528880	0.67		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			528880	0.59
7	Securex Holding Limited				
	At the beginning of the year	365900	0.46		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			365900	0.41
8	Navoday Highrise Pvt. Ltd.				
	At the beginning of the year	7346635	9.31		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			7346635	8.26
9	Navoday Niketan Pvt. Ltd.				
	At the beginning of the year	4953215	6.28		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			4953215	5.57
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		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	0.01	0.00	0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	5710	0.01
13	Archana Mittal				
	At the beginning of the year	420	0.00		0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	420	0.00
14	Saroj Rateria				
	At the beginning of the year	420	0.00		0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	420	0.00
15	Santosh Kumar Rateria				
	At the beginning of the year	560	0.00		0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	560	0.00
16	Dankuni Investments Limited				
	At the beginning of the year	3300000	4.18		0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	3300000	3.71
17	Navoday Consultants Limited				
	At the beginning of the year	3300000	4.18		0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	3300000	3.71
18	Jaltarang Vanijya Pvt. Ltd.				
	At the beginning of the year	8000000	10.14		0.00
	Increase/decrease during the year	No changes during the year			
	At the end of the year		0.00	8000000	9.00
19	Direct Trading & Investments Singapore Pte. Ltd.				
	At the beginning of the year	Nil			
	Increase/decrease during the year - Preferential allotment on 31.03.2017	2900000	3.26		0.00
	At the end of the year		0.00	2900000	3.26
20	Global Steel Holdings Asia Pte. Ltd.				
	At the beginning of the year	Nil			
	Increase/decrease during the year - Preferential allotment on 31.03.2017	2900000	3.26		0.00
	At the end of the year		0.00	2900000	3.26
21	Prasan Global Ventures Singapore Pte. Ltd.				
	At the beginning of the year	Nil			
	Increase/decrease during the year - Preferential allotment on 31.03.2017	4200000	4.72		0.00
	At the end of the year		0.00	4200000	4.72


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 01.04.2016)		Shareholding at the end of the year (As on 31.03.2017)	
		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	2.15		
	At the end of the year			1697013	1.91
2	Subramanian P**				
	At the beginning of the year	141290	0.18		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	02.09.2016 Buy	4400	0.00	145690	0.16
	14.10.2016 Buy	1374228	1.55	1519918	1.71
	25.11.2016 Buy	3082	0.00	1523000	1.71
	17.03.2017 Sell	-12550	-0.01	1510450	1.70
	24.03.2017 Sell	-14760	0.02	1495690	1.68
	At the end of the year			1495690	1.68
3	Master Services Capital Ltd**				
	At the beginning of the year	13680	0.02		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	27.05.2016 sell	-1377	0.00	12303	0.01
	10.06.2016 Buy	6667	0.01	18970	0.02
	24.06.2016 sell	-6400	-0.01	12570	0.01
	22.07.2016 Buy	4077	0.00	16647	0.02
	02.09.2016 sell	-9800	-0.01	6847	0.01
	14.10.2016 Buy	2123	0.00	8970	0.01
	23.12.2016 Buy	72756	0.08	81726	0.09
	30.12.2016 sell	-51115	-0.06	30611	0.03
	06.01.2017 Buy	293681	0.33	324292	0.36
	13.01.2017 Buy	78706	0.09	402998	0.45
	20.01.2017 Buy	4686	0.00	407684	0.46
	27.01.2017 Buy	48272	0.05	455956	0.51
	03.02.2017 sell	-3269	0.00	452687	0.51
	17.02.2017 Buy	26723	0.03	479410	0.54
	24.02.2017 sell	-5605	-0.01	473805	0.53
	03.03.2017 sell	-78328	-0.09	395477	0.44
	17.03.2017 sell	-89052	0.10	306425	0.34
	24.03.2017 Buy	311322	0.35	617747	0.69
	31.03.2017 sell	-8961	-0.01	608786	0.68
	At the end of the year			608786	0.68
4	Unit Trust of India				
	At the beginning of the year	581760	0.73		
	At the end of the year			581760	0.65



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 01.04.2016)		Shareholding at the end of the year (As on 31.03.2017)	
		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	821000	1.04		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	24.03.2017 Sell	-300000	-0.34	521000	0.59
	31.03.2017 Sell	-50000	-0.06	471000	0.53
	At the end of the year			471000	0.53
6	Kimberley Steel and Equipment Services Pvt Ltd				
	At the beginning of the year	405257	0.51		
	At the end of the year			405257	0.46
7	Delta Trading Company Ltd				
	At the beginning of the year	326100	0.41		
	At the end of the year			326100	0.37
8	VLS Securities Ltd				
	At the beginning of the year	1200000	1.52		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	03.06.2016 Sell	-200000	-0.22	1000000	1.12
	15.07.2016 Sell	-20000	-0.02	980000	1.10
	22.07.2016 Sell	-24264	-0.03	955736	1.08
	29.07.2016 Sell	-65300	-0.07	890436	1.00
	16.09.2016 Sell	-13000	-0.01	877436	0.99
	23.09.2016 Sell	-292750	-0.33	584686	0.66
	30.09.2016 Sell	-201500	-0.23	383186	0.43
	07.10.2016 Sell	-83186	-0.09	300000	0.34
	At the end of the year			300000	0.34
9	Champion Commercial Company Ltd				
	At the beginning of the year	203649	0.26		
	At the end of the year	0	0.00	203649	0.23
10	Dolly Khanna**				
	At the beginning of the year	0	0.00		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	02.12.2016 Buy	26410	0.03	26410	0.03
	30.12.2016 Buy	14060	0.02	40470	0.05
	06.01.2017 Buy	26200	0.03	66670	0.08
	13.01.2017 Buy	23678	0.03	90348	0.10
	17.02.2017 Buy	10700	0.01	101048	0.11
	03.03.2017 Buy	10933	0.01	111981	0.13
	10.03.2017 Buy	587	0.00	112568	0.13
	17.03.2017 Buy	58348	0.07	170916	0.19
	24.03.2017 Buy	30016	0.03	200932	0.23
	At the end of the year	0	0.00	200932	0.23



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 01.04.2016)		Shareholding at the end of the year (As on 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
11	Sangita S.*				
	At the beginning of the year	863890	1.09		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	30.09.2016 Buy	7380	0.01	871270	0.98
	14.10.2016 Sell	-871270	-0.98	0	0.00
	At the end of the year	0	0.00	0	0.00
12	Sathya S.*				
	At the beginning of the year	457090	0.58		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	30.09.2016 Buy	12678	0.01	469768	0.53
	14.10.2016 Sell	-469768	-0.53	0	0.00
	At the end of the year	0	0.00	0	0.00
13	Ashdil Sales & Promotion Pvt Ltd.*				
	At the beginning of the year	287000	0.58		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	15.04.2016 Sell	-5000	-0.01	282000	0.32
	27.05.2016 Sell	-100000	-0.11	182000	0.20
	03.06.2016 sell	-95000	-0.11	87000	0.10
	21.10.2016 sell	-5000	-0.01	82000	0.09
	28.10.2016 sell	-10000	-0.01	72000	0.08
	04.11.2016 sell	-2000	0.00	70000	0.08
	11.11.2016 sell	-9000	-0.01	61000	0.07
	18.11.2016 sell	-6000	-0.01	55000	0.06
	25.11.2016 sell	-16000	-0.02	39000	0.04
	02.12.2016 sell	-1000	0.00	38000	0.04
	09.12.2016 sell	-5000	-0.01	33000	0.04
	23.12.2016 sell	-11000	-0.01	22000	0.02
	27.01.2017 sell	-1000	0.00	21000	0.02
	03.02.2017 sell	-11000	-0.01	10000	0.01
	10.02.2017 sell	-1000	0.00	9000	0.01
	17.02.2017 sell	-9000	-0.01	0.00	0.00
	At the end of the year	0	0.00	0	0.00

**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 01.04.2016)		Shareholding at the end of the year (As on 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	Monarch Networth Capital Ltd.*				
	At the beginning of the year	285487	0.36		
	Date Wise increase(+)/decrease(-) with reasons, during the year				
	Date Reason				
	15.04.2016 buy	6191	0.01	291678	0.33
	22.04.2016 buy	5500	0.01	297178	0.33
	20.05.2016 sell	-1451	0.00	295727	0.33
	27.05.2016 buy	6000	0.01	301727	0.34
	10.06.2016 sell	-15800	-0.02	285927	0.32
	30.06.2016 sell	-284927	-0.32	1000	0.00
	02.09.2016 buy	22390	0.02	23390	0.03
	09.09.2016 buy	3310	0.00	26700	0.03
	16.09.2016 sell	-24700	-0.02	2000	0.00
	23.09.2016 buy	55560	0.06	57560	0.06
	21.10.2016 sell	-50590	0.06	6970	0.01
	At the end of the year			6970	0.01

* They ceased to become part of top 10 shareholders as on 31.03.2017

** They have become part of top 10 Shareholders as on 31.03.2017.

(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 01.04.2016)		Cumulative Shareholding during the year (As on 31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Pramod Kumar Mittal, Chairman	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. Janarthanam Govindasamy, Director - Operations	0	0.00	0	0.00
10.	Mr. Anil Sureka, Managing Director	0	0.00	0	0.00
11.	Ms. Mita Jha*	0	0.00	0	0.00
12.	Mr. Trilochan Sharma	100	0.00	100	0.00

*Appointed w.e.f. 12.08.2016


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 01.04.2016				
i) Principal Amount	11,470.85	1723.00	-	13,193.85
ii) Interest due but not paid	3.90	92.11	-	96.01
iii) Interest accrued but not due	2.50	-	-	2.50
Total (i+ii+iii)	11,477.25	1,815.11	-	13,292.36
Change in Indebtedness during the financial year				
• Addition	2,861.62	3,014.50	-	5,876.11
• Reduction	-2,042.55	-1,395.23	-	-3,437.78
Net Change	819.06	1,619.27	-	2,438.33
Indebtedness at the end of the financial year as on 31.03.2017				
i) Principal Amount	12,286.28	3,245.00	-	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)	12,296.31	3,434.38	-	15,730.69

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)	Mr. Janarthanam G. (Director - Operations)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	139.36	64.70	59.18	263.24
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	17.13	7.09	5.94	30.16
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	7.78	4.32	3.04	15.14
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	164.27	76.11	68.16	308.54
	Ceiling as per the Act	₹ 1764.5 Lacs approx. (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

**DIRECTORS' REPORT (Contd.)****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	-	3,53,150	6,76,100	10,29,250
● Commission	-	-	-	-
● Others, please specify	-	-	-	-
Total (i)	-	3,53,150	6,76,100	10,29,250

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	6,20,575	6,10,525	7,56,925	19,88,025
● Commission	-	-	-	-
● Others, please specify	-	-	-	-
Total (ii)	6,20,575	6,10,525	7,56,925	19,88,025

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	1,05,875	2,42,400	3,48,275
● Commission	-	-	-
● Others, please specify	-	-	-
Total (iii)	1,05,875	2,42,400	3,48,275
Total (B)= (i+ii+iii)			33,65,550
Total Managerial Remuneration (A+B)	₹ 342.19 Lacs		
Overall Ceiling as per the Act	₹ 1940.95 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	28.31	28.31
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.44	1.44
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	1.61	1.61
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	31.36	31.36

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 : 19th May, 2017**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) Temperature Sensors with ON/OFF control system in Cooling Tower Fans (3,4 & 5)
- ii) Temperature Sensors with ON/OFF control system in Axial Flow Fans in GCP (1,4 & 5)
- iii) Installation of VFD in Furnace -3, GCP -3, ID Fan - 2 no's
- iv) Cooling Tower Fan Blades (FRP) with Motor - CT - 5 - 1 no.
- v) HPSV & MHL (Street lights) replaced with LED lights. - 1st Phase (10 No's & 8 No's)
- vi) Star rated Air conditioner (Split AC) were installed - 5 No's
- vii) Erected the transparent sheet for Maximum utilization of Sun light - Covered sheds.
- viii) Energy Efficient Electrode Blowers, Sealing, Charging Blowers - 3 No's
- ix) Energy Efficient Electrode Blowers, Sealing, Charging Blowers - 15 No's
- x) Limit Switches - 6 No's (To control the Lighting consumption in Day time)
- xi) Solar Water Heater at Guest House and Colony - 6 no's
- xii) Installation of VFD in PAN Mixer, Briquetting plant - 2 no's
- xiii) Installation of VFD in Press, Briquetting plant - 4 no's

(b) The impact on conservation of energy:

- a) Sl. no. (i) - Annual saving 28000 Kwh @ ₹ 5.5/KWH = ₹ 1,54,000/-
- b) Sl.no. (ii) - Annual saving 40000 Kwh @ ₹ 5.5/- Kwh = ₹ 2,20,000/-
- c) Sl.no. (iii) - Annual saving 198000 Kwh @ ₹ 5.5/- Kwh = ₹ 10,89,000/-
- d) Sl. no. (iv) - Annual saving 20900 Kwh @ ₹ 5.5/- Kwh = ₹ 1,14,950/-
- e) Sl. no. (v) - Annual saving 750 Kwh @ ₹ 5.5/- Kwh = ₹ 4,125/-
- f) Sl. no. (vi) - Annual saving 18000 Kwh @ ₹ 5.5/- Kwh = ₹ 99,000/-
- g) Sl. no. (vii) - Annual saving 4500 Kwh @ ₹ 5.5/- Kwh = ₹ 24,750/-
- h) Sl. no. (viii) - Annual saving 23760 Kwh @ ₹ 5.5/- Kwh = ₹ 1,30,680/-
- i) Sl. no. (ix) - Annual saving 118800 Kwh @ ₹ 5.5/- Kwh = ₹ 6,53,400/-
- j) Sl. no. (x) - Annual saving 12000 Kwh @ ₹ 5.5/- Kwh = ₹ 66,000/-
- k) Sl. no. (xi) - Annual saving 9000 Kwh @ ₹ 5.5/- Kwh = ₹ 49,500/-
- l) Sl. no. (xii) - Annual saving 50000 Kwh @ ₹ 5.5/- Kwh = ₹ 2,75,000/-
- m) Sl. no. (xiii) - Annual saving 45000 Kwh @ ₹ 5.5/- Kwh = ₹ 2,47,500/-

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

- 1) In the first phase the Company have planned to install a 6 KW Solar Panel in the roof of Project Building. It will cater the power supply of the entire building.
- 2) We have conducted Feasibility study for setting up a 2 MW solar power project in plant premises. The report received is under discussion.
- 3) Solar Water Heater at Guest House and Colony - 6 no's (Colony - 2no's+ Guest House 2 no's + Canteen 2 No's)

(iii) The capital investment on energy conservation equipments:

- i) Energy Efficient Electrode blowers, Seal blowers, Chute blowers (30 No's)-Investment of ₹ 14 Lakhs
- ii) LED Street lights & Magnetic Induction lights (30 No's) - Investment of ₹ 5 Lakhs

**DIRECTORS' REPORT (Contd.)**

- iii) Energy Management Software (EnMS) - Investment of ₹ 13.5 Lakhs
- iv) Energy Efficient GCP 2 ID Fans 2 no's - Investment of ₹ 25 Lakhs

B. TECHNOLOGY ABSORPTION:**(i) Efforts made towards technology absorption:**

- (i) Electrode Management software from Mintek installation for Furnace - 2 & 3.
- (ii) PLC up gradation for Furnace - 2 & 3.
- (iii) Briquette Plant Drier Circuit Automation.
- (iv) EnMS software - Energy Monitoring Auto generation

(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) Improvement in Briquette Process.

(iii) Particulars of technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

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

- i) No Capital Expenditures was incurred during the financial year 2016-17.
- 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:	2016-17	2015-16
FOB value of exports	80,359.58	57,042.76
Total	80,359.58	57,042.76
Outgo on account of:		
a) Raw materials	757.21	1285.07
b) Stores & spare parts	57.95	9.81
c) Travelling Expenses	313.87	183.55
d) Commission on Sales	1481.05	548.54
e) Finance Cost	125.58	131.90
f) Others	506.41	355.59
Total	3242.07	2514.46

For and on behalf of the Board

Place : Kolkata
Date : 19th May, 2017

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES
FOR THE FINANCIAL YEAR 2016-17**

**[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.balasurealloys.com/upload/media/pdf/Corporate%20Social%20Responsibility%20Policy%20--.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 2016-17 had been the followings:-

- a. **Healthcare** - Company has invested in multiple healthcare projects. Mega health camps have been organised to benefit around 2000 local people. Free eye cataract surgery camp, Blood donation camp, free vaccination camp, distribution of free medicines, health awareness & promotion programmes, programme for physically challenged person, free ambulance facility, distribution of blankets & mosquito nets to 200 families, etc., are among various initiatives taken towards health care in the financial year 2016-17.
- b. **Drinking Water Supply** - Around 260 families in the catchment areas of the Company were benefitted by hygienic water supply through water purifier machine, deep bore wells & VAT, overhead tank, pipe line and through maintenance & repairing of existing water supply projects etc.
- c. **Environment** - BAL's commitment towards environment balance made to go for an Avenue Plantation drive of 5000 saplings in 16 kms in Balasore Municipality area, 15000 from Mangalpur to Kuhika. Distribution of coconut plants in the peripheral villages of Kaliapani Chromite Mines has been done in 2016-17. Maintenance, watering & wire meshing is being taken up by the company as a step towards sustainable development.
- d. **Infrastructure Development** - BAL has taken various infrastructural projects like construction of Community Hall at Kaliapani, Sagor, Birsanagar and Kateni, Painting of Solar Light Post, construction of toilets, street light arrangements, and construction of village community centre & common utility service centre in its peripheral areas.
- e. **Women Empowerment** - Company has taken various initiatives for empowering rural women by providing special training programmes on sewing, mushroom cultivation etc. Around 25 families of Balgopalpur and Sereipur village have been backed with such types of special training programmes. 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 provided free transport service to the College students and has also constructed girl's common room at sukinda college. Further, company keeps on distributing computers and school kits like bags, etc.

2. The composition of the CSR Committee:

We have a CSR Committee of the Board of Directors who overviews the CSR undertakings to ensure that the CSR objectives are met. Our 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
- Mr. R. K. Parakh, Director (Finance)*

* Shall cease to be Member w.e.f. 30th June, 2017.

**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 there under prescribes that every company having a net worth of ₹ 500 Crores or more, or turnover of ₹1000 Crores or more or a net profit of ₹ 5 Crores or more during any financial year shall ensure that the Company spends, in every financial year atleast 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	4960.66
Prescribed CSR Expenditure (2% of the average net profit)	99.21
Details of CSR expenditure during the financial year :	
Total amount to be spent for the financial year	99.21
Amount Spent	58.33
Unspent Amount	40.88

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 2017-18.

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.	Rural Development (Infrastructure Development)	From Ispat Chhak to Thank You Gate of Balgopalpur under Nuapadhi Gram Panchayat of Remuna Block of Balasore district of Odisha.	Nil	9,66,088	9,66,088	Direct Expenditure
2.	Installation of Street Lights.	Rural Development (Infrastructure Development)	Balgopalpur, Saun, Gopinath Temple Chhak to Mandir under Remuna Block of Balasore district of Odisha.	1,20,000	2,39,044	2,39,044	Direct Expenditure
3.	Installation of CC TV Cameras.	Rural Development (Infrastructure Development)	F.M. Circle, Police Line Square and Cinema Square of Balasore in Balasore district of Odisha.	2,90,136	2,90,136	2,90,136	Direct Expenditure
4.	Construction of Concrete Road and Boundary Wall of Refugee Colony School.	Rural Development (Infrastructure Development)	Refugee Colony School, Balgopalpur & Saidpur under Nuapadhi Gram Panchayat of Remuna Block of Balasore district of Odisha.	1,50,000	0	0	Direct Expenditure
5.	Repairing of Village Road, College Road & Street Lights.	Rural Development (Infrastructure Development)	Balgopalpur, Gourpur, Remuna Bazar, Remuna College under Remuna Block of Balasore District of Odisha.	44,842	59,842	59,842	Direct Expenditure
6.	Distribution of Blankets.	Tribal Development	Balgopalpur & Sereipur, Rasalpur, Nuapadhi, Saun, Patripal, Mandarpur under Remuna Block of Balasore district of Odisha.	1,00,000	1,00,000	1,00,000	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.	Payment to the Indian Red Cross Society and Distribution of Biscuit Packets.	Tribal Development	Balgopalpur & Sereipur, Rasalpur, Nuapadhi, Mukhura, under Remuna Block of Balasore district of Odisha.	36,220	41,220	41,220	Expenditure through Agency/ Direct Expenditure
8.	Observation of World Environment Day, Distribution of Saplings and Organising of Awareness Programmes.	Environment Protection & Development	Villages and Educational Institution of Remuna, Nilgiri and Balasore Sadar Block of Balasore District of Odisha.	5,05,085	5,31,203	5,31,203	Direct Expenditure
9.	Organising of Blood Donation Camp and First Aid Camp, Distribution of Mosquito Nets and Assistance for Better Treatment.	Health Promotion	Balgopalpur & Sereipur, Bampada, Nuapadhi, Remuna Bazar under Remuna Block of Balasore District of Odisha.	2,25,000	1,56,672	1,56,672	Direct Expenditure
10.	Organising of Mushroom Cultivation Training Programme and Celebration of International Womens' Day.	Women Empowerment	Begampur, Gourpur, Balgopalpur under remuna Block of Balasore District of Odisha.	90,000	61,408	61,408	Direct Expenditure
11.	Installation of Bore Well, Water Purifier Machine and Construction of Pump House.	Supply of Safe Drinking Water	Balgopalpur & Sereipur under Remuna Block of Balasore, Sriram Chandra Sanskrit College, Balasore District of Odisha	4,83,617	3,00,996	3,00,996	Direct Expenditure
12.	Providing of Desks & Benches, Setting-up of Computer system in the Schools, Assistance in organizing the School level Literacy Championship, Monthly Teachers Payment, Assistance for Higher Education and Organising of Seminars.	Education Development	Mukhura, Balgopalpur & Sereipur, Nuapadhi, Nuagaon, Gourpur under Remuna Block, Santragadia under Nilgiri Block, Angargadia under Balasore Sadar Block of Balasore District of Odisha.	3,55,500	3,58,600	3,58,600	Direct Expenditure
13.	Construction of Vocational Training Centre, Construction of Sports Training Centre, Organising of Drawing Competition among the Physically Challenged Persons, Organising of Sports Activities with prizes.	Youth Development	Balgopalpur & Sereipur, Sahajipatna, Remuna Bazar under Remuna Block of Balasore district of Odisha.	5,03,000	3,88,645	3,88,645	Direct Expenditure
14.	Construction of Temporary Urinals.	Swachh Bharat Abhiyaan	Remuna Bazar under Remuna Block of Balasore District of Odisha.	5,40,000	3,000	3,000	Direct Expenditure
15.	Construction of Floor of the Cow Shed.	Animal Welfare	Bampada under Remuna Block of Balasore District of Odisha.	25,000	25,000	25,000	Direct Expenditure
16.	Aahar Yojana	Eradication of Hunger	Ganeswarpur under Remuna Block of Balasore District of Odisha.	5,00,000	5,00,000	5,00,000	Expenditure through Collector, Balasore.
TOTAL				39,68,400	40,21,854	40,21,854	

**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	Construction of Community Hall and painting of Solar light post.	Rural Development (Infrastructure Development)	Hanuman Bazaar Kaliapani under Sukinda Block of Jajpur District of Odisha.	15,00,000	2,00,700	2,00,700	Direct Expenditure
2	Celebration of Village Annual Function.	Tribal Development	Kaliapani Gram Panchayat under Sukinda Block of Jajpur District of Odisha.	4,00,000	53,730	53,730	Direct Expenditure
3	Assistance to the Poor Nagada Villagers suffering from malnutrition.	Tribal Development	Nagada village under Chingudipal Gram Panchayat of Sukinda Block of Jajpur District of Odisha.		18,200	18,200	Direct Expenditure
4	Organising of Football Tournament.	Tribal Development	Mines area villages under Sukinda Block of Jajpur District of Odisha.		55,000	55,000	Direct Expenditure
5	Organising of Jalachhatra during Summer.	Supply of Drinking Water	Mines area villages under Sukinda Block of Jajpur District of Odisha.	5,50,000	11,669	11,669	Direct Expenditure
6	Operation, Maintenance and Payment of Electric Charges etc to the existing Water Supply Projects.	Supply of Drinking Water	Kaliapani and Ghagiasahi villages of Kaliapani Gram Panchayat under Sukinda Block of Jajpur District of Odisha.		3,63,236	3,63,236	Direct Expenditure
7	Planting and distributing saplings and medicinal plants.	Environmental Conservation	Kaliapani Mines area villages under Sukinda Block, Jajpur and Solei, Sogar villages under Kamakshya nagar Block of Dhenkanal of Jajpur District of Odisha.	12,00,000	6,42,055	6,42,055	Direct Expenditure
8	Hiring of Ambulance van for Kaliapani Mines First Aid Camp.	Health Promotion	Sukinda Plant near by villages under Sukinda Block of Jajpur District of Odisha.	6,50,000	1,59,150	1,59,150	Direct Expenditure
9	Hiring of Buses for the College Students.	Education Development	Local College Students of Kaliapani Gram Panchayat under Sukinda block of Jajpur District of Odisha.	4,00,000	86,800	86,800	Direct Expenditure
10	Construction of common toilet at Birsanagar.	Swachh Bharat Abhiyaan	Birsanagar village of Kaliapani Gram Panchayat under Sukinda Block of Jajpur District of Odisha.	2,00,000	70,585	70,585	Direct Expenditure
11	Organizing youth festival	Youth Development	Mines area youths under Sukinda Block of Jajpur District of Odisha.	3,02,600	1,50,000	1,50,000	Direct Expenditure
TOTAL				59,52,600	18,11,125	18,11,125	

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 : 19th May, 2017

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Chairman of CSR Committee
DIN: 00799039

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The global economy seems to be stabilising after a sustained period of volatility. Global economic activities improved in the second half of Current Year (CY) 2016, especially in advanced economies. Growth picked up in the US as firms grew more confident about future demand. The economy also recorded a lower rate of unemployment and buoyant consumer demand. In the aftermath of the Brexit vote, the Euro area growth was also resilient on the back of strong domestic demand and continued easing; the growth in the United Kingdom remained robust on the back of resilient spending. Japan's performance has also been on the upside with strong exports.

However, the global economic growth, at 3.1% on a year-to-year basis, fell short of expectations in CY 2016 as deceleration in the key emerging markets and developing economies (EMDEs) overshadowed the modest recovery in major developed countries. The EMDEs contribute to more than half of the global economic growth rate. Their deceleration was accompanied by a modest increase in commodity prices, subdued global trade, financial market volatility and weakening capital flows. Although China's growth turned out to be better than expected on the back of policy stimulus, it was lower than CY 2015. India fared better than the world in terms of growth, even though the demonetisation exercise temporarily threw a challenge. Brazil, on the other hand, remained mired in a deep recession.

Challenges: Recent political developments highlight a fraying consensus about the benefits of cross-border economic integration. The major policy shifts might further intensify protectionism and widen global imbalances.

Outlook: According to the International Monetary Fund (IMF), the global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing and trade. It has projected economic activities to improve in both advanced economies as well as EMDEs in CY 2017 and CY 2018, with global growth projections at 3.5% and 3.6% respectively.

Indian Economy

Favourable government reforms and a stringent fiscal regime in the recent past have supported the accelerated growth of the Indian economy since 2014. The Economic Survey 2017 describes India's stand in the world as 'haven of stability' and positions it as 'an outpost of opportunity'.

India's GDP grew by 7.1% demonstrating its economic fundamentals continue to be strong despite the short-term disruptive policy initiatives and geo-political issues in large global economies.

While emerging urban clusters are driving this growth, rural India is seeing a recovery after around 3-4 years. Such a scenario is likely to generate momentum for India Inc. The country's economic prospects appear optimistic with policymakers creating enablers for strong and sustainable growth for the medium to long-term.

Growth Catalysts

Infrastructure resurgence: The government is committed to ensure time-bound creation of world-class infrastructure in the country. It is targeting around ₹ 25 trillion (US\$ 376.53 billion) investment in infrastructure over a period of three years, which will include ₹ 8 trillion (US\$120.49 billion) for developing 27 industrial clusters; and an additional ₹ 5 trillion (US\$75.30 billion) for roads, railways and port connectivity projects.

Rural thrust: The Union Budget for the financial year (FY) 2017-18 has allocated ₹ 1,872.23 billion towards Rural Population out of which 190 billion allocated for Prime Minister Gram Sadak Yojana and the Government intends that by 2018 every village should be electrified and by 2019 each village should have road connectivity. Higher agricultural credit, enhanced allocation for irrigation projects, a crop insurance scheme for farmers and increased allocations for MGNREGA in the Union Budget will also help bolster rural income. In addition, the implementation of the Seventh Pay Commission Recommendations will also spur demand across semi-urban and rural India.

Institutional reforms: The FY 2016-17 was marked by a variety of institutional reforms such as the implementation of the Insolvency and Bankruptcy Code, creation of Monetary Policy Committee, redesigning of the Fiscal Responsibility and Budget Management (FRBM) framework, passage of Goods and Service Tax (GST) and finally, the policy thrust towards a less-cash formal economy. In addition, the trend of benign inflation and continued improvement in twin deficits further bolstered the country's macro-economic parameters.

Challenges:

A key concern for the country is the health of the banking system, which continues to battle with rising bad loans and heightened corporate vulnerabilities in certain key sectors of the economy. Besides, the firming up of crude oil prices, reduced commodity exports and almost stagnant non-commodity exports could impact trade and current account deficits.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Outlook:

The growth momentum should rise, driven by the Government's policy initiatives in areas such as taxation (GST), foreign direct investment (FDI) and the ease of doing business, among others. Other major factors helping India stay as a bright spot in the global economic landscape include the lower global oil price, with positive impact on the country's import bill, a well-regulated monetary policy by the Reserve Bank to stabilise prices and improving fiscal condition. The Government's endeavour to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in the medium and long terms.

INDUSTRY OVERVIEW

Stainless steel depends on chromium for its appearance and its resistance to corrosion. The average chrome content in stainless steel is approximately 18%. Over 80% of the world's ferrochrome is utilised in the production of stainless steel. To understand the performance and prospects of the ferro chrome industry, it would be relevant to get a brief idea on the stainless steel sector - in India and across the globe.

STAINLESS STEEL SECTOR

Global overview

Worldwide stainless steel melt shop production totaled 45.71 million tonnes in 2016, up from the 42.21 million tonnes produced in 2015. The rise was attributed to an increase in output in China - the world's largest stainless steel producing country, where production rose by 12.76% year-on-year to 24.73 million tonnes, up from 21.93 million tonnes in 2015. Globally, stainless steel is expected to grow by 2.9% in 2017 supported by growth in China & India. Growth in developed economies is expected to remain subdued.

Domestic overview

India has pipped Japan to become the second largest stainless steel producer in the world after China, according to data released by the International Stainless Steel Forum (ISSF) at their annual conference held on 18th May, 2017. India's stainless steel production rose to 3.32 million tonne for 2016 showing an impressive growth of about 9 per cent over 3 million tonnes in 2015.

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 push to the stainless steel industry in future. The National Steel Policy released by the Ministry of Steel will give impetus for long term benefits to the Industry.

CHROME ORE SECTOR

Global overview

Globally, the shipping grade chromite reserves including resources are estimated at 12 billion tonnes. Current World annual production is of the order of 29 Million Tonnes only. With 80% of global chrome ore reserves, South Africa is the largest supplier of chrome ore to the global ferro chrome industry.

In 2016, global chrome ore output marginally declined by 2.3% to 29.02 million tonnes even as ferrochrome production increased by 3.4% at 11.1 million tonnes.

All international chrome ore and concentrate prices continued their upward trend though at a more moderate pace. China's chrome market revived - the UG 2 concentrate prices in China increased considerably over the previous year. However, towards the end of the first quarter of 2017, there were signals of a correction in chrome ore prices due to oversupply to China - the biggest market. This is expected to have a cascading effect on global ferro chrome prices in the coming months.

Domestic overview

India's total chrome ore resources including reserve are estimated at 203 million tonnes with 54 million tonnes as reserves (27%). More than 95% of the chromite resources are located in Odisha, mostly in the Sukinda valley in the Jajpur districts, with Odisha Mining Corporation having control of over a third of the output. India's 3.94 million tonnes per annum chrome ore production forms around 13.50% of global production, i.e. 29.01 million tonnes.

In 2016, the Government abolished export duty on chrome ore from 30% earlier. Ferro chrome manufacturers apprehend that zero export duty may lead to a rise in exports which would put pressure on domestic prices of chrome ore. This was done as India is unable to consume all the chrome ore mined for ferro chrome making. Besides, a huge amount of electricity is needed for the conversion, making the value addition, expensive.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Global overview

The global stainless steel output of 45.6 million tonnes drives a FeCr market of 11.10 million tonnes that requires 29 million tonnes of chrome ore.

China, with its rising share of global stainless steel output, has overtaken South Africa as world's leading FeCr producer. However, due to lack of chrome ore resources of its own, China's FeCr production relies heavily on chrome ore imports, mainly from South Africa.

As in most commodities in 2016, supply cuts in late 2015 followed by an unexpected step-up in Chinese stainless steel production caused significant tightness in the FeCr and chrome ore market. As a result, global demand for FeCr increased to 11.5 million tonnes in 2016 against a supply of 11.10 million tonnes. Consequently, prices increased significantly - FeCr prices increased by 86% and chrome ore by more than 200%, as compared from April, 2016 to April, 2017.

In 2016, Chinese output of FeCr at 4.22 million tonnes overtook South Africa at 3.59 million tonnes. Kazakhstan with 1.21 million tonnes and India with 1.06 million tonnes were the major producers.

Future prospects: Going forward, demand is expected to increase by 3.5% in 2017 supported by growth in Stainless Steel demand. High prices have enabled shut capacities to come on stream which will increase supply by 3% to 11.4 million tonnes. China expects to increase its FeCr production to feed its growing stainless steel production; import of chrome ore have increased considerably since, January 2017. The global FeCr players also expect a significant upsurge in demand from Europe and the US stainless steel markets.

Domestic overview

With an annual output of 1 million tonne approximately and domestic demand of about 0.5 million tonne, India figures prominently on the global chrome alloys industry and trade. India contributes 9% of the 11 million tonnes global FeCr output.

India's FeCr industry can be divided into four types of players:

- FeCr producers having captive chrome ore, a key raw material. Captive chrome ore mining leases are valid for 50 years till ~2050 for most players.
- Non-integrated producers who either buy chrome ore from the spot market or enter into conversion agreements with merchant chrome ore miners.
- Merchant miners without FeCr plants who sell chrome ore to non-integrated producers. Private merchant miners have mining leases valid only till March, 2020 after which their mines will be put on auction.
- Stainless steel producers who produce FeCr for captive use.

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:

The demand for FeCr is driven primarily by the demand for stainless steel. Global stainless steel production growth is expected to average +2.6% p.a. upto 2021, driven mainly by China and India. With low scrap utilization in China (due to relative scarcity), demand for virgin chrome units will remain robust.

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 slowdown in the Chinese economy would entail lower commodity prices and volume off-take which could thereby impact FeCr demand and prices.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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 and 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 (IMS) 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. As a result, the operating costs were controlled.
- The Company also restructured the marketing strategies with a view to improve 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 projects in order to optimise fuel consumption across the shop floor.

LOOKING AHEAD

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

The Company is continuously exploring opportunities for growth and expansion. The Company has already acquired the Ferro Chrome Business along with Sukinda Plant of Jabamayee Ferro Alloys Limited as a going concern on a slump sale basis providing the requisite inorganic growth to the Company. The Company has commenced its commercial production with effect from 15th September, 2016. The installed Capacity of the unit is 15660 MT per annum.

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 respected **Malcolm Baldrige Business Excellence Model** for strategy formulation and execution to achieve its stated Vision and Mission. The Model focuses on seven critical aspects of the organisation namely, Leadership, Strategy, Customer, Measurement analysis & Knowledge Management, Workforce, Operations and Results. During the current financial year, the Company created the BAL Business Excellence Framework with the objective of building competitive advantage and creating sustainable business.

The Business Excellence framework is creating a cultural change in the organisation which ensure continual improvement in the processes.

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 following initiatives function under our Business Excellence Model:

Six Sigma: The Six Sigma initiative has significantly contributed in transforming business by breaking myths of conventional wisdom. The Company has a well-designed process flow for driving Six Sigma initiative across the organization. Currently, several Six Sigma projects from various functions are under different stages of implementation.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Lean Management: Implementation of the lean management practices has resulted in lead time reduction, inventory reduction and elimination of non valued added activities across the supply chain.

Total Productive Maintenance (TPM): The TPM implementation program continues to focus on building plant & people capability and creating cultural ownership. While JH & PM pillars are focussed on improving & sustaining equipment & assets in their best of health condition, the Focussed Improvement (KK) pillar is working on loss elimination & cost optimization projects. Education & Training pillar is focussed on increasing the training effectiveness by driving dynamic training programmes with easy to understand training modules, cut out modules, live demos & the evaluation process based on knowledge and skill. Safety Health & Environment pillar through various forums and initiatives are making people imbibe the safety habits, safety practices to identify and eliminate the unsafe conditions in each process. Quality Maintenance pillar activities are ensuring reduction in the process variation while through DM (Development Management) pillar the learning from past projects are being implemented into newer projects. SCM pillar is focussing on the concept of “Just-In-Time”.

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, Environment Management, Occupational Health & Safety Management, Energy Management, Information Security Management and Asset Management.

During the financial year, your Company was recommended for certification to the latest ISO 9001:2015, ISO 14001:2015 and ISO 55001:2014 (Asset Management System). The Company is continuing with the OHSAS 18001:2007 certification on Occupational Health & Safety Management System and ISO 50001:2011, Energy Management System. Also, the company cleared Stage 1 Audit of ISO 27001, Information Security Management and SA 8000, Social Accountability Management System. With this the Company has successfully implemented the Integrated Management System (IMS) 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 in January, 2017, 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.

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 is also in the process of implementing Information Security Management System (ISO 27001) 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 due in the 1st week of June, 2017.

QUALITY ASSURANCE

Balasore Alloys Ltd is a ISO 9001:2015 (Quality Management System) certified and in this financial year we became the first Ferro Alloys Company in the world to receive the prestigious JISG 2303:1998 for our product from Japanese Standard Committee.

Company is already certified for BIS 1170:1992 from Bureau of Indian standards and DIN 17565 from German Institute of standardization.

This year the Company has also received NABL Accreditation for its Quality Control and R&D Lab and has received ISO/IEC-17025 certification - a watermark of aligning it's products standards to global benchmarks.

ENVIRONMENT AND SAFETY

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



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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 model for liquid waste - waste water is treated and recycled for dust suppression and horticulture purposes.

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.

Other hazardous wastes like used oil, used battery, biomedical waste are disposed to authorized recyclers or as per prescribed norms of pollution control board. We re-use flue dust (Gas Cleaning Plant Dust) in our side plant premises. Company has implemented rain water harvesting and artificial discharge system for increasing the ground water level and installation of piezometer for 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 facility. In addition, the Company facilitated avenue plantation in the nearby town and initiated plantation in nearby fallow lands.

Energy Conservation: To conserve energy and optimize our energy performance, Company has implemented an Energy management system in accordance with ISO 50001:2011.

In this financial year our efforts for conservation of energy have been appreciated, recognized and felicitated by Bureau of Energy Efficiency of India and we received 1007 energy saving certificates for our PAT cycle - I.

Safety: The safety of employees, visitors and local people is of prime concern to the management. Company has implemented its occupational, health & safety management in compliance to OHSAS 18001:2007 to ensure that safety standards are regularly followed across its facilities (mines and manufacturing units). The safety team undertakes periodic trainings, reviews and audits which facilitate in ensuring emergency preparedness of the team and equipments to handle any eventuality. It also facilitates in identifying unsafe practices and conditions if any prevailing in the organization.

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 to areas like role clarity, organisation development, employee engagement, team work to facilitate a performance driven culture.

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.

In 2016-17, the Company conducted employee engagement surveys to get a fair view of its team's perspective on the Company's operations and management. The outcome of the survey has made a significant contribution in improving systems and procedures which will facilitate in strengthening the employee-organisation bond and realising the full potential of its human capital.

The Company has conducted Competency assessment and designed Individual Development Plan (IDP) for the Senior Management Personnel for Individual growth plan and getting ready for succession planning for future business expansion and diversity.

The Board records its appreciation for the support of employees at all levels and looks 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, 2017	Financial year ended 31st March, 2016
	Standalone	
YEAR	31-03-2017	31-03-2016
Total Income	1,03,689.77	84,470.59
Profit/(Loss) Before Interest, Depreciation & Tax (PBIDT)	20,367.25	8,876.07
Finance Charges	3,934.22	3,151.37
Depreciation	2,280.05	2,225.95
Provision for Income Tax & Deferred Tax (Including for earlier years)	5,201.00	1,629.66
Net Profit After Tax (PAT)	8,951.98	1,869.09
Profit brought forward from Previous Years	25,204.54	23,873.02
Profit Carried to Balance Sheet	34,529.46	25,204.54

The net profit for the FY 2016-17 is ₹ 8,951.98 Lacs and the Company has announced a dividend of 15% (₹ 0.75 per equity shares of face value of ₹ 5/- each).

The Company has achieved an impressive performance, with the total income for the year ended March 31, 2017 being ₹ 1,03,689.77 lacs. During the year the Company's main focus was exports and book sales of ₹ 86,298.77 Lacs, which is higher by 41.04% over the last financial year.

There has been an increase in the cost of consumption of raw materials by 11.36 % from ₹ 26,316.16 Lacs to ₹ 29,306.40 Lacs. Power and fuel cost increased by 9.04% from ₹ 25,530.61 Lacs to ₹ 27,840.68 because of increased volume of production as compared to the previous financial year.

PBIDT stood at ₹ 20,367.25 Lacs as against ₹ 8,876.07 Lacs over the corresponding financial year.

PAT stood at ₹ 8,951.98 Lac as against ₹ 1,869.09 Lacs in the previous year, signifying an increase of 378.95%. The Basic Earnings per Share (basic) for the year was ₹ 11.35 as against ₹ 2.50 and the Diluted Earnings per Share (diluted) for the year was ₹ 10.63 as against ₹ 2.50 for the previous financial year.

Shareholders' funds (Net worth) increased from ₹ 42,667.04 Lacs to ₹ 53,541.10 Lacs as on March 31, 2017, registering a growth of 25.48% over the previous financial 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 (IFC) System by an independent Consultant who did a thorough examination on each and every financial control persisting in the Organisation in FY 2015-16 and further TOD (Test of Design) and TOE (Test Of Effectiveness) was again conducted in FY 2016-17 to analysis the effectiveness of laid down policies, processes, 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, 2017.

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 : For the purpose of periodically reviewing the identified risks and corresponding mitigation plans, the Company has set up a Risk Management Committee, comprising Board Members. This helps us to ensure the adequacy of our risk mitigation systems in this ever changing business landscape.

Key Counter Measures: Our prime risk mitigation measures are outlined as under:

Quarterly reports on statutory compliances, duly certified, are submitted for review to the Audit Committee as well as the Board of Directors.

Every quarter, the status of Demand/Notices on the Company, under various Acts and Rules, as well as status of litigations are reported to the Board of Directors.

Wherever possible, appropriate insurance cover is taken for financial risk mitigation.

Regular confirmations of compliance with applicable statutory requirements are obtained from the respective unit/divisions and subjected to an elaborate verification process.

Compliance(s) with exception(s), if any, are duly reported to the Audit Committee and the Board of Directors.

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 building 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 companies are 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.
- 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, Human Resource etc.
- i) **Board Evaluation Policy:** Board Evaluation Policy which indicates the criteria for evaluation of the Board, Committees of Board, Chairman and Individual Directors of the Company.

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

The Board has 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 Chairperson of the Board is a Non-Executive Promoter Director. The Board as on 31st March, 2017, consists of Eleven (11) Nos. of Directors out of which Six (6) 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 Mrs. Vartika Mittal Goenka*
Executive Directors	Mr. Anil Sureka, Managing Director Mr. R K Parakh, Director- Finance** 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 Ms. Mita Jha***
Nominee Director	Mr. K C Raut (Representing State Bank of India)

* Ceased from holding Directorship w.e.f. 29.05.2016.

** Shall cease to be Whole Time Director designated as Director - Finance & CFO w.e.f. 30.06.2017.

*** Appointed as Non Executive Independent Director w.e.f. 12.08.2016. Consequent upon appointment as Whole-time Director designated as Executive Director - Human Resource, Ms. Mita Jha shall cease to be the Independent Director of the Company w.e.f. 27.07.2017.

Mrs. Vartika Mittal Goenka, Non - Executive Director and Ms. Mita Jha, Whole Time Director designated as Executive Director - Human Resource of the Company has served Board as a Woman Director. At the time of appointment, every Independent Director signs a Declaration to confirm that they fulfil all the conditions for being an Independent Director as laid down under Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015.

Details of the Board Meetings

Five Board meetings were held during the period from 01.04.2016 to 31.03.2017. The Board of Directors of the Company has met five times during this financial year with not exceeding maximum time gap of one hundred and twenty days between the two meetings. The dates on which the Board meetings were held are as follows:-

30.05.2016, 12.08.2016, 28.09.2016, 14.11.2016 and 04.02.2017.

Attendance at 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 31.03.2017 are as below:-

Director	No. of Board Meeting Attended [#]	Attended last AGM held on 25.09.2016 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 (Chairman)	1	No	1	1	Nil	Nil
Mrs. Vartika Mittal Goenka*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. S Mohapatra	5	Yes	Nil	1	1	Nil
Mr. S K Pal	5	Yes	Nil	3	1	1
Dr. A K Bhattacharyya	5	Yes	Nil	1	1	Nil
Prof. S K Majumdar	5	Yes	Nil	Nil	Nil	Nil
Mr. K P Khandelwal	5	Yes	Nil	2	Nil	4
Ms. Mita Jha**	3	No	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

Director	No. of Board Meeting Attended	Attended last AGM held on 25.09.2016 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. R K Parakh*** Director - Finance	4	No	Nil	Nil	Nil	Nil
Mr. Anil Sureka Managing Director	5	Yes	Nil	Nil	Nil	Nil
Mr. Janarthanam Govindasamy (Director - Operations)	5	Yes	Nil	Nil	Nil	Nil
Mr. K C Raut Nominee Director	3	Yes	Nil	1	Nil	2

* Ceased from holding Directorship w.e.f. 29.05.2016.

** Appointed as Non Executive Independent Director w.e.f. 12.08.2016. Consequent upon appointment as Whole-time Director designated as Executive Director - Human Resource, Ms. Mita Jha shall cease to be the Independent Director of the Company w.e.f. 27.07.2017.

*** Shall cease to be Whole-time Director designated as Director - Finance & CFO w.e.f. 30.06.2017.

Attendance also includes 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 Disclosures Requirements) Regulations, 2015, Memberships / Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies have been considered.*

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 is 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.

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.balasoalloys.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 is disclosed on the Company's website i.e. www.balasoalloys.com

Separate Meeting of the Independent Directors

A separate meeting of Independent Directors was held on Saturday, the 25th day of March, 2017. 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, Mr. K P Khandelwal and Ms. Mita Jha.

Dr. Asish K Bhattacharyya was elected as the Lead Independent Director. In the meeting, the Directors reviewed the performance of Non-Independent Directors, the Chairman of the Board, 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 Disclosures Requirements) Regulations, 2015 with regard to information being placed before the Board of Directors.

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

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 penalty 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 retrenchment 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 limit 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.

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 Obligation 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 Six 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 Statutory Auditors/Internal Auditors/Cost Auditors 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 period 01.04.2016 to 31.03.2017. The dates on which the meetings of the Audit Committee were held are:

30.05.2016, 12.08.2016, 14.11.2016 and 04.02.2017.

In view of appointment of Ms. Mita Jha as an Additional Non Executive Independent Director at the Board meeting held on 12.08.2016, it was considered appropriate to reconstitute the Audit Committee of the Board of Directors and thereafter, Ms. Mita Jha was inducted as member of the Committee with immediate effect.

As on date of this report the Committee comprises of six Independent 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)	4
Ms. Mita Jha* (Inducted as a Member w.e.f. 12.08.2016)	2
Mr. S Mohapatra	4
Mr. S K Pal	4
Prof. S K Majumdar	4
Mr. K P Khandelwal	4

* Appointed as Non Executive Independent Director w.e.f. 12.08.2016. Consequent upon appointment as Whole-time Director designated as Executive Director - Human Resource, Ms. Mita Jha shall cease to be the Independent Director of the Company w.e.f. 27.07.2017.



REPORT ON CORPORATE GOVERNANCE (Contd.)

The 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.
 - 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.

Two meetings of Nomination & Remuneration Committee were held during the period 01.04.2016 to 31.03.2017. The dates on which the meetings of the Committee were held are 28.09.2016 and 04.02.2017.

In view of appointment of Ms. Mita Jha as Non Executive Director at the Board meeting held on 12.08.2016, it was considered appropriate to reconstitute the Nomination & Remuneration Committee (NRC), Ms. Jha was inducted as member of this Committee w.e.f. 12.08.2016. As on the date of this report, the Committee comprises of four Independent Directors, the details of the meetings attended by the members are as under:-

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

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)	2
Ms. Mita Jha (Inducted as Member w.e.f 12.08.2016)	2
Mr. S K Pal	2
Prof. S K Majumdar	2

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 recommended 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 Board diversity;
- 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 in 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 (LODR) 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 only for attending the meetings of the Board of Directors and its Committees.

Further, pursuant to the recommendation of the Nomination & Remuneration Committee the Board in its meeting held on 19th May, 2017 has approved the revision of sitting fees for attending a meeting of Board or Committee of Board of Directors as under:

Meetings of	Existing Sitting Fees (in ₹)	Revised Sitting Fees* (in ₹)
Board of Directors	35,000	50,000
Audit Committee	35,000	50,000
Risk Management Committee	20,000	30,000
Project Committee	20,000	30,000
Stakeholders Relationship Committee	10,000	30,000
Nomination & Remuneration Committee	15,000	30,000
Corporate Social Responsibility Committee	15,000	30,000

*w.e.f. 19.05.2017.

Further as per the requirement of Companies Act, 2013 the third Independent Directors Meeting was held on Saturday, 25th March, 2017 and for which Sitting fees was fixed at ₹ 35,000/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses for attending the meeting. The Non-Executive Directors of the Company were not paid any other remuneration or commission.

REPORT ON CORPORATE GOVERNANCE (Contd.)
(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 subjected 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.

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

The details of the remuneration paid to Whole-time Directors of the Company during the period 01.04.2016 to 31.03.2017:

Director	Salary & Perks	Commission	Total	Service Contract (Years)	Period
Mr. Anil Sureka (Managing Director)	164.26	-	164.26	5 Years	01.04.2016 to 31.03.2017
Mr. R. K. Parakh (Director - Finance)	76.11	-	76.11	5 Years	01.04.2016 to 31.03.2017
Mr. Janarthanam Govindasamy (Director - Operations)	68.16	-	68.16	5 Years	01.04.2016 to 31.03.2017

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 provision 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.

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 except Mr. Pramod Kumar Mittal, Chairman, Non-Executive Director holding 5710 shares 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 three Non Executive Independent Directors and one Whole Time Director designated as Director Finance of the Company, the details of the meetings attended by the members 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*	11

* Shall cease to be Member w.e.f. 30.06.2017.

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

The Committee has met twelve times during the period from 01.04.2016 to 31.03.2017. The dates on which the meetings of the Stakeholders Relationship Committee were held are as follows:-

11.04.2016, 12.05.2016, 13.06.2016, 11.07.2016, 13.08.2016, 12.09.2016, 11.10.2016, 12.11.2016, 13.12.2016, 11.01.2017, 10.02.2017 & 11.03.2017.

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 01.04.2016 to 31.03.2017, the status of complaints are as under:

Complaints pending as on 01.04.2016	—	Nil
Complaints received from Investors	—	258
Complaints replied / resolved	—	258
Complaints pending as at 31.03.2017	—	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.

Four Meetings of CSR Committee were held during the period 01.04.2016 to 31.03.2017. The dates on which the meetings of the CSR Committee were held are:

30.05.2016, 12.08.2016, 14.11.2016 & 04.02.2017.

The Committee comprises of five 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)	4
Prof. S K Majumdar	4
Mr. K P Khandelwal	4
Mr. Anil Sureka	4
Mr. R K Parakh*	4

* Shall cease to be Member w.e.f. 30.06.2017.

9. Other Committees

The Company also has a Project Committee to overview implementation of various capital projects including status of progress and critical areas affecting projects, implementation schedule and a 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
2015-16 (AGM)	Registered office	28.09.2016	9.30 A. M.
2014-15 (AGM)	Registered office	29.09.2015	9.30 A. M.
2013-14 (AGM)	Registered Office	25.09.2014	9.30 A.M.

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

2. Whether any special resolution passed in the previous 3 AGMs and EOGM : Yes
3. Whether special resolutions:
- a) (i) Were put through postal ballot last year : Yes
- (ii) Details of voting pattern : Yes

Item No. 1 : Issue of Convertible Warrants to Promoters on preferential basis :

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	44535816	31697366	31697366	0	99.80	0.00
Public	34354595	64391	28131	36260	0.09	0.11
Total	78890411	31761757	31725497	36260	99.89	0.11

Item No. 2 : 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	44535816	31697366	31697366	0	99.80	0.00
Public	34354595	64391	24847	39544	0.08	0.12
Total	78890411	31761757	31722213	39544	99.88	0.12

- (iii) Person who conducted the postal ballot exercise : 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 2016-17, duly signed by Managing Director of the Company is herein below enclosed. The Code has also been posted on the Company's Web -site.

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, 2017.

Anil Sureka
Managing Director
 DIN: 00058228

19th May, 2017

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 on the Company's website at the weblink: <http://www.balasurealloys.com/upload/media/pdf/Policy%20for%20Determination%20of%20Material%20Subsidiaries.pdf>

**13. Disclosures**

- a. The particulars of the transactions between the Company and its related parties as required by Accounting Standard (AS)-18 issued by the Institute of Chartered Accountants of India are set out in point no. 38 of Notes to financial statements as at and for the year ended March 31, 2017 of the Annual Report.
- 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 the weblink: <http://www.balasurealloys.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 has 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 was converted into equivalent number of Equity Shares on 31st March, 2017 and the remaining 1,30,00,000 Warrants shall be converted into Equity Shares in the Financial Year 2017-18 at the sole option of the Warrant holder(s).
- f. During the last three years, there were no 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.
- g. 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 Disclosures Requirements) Regulations, 2015 and the same was adopted by the Company w.e.f 20.05.2014. During the financial year 2016-17 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. As on the date of this report, the Company has adopted Discretionary Requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent relating to reporting of internal auditor directly to Audit Committee.

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.balasurealloys.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	No


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

1	Annual General Meeting	
	Day, Date & Time Venue	Saturday, 23rd September, 2017 at 9.30 a.m. Registered Office at Balgopalpur – 756 020 Balasore, Odisha, India
2	Tentative Financial Calendar 2017-18 Financial Reporting for the quarter ending June 30, 2017 Financial Reporting for the quarter ending September 30, 2017 Financial Reporting for the quarter ending December 31, 2017 Financial Reporting for the quarter ending March 31, 2018 Annual General Meeting for the year ending March 31, 2018	By 14th day of August, 2017 By 14th day of November, 2017 By 14th day of February, 2017 By 30th day of May, 2018 By September, 2018 (The same may be changed pursuant to SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016)
3	Book Closure Date	16th September, 2017 to 23rd September, 2017 (both days inclusive)
4	Dividend Payment Date	The Dividend warrants will be posted on and from 3rd October, 2017
5	Registered Office	Balgopalpur – 756 020, Balasore, Odisha
6	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 2017-18 has been paid to the BSE Limited and The Calcutta Stock Exchange Limited.		
7	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 BSE Sensex
	Months	High (₹) Low (₹) High Low
	April, 2016	20.80 15.80 26100.54 24523.20
	May, 2016	22.00 17.00 26837.20 25057.93
	June, 2016	22.45 18.20 27105.41 25911.33
	July, 2016	23.60 20.00 28240.20 27034.14
	August, 2016	22.45 19.50 28532.25 27627.97
	September, 2016	30.90 20.85 29077.28 27716.78
	October, 2016	44.95 28.90 28477.65 27488.30
	November, 2016	52.70 33.15 28029.80 25717.93
	December, 2016	56.45 45.15 26803.76 25753.74
	January, 2017	62.90 52.60 27980.39 26447.06
	February, 2017	68.00 54.05 29065.31 27590.10
	March, 2017	77.20 57.25 29824.62 28716.21



REPORT ON CORPORATE GOVERNANCE (Contd.)

	<p style="text-align: center;">BAL share price movement vs BSE Sensex Apr'16 - Mar'17</p> <table border="1"> <caption>Data for BAL share price movement vs BSE Sensex Apr'16 - Mar'17</caption> <thead> <tr> <th>Month</th> <th>BAL High (₹)</th> <th>BSE Sensex High</th> </tr> </thead> <tbody> <tr><td>Apr-16</td><td>15.80</td><td>25301.70</td></tr> <tr><td>May-16</td><td>18.00</td><td>26000.00</td></tr> <tr><td>Jun-16</td><td>18.50</td><td>26500.00</td></tr> <tr><td>Jul-16</td><td>19.00</td><td>27000.00</td></tr> <tr><td>Aug-16</td><td>18.00</td><td>27500.00</td></tr> <tr><td>Sep-16</td><td>28.00</td><td>28000.00</td></tr> <tr><td>Oct-16</td><td>45.00</td><td>27500.00</td></tr> <tr><td>Nov-16</td><td>52.00</td><td>27000.00</td></tr> <tr><td>Dec-16</td><td>55.00</td><td>26000.00</td></tr> <tr><td>Jan-17</td><td>60.00</td><td>27000.00</td></tr> <tr><td>Feb-17</td><td>65.00</td><td>28000.00</td></tr> <tr><td>Mar-17</td><td>77.20</td><td>29620.50</td></tr> </tbody> </table>	Month	BAL High (₹)	BSE Sensex High	Apr-16	15.80	25301.70	May-16	18.00	26000.00	Jun-16	18.50	26500.00	Jul-16	19.00	27000.00	Aug-16	18.00	27500.00	Sep-16	28.00	28000.00	Oct-16	45.00	27500.00	Nov-16	52.00	27000.00	Dec-16	55.00	26000.00	Jan-17	60.00	27000.00	Feb-17	65.00	28000.00	Mar-17	77.20	29620.50
Month	BAL High (₹)	BSE Sensex High																																						
Apr-16	15.80	25301.70																																						
May-16	18.00	26000.00																																						
Jun-16	18.50	26500.00																																						
Jul-16	19.00	27000.00																																						
Aug-16	18.00	27500.00																																						
Sep-16	28.00	28000.00																																						
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Jan-17	60.00	27000.00																																						
Feb-17	65.00	28000.00																																						
Mar-17	77.20	29620.50																																						
<p>8</p>	<p>Share Price Performance in comparison to BSE Sensex opened. The BSE Sensex open on 1st April, 2016 at 25301.70 and on 31st March, 2017, the Sensex closed at 29620.50. The market price of the shares of the Company on the BSE has varied from Rs. 15.80 to Rs. 77.20 during the period under review.</p>																																							
<p>9</p>	<p>Depository Connectivity National Securities Depository Limited Central Depository Services (India) Ltd.</p>																																							
<p>10</p>	<p>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)</p>																																							
<p>11</p>	<p>Share Transfer System: 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>12</p>	<p>Investor Grievance Redressal System: 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.				
13	Compliance Certificate of the Auditors: The Statutory Auditors' certificate, that the Company has complied with the conditions of Corporate Governance, as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is annexed to the Report on Corporate Governance.				
14	a) Distribution of Shareholding as at 31st March, 2017				
	Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Capital
	1 to 500	121281	96.80%	11087037	12.47%
	501 to 1000	2104	1.68%	1543169	1.74%
	1001 to 2000	825	0.66%	1195193	1.34%
	2001 to 3000	340	0.27%	857989	0.97%
	3001 to 4000	58	0.05%	200103	0.23%
	4001 to 5000	47	0.04%	220210	0.25%
	5001 to 10000	256	0.20%	2084377	2.34%
	10001 to 50000	286	0.23%	6225384	7.00%
	50001 to 100000	46	0.04%	3338508	3.76%
	100001 and above	35	0.03%	62138441	69.90%
	Total	125278	100%	88890411	100%
	b) Categories of Shareholders as on 31st March, 2017				
	Category	No. of Shares held	% of Total Shareholding		
	Promoter Group	54535816	61.35		
	Mutual Funds / UTI	13600	0.02		
	Financial Institution / Banks	591073	0.66		
	NRIs / OCBs / Foreign Institutional Investors / Other Foreign Shareholders (Other than Promoter Group)	2943336	3.31		
	Bodies Corporate	5100185	5.74		
	Indian Public	25640317	28.85		
	Others	66084	0.07		
	GRAND TOTAL	88890411	100.00		
	Approximately 88.76% of the Equity shares have been dematerialized as on 31st March, 2017. 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.				
15	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.)**

16	Address for Investor Correspondence	
	16.1 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
	16.2 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
	16.3 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.	

17 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 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 mentioned 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 documents as required by them.



BALASORE ALLOYS LIMITED

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

19th May, 2017

We, Anil Sureka, Managing Director and R.K. Parakh, 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, 2017 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, 2017, 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.

R.K. Parakh
Chief Financial Officer
DIN: 00459699

Anil Sureka
Managing Director
DIN: 00058228



AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

**To
The Members
Balasore Alloys Limited**

1. We have examined the compliance of conditions of Corporate Governance by **Balasore Alloys Limited** ("the Company") for the year ended on March 31, 2017, as stipulated in Chapter IV and other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of Listing Regulations during the year ended March 31, 2017.
5. We state that such compliance 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.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration Number : 101720W)

Amit Chaturvedi
Partner
Membership No. 103141

Place : Kolkata
Date : 19th May, 2017

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 March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note 30 to the standalone financial statements regarding demand by North Eastern Electricity Supply Company of Orissa Limited (NESCO) towards revocation of the waiver of dues granted under a settlement in earlier years to Company. NESCO has raised total claim for Rs. 17,616.94 Lacs as at 31st March, 2017 (Rs. 16,800.34 Lacs as at 31st March, 2016) (including delayed payment surcharge) towards revocation of the waiver of dues granted under a settlement in an earlier year net of Rs 3,400 lacs already paid and provided in respective year of payment as a matter of prudence by the Company. Pursuant to the Supreme Court Order, the dispute has been sent to Grievance Redressal Forum (GRF). Pending outcome of the decision of GRF and based on discussion with Company's legal counsel, no provision has been made towards above demand.



- b) We draw attention to Note 40 to the standalone financial statements relating to payments and expenditure incurred towards implementation of long gestation project for underground mining. The company is in the process of making financial tie-ups for early implementation of project.

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 and Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 26 and 29 to 30 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.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management as referred to in Note 42 to the standalone financial statements.

Place : Kolkata
Date : May 19, 2017

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, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and any other statutory dues have been regularly deposited with the appropriate authorities except Income-Tax and service tax. According to the information and explanations given to us undisputed amounts, in respect of the Statutory dues referred above outstanding as at 31st March 2017 , 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	586.58	AY 2014-15
Income Tax	2,479.47	AY 2015-16
Income Tax	569.71	AY 2016-17
Income Tax (Advance Tax)	2,899.86	AY 2017-18
Total	6,535.62	



- b) The disputed statutory dues aggregating ₹ 2,207.96 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)	123.69	2012-15	Commissioner of Income Tax (Appeal)
2.	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
3.	Entry Tax Act, 1999	Entry Tax	798.82	2008-14	Additional Commissioner
			92.96	2007-13	Orissa High Court, Cuttack
4.	Central Excise Act, 1944	Excise Duty (including interest)	7.89	2011-12	Commissioner Appeals
5.	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		2,207.96		

- 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 : May 19, 2017

“Annexure B” to Independent Auditors' Report 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 over Financial Reporting 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 March 31, 2017 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 judgment, 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.



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 March 31, 2017, 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 : May 19, 2017

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

Amit Chaturvedi
Partner
Membership No. 103141

**BALASORE ALLOYS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2017**

		(₹ in Lacs)	
	Notes	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
a. Share Capital	3	4,596.38	4,096.38
b. Reserves and Surplus	4	83,133.69	83,785.34
c. Money Received Against Equity Share Warrants	5	707.06	935.89
		<u>88,437.13</u>	<u>88,817.61</u>
Non-Current Liabilities			
a. Long-Term Borrowings	6	1,010.16	1,906.35
b. Deferred Tax Liabilities (net)	7	1,786.89	1,580.20
c. Long-Term Provisions	8	1,490.97	1,120.71
		<u>4,288.02</u>	<u>4,607.26</u>
Current Liabilities			
a. Short-Term Borrowings	9	11,379.08	9,347.69
b. Trade Payables	10		
Micro and Small Enterprises		18.09	45.89
Others		35,138.71	25,584.51
c. Current Maturities of Long-Term Borrowings	6	3,142.05	1,939.82
d. Other Current Liabilities	11	11,261.61	7,221.73
e. Short-Term Provisions	8	9,045.13	4,154.19
		<u>69,984.67</u>	<u>48,293.83</u>
TOTAL		<u><u>1,62,709.82</u></u>	<u><u>1,41,718.70</u></u>
ASSETS			
Non-Current Assets			
a. Fixed Assets			
Tangible Assets	12	78,595.21	86,198.48
Intangible Assets	12	2,093.66	1,786.82
Capital Work-in-Progress	12	9,426.55	9,024.80
b. Non-Current Investments	13	3,779.68	3,412.48
c. Long-Term Loans and Advances	14	22,716.30	9,908.54
		<u>1,16,611.40</u>	<u>1,10,331.12</u>
Current Assets			
a. Inventories	17	20,312.27	13,275.11
b. Trade Receivables	16	3,978.91	2,457.98
c. Cash and Bank Balances	18	3,023.54	1,507.63
d. Short-Term Loans and Advances	14	18,134.83	13,351.31
e. Other Current Assets	15	648.87	795.55
		<u>46,098.42</u>	<u>31,387.58</u>
TOTAL		<u><u>1,62,709.82</u></u>	<u><u>1,41,718.70</u></u>
Significant Accounting Policies	2		
Notes on Financial Statements	3-49		

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm registration number: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka R K Parakh
(Managing Director) (Director - Finance)
DIN No.- 00058228 DIN No.- 00459699

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<u>Notes</u>	<u>2016-17</u>	<u>2015-16</u>
(₹ in Lacs)			
INCOME			
Gross Revenue From Operations	19	1,04,171.89	87,443.23
Less: Excise Duty		2,990.46	3,646.17
Net Revenue From Operations		1,01,181.43	83,797.06
Other Income	20	2,508.34	673.53
Total Revenue (I)		1,03,689.77	84,470.59
EXPENSES:			
Cost of Raw Materials Consumed	21	29,306.40	26,316.16
Purchase of Stock-in-Trade		-	826.73
(Increase)/ Decrease in Inventories	22	(523.04)	47.75
Power		27,840.68	25,530.61
Employee Benefit Expenses	23	6,402.77	5,677.02
Other Expenses	24	20,295.71	17,196.25
Depreciation & Amortization expenses	25	2,280.05	2,225.95
Finance Costs	26	3,934.22	3,151.37
Total (II)		89,536.79	80,971.84
Profit Before Taxes (III)		14,152.98	3,498.75
Tax Expenses			
Current Tax		5,052.00	830.44
Deferred Tax Charge		206.69	540.14
Taxation Expenses of Earlier Years		(57.69)	259.08
Total Tax Expenses (IV)		5,201.00	1,629.66
Profit For the Year [(III) - (IV)]		8,951.98	1,869.09
Earnings Per Equity Share (Nominal Value of Share ₹ 5/-)			
Basic EPS (₹)		11.35	2.50
Diluted EPS (₹)		10.63	2.50

Significant Accounting Policies 2
Notes on Financial Statements 3-49

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah

Firm registration number: 101720W
Chartered Accountants

Amit Chaturvedi

Partner
Membership No. 103141

Place : Kolkata
Date : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka R K Parakh
(Managing Director) (Director - Finance)
DIN No.- 00058228 DIN No.- 00459699

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Notes	2016-17	2015-16
(₹ in Lacs)			
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax		14,152.98	3,498.75
Adjustment For :			
Depreciation/Amortisation Expenses		(4,631.41)	2,225.95
Profit on Sale/Discard of Fixed Assets (Net)		34.68	14.58
Unrealized Foreign Exchange Gain/Loss		183.70	(57.28)
Unspent Liabilities no Longer Required Written Back		(50.80)	(147.87)
Irrecoverable Debts , Deposits & Advances Written Off		2.33	771.69
Provision for Doubtful Debts/Advances		619.51	9.64
Interest Expense		3,403.50	2,771.05
Interest Income		(542.75)	(495.64)
Operating Profit Before Working Capital Changes			
Movements in Working Capital :			
Increase/ (Decrease) in Trade Payables and Other Current Liabilities		11,395.99	5,470.43
Increase/ (decrease) in Provisions		459.13	(7.27)
Decrease / (Increase) in Trade Receivables		(1,415.65)	(1,148.00)
Decrease / (Increase) In Inventories		(7,037.16)	(627.01)
Decrease / (Increase) in Loans and Advances and Other Assets		(5,497.28)	(4,214.88)
Cash Generated From /(Used in) Operations		11,076.77	8,064.15
Taxes Paid (Net)		(636.91)	(1,767.58)
Net Cash Flow From Operating Activities (A)		10,439.86	6,296.56
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including CWIP and Capital Advances)		(10,716.03)	(6,730.14)
Increase of Investments		(367.20)	(0.00)
Purchase of Investment		-	(10.00)
Proceeds From Sale of Fixed Assets		3.26	5.10
Maturity of/(Investment in) Fixed Deposit		(1,497.41)	(159.37)
Interest Received		689.43	376.03
Net Cash Flow From/(Used) in Investing Activities (B)		(11,887.95)	(6,518.38)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From Issue of Share Capital		2,150.00	1,360.00
Proceeds From Money Received Against Share Warrant		(228.83)	935.89
Repayment of Long-Term Borrowings		306.04	(1,876.15)
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)		(453.72)	(495.62)
Net Movement in Short-term Borrowings		2,077.65	3,494.60
Interest Paid		(2,384.56)	(2,624.70)
Net Cash Flow From (Used) in Financing Activities (C)		1,466.58	794.01
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C)		18.49	572.20
Cash & Cash Equivalents as at the Beginning of the Year		763.76	191.54
Cash & Cash Equivalents as at the End of the Year		782.25	763.76
Cash & Cash Equivalents as at the End of the Year Includes			
Cash-on-Hand		187.48	198.09
Cheques/ drafts on hand		335.00	
Balances with banks:			
In Current Accounts		163.73	489.25
In Unpaid Dividend Account *		96.04	76.42
Cash and Cash Equivalents at the End of the Year (Ref Note 17)		782.25	763.76

Significant Accounting Policies

2

*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 number: 101720W

Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka (Managing Director) DIN No.- 00058228	R K Parakh (Director - Finance) DIN No.- 00459699
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Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****1. Corporate information**

Balasure 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 Balasure, 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.

2. Summary of significant accounting policies**(a) Basis of preparation of Financial Statements**

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts and insurance & other claims/refunds, which due to uncertainty in realization, are accounted for on actual receipt basis. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lacs.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

(c) Tangible fixed assets

Tangible fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises purchase price inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/commissioning/trial run expenses and interest etc, up to the date the assets are ready for intended use.

In case of revaluation of tangible fixed assets, the original cost as written up by the approved valuers is considered in the accounts and the differential amount is transferred to the revaluation reserve.

Insurance spares which can be used only in connection with an item of tangible fixed assets and whose use, as per technical assessment, is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

Assets awaiting disposal are valued at the lower of written down value and net realizable value and disclosed separately under Other Current Assets.

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Expenditure of cost of exploration, Net Present Value of Forest Restoration, developing ore bodies and to expand the capacity of mine is capitalized as Mine Development Cost under Intangible Asset.

Computer software not being part of the hardware operating system are capitalized as intangible asset.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(e) Depreciation/Amortization

Tangible Assets

Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 over their useful life except in respect of leasehold land which is amortized on a straight line basis over the period of lease.

Additional deprecation arising due to revaluation of fixed assets is adjusted against Revaluation reserve.

Intangible Assets

Mining lease and mines development expenditure are amortized over the balance period of mining leases on straight line basis.

Computer software is amortized over a period of three years on straight line basis.

(f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(g) Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(h) Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

(i) Inventories

Raw materials, Stores, spares & consumables are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis. Royalty on stock lying at mines is accounted on dispatch of materials.

Work in Progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on weighted average basis.

Obsolete/damaged stores, saleable dust and saleable scrap are valued at estimated net realizable value.

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

The recovery of ferro chrome from slag generated at the plant during the manufacturing operations is accounted for on actual ascertainment of quantity thereof, since it is not feasible to determine the quantum till the re-processing of such slag.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(j) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized :

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Export Benefits

Export benefits are recognized on accrual basis as per schemes specified in Foreign Trade Policy, as amended from time to time.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(k) Foreign Currency Translation**(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement / or reporting of monetary items, at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are recognized as income or expenses in the period in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Losses on account Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the period.

(v) Derivative Instruments

As a part of its risk management strategy, the Company has entered into Forward Contracts having the same notional amount as the underlying which are designated as fair value / cash flow hedge as applicable, as per Guidance Note on Derivatives (2015) issued by Institute of Chartered Accountants of India. All outstanding derivative contracts are marked-to-market as at the year end. The changes in fair value of hedges are recorded in income statement together with change in the fair value of underlying. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognized as income or expenses.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(l) Employee Benefits

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. These benefits include performance incentive and compensated absences.

Post Employee Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund and ESIC. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans 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. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

(m) Income taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

(n) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs

Common allocable costs are allocated to each segment on case to case basis by applying the ratio, appropriate to each relevant case.

Revenue and expenses which relates to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under the head "Unallocated - Common".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(o) **Earnings Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding and to the extent ascertainable during the year are adjusted for the effects of all dilutive potential equity shares.

(p) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized 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 recognized as a finance cost.

(q) **Cash and cash equivalents**

Cash and cash equivalents as indicated in the cash flow statement comprise cash on hand, cash at bank and short-term deposits (not pledged) with an original maturity of three months or less.

(r) **Lease**

Operating Leases: Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's Balance Sheet. Payments under operating leases are recognised in the Profit and Loss Statement on a straight-line basis over the term of the lease.

Finance Lease: Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****3. Share capital**

	As at 31st March, 2017	(₹ in Lacs) As at 31st March, 2016
Authorized shares		
200,000,000 (200,000,000) Equity Shares of ₹ 5/- Each	10,000.00	10,000.00
Issued and subscribed shares		
91,934,263 (81,934,263) Equity Shares of ₹ 5/- Each	4,596.71	4,096.71
Paid-up shares		
88,890,411 (78,890,411) Equity Shares of ₹ 5/- Each Fully Paid up	4,444.52	3,944.52
Add: Shares Forfeited	151.86	151.86
Total	4,596.38	4,096.38

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year*Equity shares*

	As at 31st March, 2017		As at 31st March, 2016	
	No. in lacs	₹ In lacs	No. in lacs	₹ In lacs
At the Beginning of the Year	788.90	3,944.52	708.90	3,544.52
Issued During the Year	100.00	500.00	80.00	400.00
Outstanding at the End of the Year	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 31 March, 2017		As at 31 March, 2016	
	Numbers	% holding	Numbers	% holding
Goldline Tracom Private Limited	1,24,02,346	13.95%	1,24,02,346	15.72%
Jal Tarang Vanijya Pvt Ltd	80,00,000	9.00%	80,00,000	10.14%
Navoday Highrise Private Limited	73,46,635	8.26%	73,46,635	9.31%
Navoday Niketan Private Limited	49,53,215	5.57%	49,53,215	6.28%

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****4. Reserves and surplus**

	As at 31st March, 2017	As at 31st March, 2016
		(₹ in Lacs)
Capital Reserve		
Balance as per the last financial statements		41.96
Capital investment subsidy (a)	41.96	41.96
Amount arisen on forfeiture of equity warrants (b)	490.00	490.00
Revaluation Reserve		
Balance as per the last financial statements	46,149.66	50,819.48
Less : Discard of revaluation asset	(6,911.46)	-
88,890,411 (78,890,411) Equity Shares of ₹ 5/- Each Fully Paid up as reduction from depreciation (Refer Note 24)	(4,342.17)	(4,669.82)
Closing Balance (c)	34,896.03	46,149.66
Securities Premium Account		
Balance as per the last financial statements	3,236.00	2,276.00
Add : On issue of Shares	1,650.00	960.00
Closing Balance (d)	4,886.00	3,236.00
General Reserve		
Balance as per the last financial statements	7,923.20	7,876.47
Add : Transfer From Profit and Loss Account	-	46.73
Closing Balance (e)	7,923.20	7,923.20
Debenture Redemption Reserve		
Balance as per the last financial statements	739.98	818.84
Add : Transfer From/(to) Profit and Loss Account	(372.94)	(78.86)
Closing Balance (f)	367.04	739.98
Balance as per the last financial statements	25,204.54	23,873.02
Profit For The Year	8,951.98	1,869.09
Less : adjustment relating to fixed assets	-	-
	34,156.52	25,742.10
Less: Appropriations		
Transfer to general reserve	-	(46.73)
Transfer (to)/from debenture redemption reserve	372.94	78.86
Proposed dividend [dividend per share ₹ 0.60 (₹ 0.60)]	-	(473.34)
Tax on dividend	-	(96.36)
	372.94	(537.57)
Net surplus in the Profit and Loss Account (g)	34,529.46	25,204.54
Total Reserves and Surplus (a to g)	83,133.69	83,785.34

The Board of Directors, have recommended dividend of ₹ 0.75 per equity share to the equity shareholders. The dividend will be paid after the approval of shareholders at the ensuing Annual General Meeting. During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 – 'Contingencies and Events Occurring after the Balance sheet date' (AS 4). However, as per the requirements of revised AS 4 which is applicable w.e.f 1st April, 2016 the Company is not required to provide for dividend proposed after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March, 2017. Had the Company continued with creation of provision for proposed dividend, as at the Balance Sheet date, its Surplus in Statement of Profit and Loss would have been lower by ₹ 806.19 lacs and Short Term Provision would have been higher by ₹ 806.19 lacs (including dividend distribution tax of ₹ 139.51 lacs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
5. Money Received Against Equity Share Warrants

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Money Received Against Equity Share Warrants	707.06	935.89
Total Money Received Against Share Warrants	707.06	935.89

- 5.1 Pursuant to the consent of Board of Directors of the Company on 15.03.2016, the special resolution passed by the members of the Company on 26.09.2016 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 03.11.2016 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 ₹ 1236.25 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 ₹ 1244.56 lacs as stated above. During the year on 31.03.2017 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.

6. Long-term borrowings

(₹ in Lacs)

	Non Current Position		Current maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
A) Secured				
Deferred Payment Credits	1,010.16	344.44	645.60	377.91
Total (i)	1,010.16	344.44	645.60	377.91
11% Redeemable Non-Convertible Debentures				
STATE BANK OF INDIA	-	1,331.53	1,331.52	1,331.53
39,94,580 Nos (39,94,580), 11% redeemable non-Convertible debentures of ₹ 33 partly paid up (₹ 100/- each fully paid up)				
STATE BANK OF HYDERABAD	-	166.31	166.31	166.31
4,98,940 Nos(4,98,940), 11% redeemable non-convertible debentures of ₹ 33 partly paid up (₹ 100/- each fully paid up)				
ALLAHABAD BANK	-	64.07	23.62	64.07
1,92,200 Nos(1,92,200), 11% redeemable non-convertible debentures of ₹ 12 partly paid up (₹ 100/- each fully paid up)				
Total (ii)	-	1,561.91	1,521.45	1,561.91
Loans from Body Corporate	-	-	975.00	-
Total (iii)	-	-	975.00	-
Total (i+ii+iii)	1,010.16	1,906.35	3,142.05	1,939.82

6.1 Indian rupee loan from banks
(i) Deferred Payment Credits
a) Maturity Profile

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Deferred Payment Credits	645.60	482.39	412.55	109.20	6.02

b) Nature of Security

Deferred Payment Credits are Secured Against Hypothecation of Assets Purchased Against Such Loans.

(ii) 11% Redeemable Non-Convertible Debentures
a) Maturity Profile

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
11% Redeemable Non-Convertible Debentures	1521.45	-	-	-	-

b) Nature of Security

Redeemable Non-Convertible Debentures Referred Above are Secured by Way of Residual Charge on Assets (both movable and non-movable) of the Company & 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, 2017****7. Deferred tax liabilities (net)**

(₹ in Lacs)

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Deferred tax liabilities		
Timing difference on depreciable assets	3,196.04	3,500.37
(A)	<u>3,196.04</u>	<u>3,500.37</u>
Deferred tax assets		
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	803.55	1,648.32
Other disallowance under Income Tax Act, 1961	605.60	271.85
(B)	<u>1,409.15</u>	<u>1,920.17</u>
Net Deferred Tax Liabilities (A-B)	<u>1,786.89</u>	<u>1,580.20</u>

8. Provisions

(₹ in Lacs)

	<u>Non Current Provisions</u>		<u>Current Provisions</u>	
	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Provision for Employee Benefits: (Ref Note 34)				
Gratuity	880.93	669.30	50.42	12.61
Superannuation	-	-	61.95	40.62
Compensated Absences	482.68	398.11	54.12	24.39
	<u>1,363.61</u>	<u>1,067.41</u>	<u>166.49</u>	<u>77.62</u>
Other Provisions For -				
Taxation (Net of Advance Taxes)	-	-	8,782.29	3,506.87
Site Restoration	127.36	53.30	-	-
Proposed Dividend	-	-	-	473.34
Tax on Dividend	-	-	96.36	96.36
	<u>127.36</u>	<u>53.30</u>	<u>8,878.64</u>	<u>4,076.57</u>
Total	<u>1,490.97</u>	<u>1,120.71</u>	<u>9,045.13</u>	<u>4,154.19</u>

8.1. As Per the requirement of accounting Standard – 29, the management has estimated future expenses on site restoration at mines on best judgment basis and due provision thereof has been made in the accounts.

	<u>As at 31st March 2017</u>
At The Beginning Of The Year	53.30
Arisen During The Year	74.06
Utilized During The Year	-
At The End Of The Year	<u>127.36</u>
Non-Current Portion	127.36

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
9. Short-term borrowings

(₹ in Lacs)

	As at 31st March 2017	As at 31st March 2016
A) Secured Loans		
Working Capital Loan		
From Bank-		
Ruppee loan	7,469.08	3,852.18
Foreign Currency loan	1,640.00	3,772.51
	(A) 9,109.08	7,624.69
B) Unsecured Loans		
Loans from body corporates	2,270.00	1,723.00
	(B) 2,270.00	1,723.00
Total	(A+B) 11,379.08	9,347.69

9.1 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.

10 Trade Payables

(₹ in Lacs)

	Current position	
	As at 31st March, 2017	As at 31st March, 2016
Acceptances	5,987.05	4,501.01
Micro and Small Enterprises	18.09	45.89
Creditor For Goods, Services etc (Including retention money)	29,151.66	21,083.50
Total	35,156.80	25,630.40

A) The details of amounts outstanding to Micro and Small Enterprises based on available information with the company is as Under:

	(₹ in Lacs)	
Particulars	As at 31st March, 2017	As at 31st March, 2016
Principal Amount Due and Remaining Unpaid	18.09	45.89
Interest Due on Above and The Unpaid Interest	8.52	6.06
Interest Paid	-	-
Payment Made Beyond the Appointed Day During the Year	-	-
Interest Due and Payable for the Period of Delay	2.47	6.06
Interest Accrued and Remaining Unpaid	2.47	6.06
Amount of further interest remaining due and payable in succeeding years	8.52	6.06

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****11. Other Current liabilities**

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Interest accrued but not due on borrowings	10.03	2.50
Interest accrued and due on borrowings	189.38	96.01
Advance from customers	2,496.74	2,674.94
Unpaid Dividend *	96.04	76.42
Creditors for Capital expenditure	2,337.32	586.53
Statutory Dues	3,355.22	1,579.17
Temporary Book Overdraft	417.62	352.41
Claims Payable	937.41	765.11
Other liabilities**	1,421.85	1,088.65
Total	11,261.61	7,221.73

* These does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

** It includes ₹ 1103.27 lacs (₹ 848.80 lacs) payables against arrangement for procurement of raw materials.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****13. Non-current investments**

	<u>As at 31st March, 2017</u>	(₹ in Lacs) <u>As at 31st March, 2016</u>
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiary		
47351 (47351) Equity Shares of USD 100 each fully paid-up in Milton Holdings Limited	2,194.83	2,194.83
1 (1) Equity Shares of USD 1 each fully paid-up in Balasore Metals Pte Limited [Full figure ₹ 54 (₹ 54)]	-	-
Investment in associate		
17000 (17000) Equity Shares of ₹ 10 each fully paid-up in Balasore Energy Limited	1.70	1.70
Investment in Other		
3000000 (3000000) equity shares of ₹ 10 each fully paid-up in Facor Power Limited	300.00	300.00
Investment in government securities		
6 years National Savings Certificates (Deposited with Government Departments)	0.95	0.95
Non-trade investments (valued at cost unless otherwise stated)		
Investment in Others		
Unquoted equity shares		
300000 (300000) equity shares of ₹ 10 each fully paid-up in Elephanta Gases Limited	30.00	30.00
Unquoted mutual funds		
250000 (250000) Dual Advantage Fund - Series- V units of ₹ 10 each fully paid-up in SBI Mutual Fund	25.00	25.00
100000 (Nil) Dual Advantage Fund - Series- X units of ₹ 10 each fully paid-up in SBI Mutual Fund	10.00	10.00
Unquoted debentures		
1217200 (850000) 9% Unsecured redeemable non-convertible debentures of ₹ 100 each fully paid-up in Krish Trexim Private Limited	1,217.20	850.00
Total	<u>3,779.68</u>	<u>3,412.48</u>
Aggregate amount of Unquoted investments	3,779.68	3,412.48

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
14. Loans and advances (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

		Non Current		Current	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Capital advances		17,215.79	4,514.46	-	-
	(A)	17,215.79	4,514.46	-	-
Advances recoverable in cash or kind					
Considered good - Others		-	-	10,502.03	9,462.11
Considered doubtful - Others		614.64	9.64	-	-
		614.64	9.64	10,502.03	9,462.11
Provision for doubtful advances		(614.64)	(9.64)	-	-
	(B)	-	-	10,502.03	9,462.11
Loans					
Body Corporates		-	-	1,859.20	1,382.00
Body Corporates - Related Parties		2,267.00	2,267.00	564.00	-
Advance to Employees		-	-	68.09	52.31
	(C)	2,267.00	2,267.00	2,491.29	1,434.31
Security Deposits	(D)	3,233.51	3,127.08	31.96	21.17
Others (Considered Good)					
Balances with statutory / government authorities		-	-	3,756.15	1,552.39
Export benefits receivables		-	-	872.82	709.14
Others		-	-	480.58	172.20
	(E)	-	-	5,109.55	2,433.73
Total	(A to E)	22,716.30	9,908.54	18,134.83	13,351.31

15. Other Assets (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

		As at 31st March, 2017	As at 31st March, 2016
Others			
Interest Receivable on			
Bank Deposits		22.69	13.93
Long-term investments		98.59	367.20
Loans, Other Deposits		527.33	412.96
Others		0.26	1.46
Total		648.87	795.55

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****16. Trade receivables (Unsecured)**

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	433.53	302.66
Considered doubtful	14.51	-	-	-
	14.51	-	433.53	302.66
Provision for doubtful receivables	(14.51)	-	-	-
(A)	-	-	433.53	302.66
Other receivables (considered good)	(B) -	-	3,545.38	2,155.31
Total (A+B)	-	-	3,978.91	2,457.98

17. Inventories (valued at lower of cost and net realizable value)

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Raw materials and components [includes in transit and pledged ₹ 3,559.92 Lacs (₹ 32.70 Lacs)]	16,680.76	10,562.18
Stores, Spares & Consumables	1,818.20	1,429.11
Finished goods	897.32	607.78
Stock under process	436.81	169.31
<u>At estimated net realisable value</u>		
Saleable Scraps	479.18	506.72
Total	20,312.27	13,275.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
18. Cash and bank balances

	(₹ in Lacs)	
	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Cash and cash equivalents		
Balances with banks:		
In current accounts	163.73	489.25
In Deposit (Maturity of three months or less)	545.75	23.46
In unpaid dividend account	96.04	76.42
Cheques/ drafts on hand	335.00	-
Cash on hand #	187.48	198.09
(A)	<u>1,328.00</u>	<u>787.21</u>
Other bank balances		
Margin money deposit ##	1,695.54	720.42
(B)	<u>1,695.54</u>	<u>720.42</u>
Total (A+B)	<u>3,023.54</u>	<u>1,507.63</u>

Refer note no. 42 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Fixed deposits are pledged with banks as security against guarantees / letters of credit issued by them.

	(₹ in Lacs)	
	<u>2016-17</u>	<u>2015-16</u>
19. Revenue from operations		
Revenue from operations		
Sale of products		
Finished goods	1,00,862.00	84,005.72
Trading Sales	-	948.13
Saleable Scraps	517.61	662.64
Export Benefits	2,632.43	1,669.69
Other operating revenue		
Scrap sales	159.85	157.05
Revenue from operations (gross)	<u>1,04,171.89</u>	<u>87,443.23</u>
Less: Excise duty	2,990.46	3,646.17
Total Revenue from operations (net)	<u>1,01,181.43</u>	<u>83,797.06</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	<u>2016-17</u>	<u>2015-16</u>
		(₹ in Lacs)
20. Other income		
Interest income on		
Bank deposits	79.63	92.04
Long-term investments	109.55	102.00
Loan, advances, deposits etc	351.28	300.18
Others	2.29	1.42
Insurance Claims	10.06	11.08
Profit on sale of Raw Material	14.27	-
Items pertaining to Previous Years (net)	3.22	-
Unspent liabilities no longer required written back	50.80	147.87
Gain on Foreign Exchange Fluctuation (net)	1,859.80	-
Others	27.44	18.94
Total	<u><u>2,508.34</u></u>	<u><u>673.53</u></u>

	<u>2016-17</u>	<u>2015-16</u>
		(₹ in Lacs)
21 Cost of raw materials consumed		
Inventory at the beginning of the year	10,562.18	9,470.82
Add: Purchases	35,424.98	27,407.52
	<u>45,987.16</u>	<u>36,878.34</u>
Less: Inventory at the end of the period	16,680.76	10,562.18
Cost of raw materials consumed	<u><u>29,306.40</u></u>	<u><u>26,316.16</u></u>
	Total	

a) Details of raw materials consumed

Chrome Ore (including own generation/briquetted)	15,324.73	12,201.04
Coal and Coke etc.	10,045.66	10,578.03
Carbon Paste	616.15	693.19
Quartz	741.37	702.82
Magnesite	653.43	474.42
Dolomite	266.95	266.91
Others	1,658.11	1,399.74
Total	<u><u>29,306.40</u></u>	<u><u>26,316.16</u></u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****22. (Increase) / decrease in inventories**

(₹ in Lacs)

	<u>2016-17</u>	<u>2015-16</u>
Inventories at the end of the period:		
Stock under process	436.81	169.31
Finished goods	897.32	607.78
Saleable Scraps	489.00	517.33
	<u>1,823.13</u>	<u>1,294.42</u>
Inventories at the beginning of the year:		
Stock under process	169.31	445.96
Finished goods	607.78	661.88
Saleable Scraps	517.33	237.61
	<u>1,294.42</u>	<u>1,345.45</u>
Less: (Increase)/decrease of excise duty on inventories	(5.67)	3.28
Total	<u>(523.04)</u>	<u>47.75</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>2016-17</u>	<u>2015-16</u>
Salaries, wages and bonus	5,344.07	4,922.97
Contribution to provident and other funds	279.09	264.37
Gratuity expense	249.60	30.81
Staff welfare expenses	530.01	458.87
Total	<u>6,402.77</u>	<u>5,677.02</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****24. Other Expenses**

(₹ in Lacs)

	<u>2016-17</u>	<u>2015-16</u>
Consumption of stores and spares	3,052.51	2,279.40
Contract Labour Charges	2,432.19	1,658.01
Packing and Carriage charges	3,103.23	2,895.68
Rent & Hire Charges	1,023.81	746.71
Rates and taxes	69.23	87.45
Insurance	136.89	103.84
Repairs and maintenance		
Plant and machinery	989.65	810.50
Buildings	64.77	77.76
Others	374.45	955.64
Commission on Sales (other than sole selling agent)	1,522.07	548.98
Travelling and conveyance	1,843.05	1,635.56
Charity and Donations	13.64	23.79
Communication costs	174.72	191.69
Legal and professional fees	2,963.75	2,309.11
Directors' sitting fees	33.86	30.10
Auditors' Remuneration as auditor:		
Audit fee	36.54	33.00
Limited review fee	39.42	27.04
Tax audit fee	10.20	10.00
In Other Capacity for Certification	15.65	16.05
Reimbursement of Expenses to auditor	0.04	0.70
Items pertaining to Previous Years (net)	-	23.58
Corporate Social Responsibility Expenses *	58.33	128.38
Site Development Expenses	167.77	51.23
Loss on Foreign Exchange Fluctuation (net)	-	219.27
Bad debts / advances written off	2.33	771.69
Claim Expenses	163.99	-
Provision for doubtful debts and advances	619.51	9.64
Loss on sale/Discard of fixed assets (net)	31.42	9.48
Loss on Sale of raw material	-	38.65
Miscellaneous expenses	1,352.69	1,503.32
Total	<u>20,295.71</u>	<u>17,196.25</u>

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 ₹ 75.82 lacs (Previous year ₹ 111.14lacs).
- b) Expenditure related to Corporate Social Responsibility Expenses is ₹ 58.32 lacs (Previous year ₹ 128.38 lacs).

Details of Amount spent towards CSR given below :

(₹ in lacs)

Particulars	<u>2016-17</u>	<u>2015-16</u>
Rural Development	7.06	43.11
Plantation	11.80	33.81
Drinking Water	5.04	21.89
Sanitation	2.69	9.04
Road Development	15.34	5.25
Hospital and Dispensary Facilities	2.63	4.50
Sports	2.15	3.69
Aahar Yojana	5.00	2.50
Education	5.10	1.34
Self Employment	-	0.47
Others	1.51	2.77
Total	<u>58.32</u>	<u>128.38</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

25. Depreciation & amortization expense		(₹ in Lacs)	
Particulars	As at 31st March, 2017	As at 31st March, 2016	
Depreciation of tangible assets	6,461.58	6,631.29	
Amortization of intangible assets	160.64	264.48	
	6,622.22	6,895.77	
Less: Recoupment from revaluation reserve [Refer note 4(c)]	(4,342.17)	(4,669.82)	
Total	2,280.05	2,225.95	
26. Finance costs			
Interest			
— To Banks [Net of recoveries ₹ 192.39 lacs (₹ 377.47 lacs)]	1,166.65	1,089.40	
— To Others	2,236.85	1,681.65	
Other borrowing cost	513.41	370.50	
Exchange difference to the extent considered as an adjustment to borrowing costs	17.31	9.82	
Total	3,934.22	3,151.37	
27. Contingent liabilities not provided for in respect of:			
a) Sales tax matters under appeal {Amount paid under appeal ₹ 54.51 lacs (₹ 70.25 lacs)}*	519.52	492.47	
b) Entry tax matters {Amount paid under appeal ₹ 111.77 lacs (₹ 100.26 lacs)}*	1,003.50	1,000.28	
c) Excise / Service tax matters {Amount paid under appeal ₹ 35.59 lacs (₹ 29.63 lacs)}*	1,165.12	1,287.75	
d) Un-expired Bank Guarantees and Letters of Credit	4,389.37	731.82	
e) Bills discounted with Banks	1,989.87	4,606.43	

* 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.

28. Capital and other commitment:

Estimated amount of Capital commitments (Net of Advances) ₹ 17,492.62 lacs (₹ 5,430.88 lacs). Other commitment of ₹ 19.80 Lacs is towards unpaid capital of subsidiary Balasore Alloys Nigeria Limited and ₹ 1,834.51 Lacs towards pending registration fees and stamp duty of New Mining Lease Deed.

29. 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 ₹ 123.69 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.

30. Demand notices has been issued by Deputy Director of Mines, Jajpur road, Odisha amounting to ₹ 35,876.97 Lacs for the excess extraction over the quantity permitted under the mining plan/ scheme, environment clearance or consent to operate from SPCB, Odisha, during the period 2000-01 to 2007-08. The demand notices has been issued under Section 21(5) of the Mines & Minerals (Development and Regulations) Act (MMDR Act). However, the MMDR Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that Section 21(5) of the MMDR Act is not applicable as the mining is done under the approval of the State Government and accordingly the Company has filed revision application and has been granted the Stay by Revisionary authority, based on the advice of external legal counsel, the Company believes that demand being legally unjustifiable; the Company does not expect any liability in above matter.

31. North Eastern Electricity Supply Company of Orissa Limited (NESCO) had entered into a settlement agreement in the year 2005 under which certain outstanding dues were settled and paid off by the Company. Subsequently, NESCO wrongfully revoked the settlement in the year 2010 after having acted upon the settlement. The alleged claims amount upto 31st March, 2017 is ₹ 21,216.94 lacs (including delayed payment surcharge). Such revocation of settlement was arbitrary and illegal. In the circumstances, the company approached various Judicial Forums including Hon'ble Supreme Court. Pursuant to the Supreme Court Order, the dispute has been sent to Grievance Redressal Forum (GRF). The Company has paid to NESCO ₹ 3,400 lacs and duly provided the same in the accounts towards such claims. The company continues to receive un-interrupted power supply from NESCO. Pending outcome of the decision of GRF and based on the advice of the legal counsels, no further provision has been made towards aforesaid claims.

32. 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 31.03.2015. 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. However, by way of abundant caution and prudence, the Company has accounted for such alleged disputed amount without admitting the same. Pending final adjudication the company has paid ₹ 1,000 lacs towards such disputed dues during the financial year 2016-17. 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, company has agreed to pay ₹ 500 Lacs each in monthly installments by the 30th of each month starting from 30th April 2017 and by each succeeding month till the entire amount of ₹ 5,855 lacs is paid.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

33. As per notification no. 7745-IV(A)SM-44/2015 (PT-IV)/SM dated 18th August, 2015 of Government of Odhisa, miners producing major minerals in the State would be required to pay 30% of the applicable royalty to the District Mineral Foundation (DMF), which was set-up as per the provisions of section 9B of the Mines and Minerals (Development and Regulation) Act, 1957. Later, Govt. of India, Ministry of Mines vide its order dated 17th September, 2015, has notified that the DMF provisions will come into force from 12th January, 2015. This retrospective applicability has been challenged in Hon'ble Delhi High Court by Federation of Indian Mineral Industries (FIMI) & others and the matter has been stayed. Being, the date from which DMF is applicable is in dispute the Company has not recognized the liability of ₹ 1091.95 lacs, calculated from 12th January, 2015 to 16th September, 2015.
34. 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 as on 31st March 2017, 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. Presently, IPIL winding up order has been confirmed by Hon'ble Delhi High Court. IPIL have filed an application before the Hon'ble Calcutta High Court for stay of the winding up proceedings. Based on the financial viability projections submitted by IPIL and valuation carried out by an independent valuer, no adjustment is considered in the carrying value of the loan.
35. **As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:**

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	(₹ in Lacs)	
	2016-17	2015-16
Employer's Contribution to Provident Fund	213.36	202.76
Employer's Contribution to Superannuation Fund	24.65	25.31
Employer's Contribution to ESIC	10.15	8.98

Defined Benefit Plan

The employee's gratuity funds scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan.

- (a) Expenses recognized in the statement of profit and loss for respective years are as follows:

Particulars	(₹ in Lacs)			
	Gratuity(Funded)		Compensated Absences (Unfunded)	
	(2016-17)	(2015-16)	(2016-17)	(2015-16)
Current service cost	94.66	114.78	58.75	72.02
Interest cost on benefit obligation	65.61	67.07	30.92	31.89
Expected return on plan assets	(12.45)	(15.65)	-	-
Net actuarial (Gain)/losses	102.37	(134.88)	76.87	(59.13)
Net benefit expense	250.19	31.32	166.54	44.78
Actual return on plan assets	24.44	3.72	-	-

- (b) Net Liability recognized in the balance sheet as at respective dates are as follows:-

Particulars	(₹ in Lacs)			
	Gratuity(Funded)		Compensated Absences (Unfunded)	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Defined benefit obligation	1097.27	859.58	536.81	422.51
Fair value of plan assets	165.92	177.67	-	-
Net liability	(931.35)	681.91	536.81	422.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- (c) Changes in the present value of the defined benefit obligation during respective years are as follows:-

Particulars	(₹ in Lacs)			
	Gratuity(Funded)		Compensated Absences (Unfunded)	
	(2016-17)	(2015-16)	(2016-17)	(2015-16)
Opening defined benefit obligation	859.58	892.86	422.51	438.92
Interest cost	65.61	67.06	30.92	31.89
Current service cost	94.66	114.78	58.75	72.02
Benefit paid	(36.95)	(68.31)	(52.24)	(61.19)
Actuarial (Gain)/losses	114.36	(146.81)	76.87	(59.13)
Closing defined benefit obligation	1,097.26	859.58	536.81	422.51

- (d) Changes in the fair value of plan assets during respective years are as follows:

Particulars	(₹ in Lacs)	
	Gratuity (Funded)	
	(2016-17)	(2015-16)
Opening fair value of plan assets	177.67	226.80
Expected return on plan assets	12.45	15.65
Contribution by the Company	0.76	15.46
Benefits paid	(36.95)	(68.31)
Actuarial (losses)/Gains	11.99	(11.93)
Closing fair value of plan assets	165.92	177.67

- (e) The major categories of Plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity plan assets as at	
	31st March, 2017	31st March, 2016
Investments with insurer	100 %	100 %

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

- (f) Actuarial assumptions

Particulars	Gratuity(Funded)		Compensated Absences (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Mortality Table	7.27%	7.80%	7.27%	7.80%
Discount Rate (per annum)	10%	10%	10%	10%
Rate of escalation in salary (per annum)	7.80%	7.81%	Not Applicable	

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(g) Amounts recognised in current year and previous four years	(₹ in Lacs)				
Particulars	(2016-17)	(2015-16)	(2014-15)	(2013-14)	(2012-13)
Defined benefit obligation	1,097.27	859.58	892.86	698.58	621.74
Fair value of plan assets	165.92	177.67	226.80	218.76	179.18
Deficit	(931.35)	681.91	666.06	479.82	442.56
Experience adjustments on plan liabilities - (gains)/losses	59.80	(147.74)	(31.53)	(50.18)	129.13
Experience adjustments on plan assets - (gains)/losses	11.99	11.93	-	2.16	(3.32)

(H) The Company expects to contribute ₹ 300 lacs (₹ 300 lacs) to gratuity fund in the year 2017-2018.

36. Segment Information
(a) Primary Segments:

Based on the synergies, risks and return associated with business operations and in terms of Accounting Standard-17, the Company is mainly engaged in the Manufacturing/Mining of Ferro alloys. All activity of the company revolves around this main business. As such, there are no separate reportable segments as per the Accounting Standard-17 (Segment Reporting).

(b) Secondary Geographical Segments

Sales Revenue :-	(₹ in Lacs)	
	2016-17	2015-16
Domestic Revenues (Net of Excise Duty)	14,882.65	22,610.70
Overseas Revenues (Including Export Benefits)	86,298.78	61,186.12
Total	101,181.43	83,796.82

The Company has common fixed assets in India for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished. The year-end balance of overseas trade receivables is ₹ 3,432.42 lacs (₹ 2,071.98 lacs) & Domestic trade receivable is ₹ 541.25 lacs (₹ 386.00 lacs)

37. Derivative Instruments & Un hedged foreign currency Exposure :
(i) For Hedging of Foreign Trade Receivable :

Nominal amounts of Forward contract entered into by the company and outstanding as on 31st March 2017 amounting to ₹ Nil (₹ 10,269.53 Lacs)

(ii) Foreign currency exposure that are not hedged by derivative instruments are as under :-

	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign currency	Amount in Rs.	Exchange Rate	Amount in Foreign currency	Amount in Rs.
I. Assets							
Trade Receivable	USD	66.58	51.55	3,432.22	66.11	31.34	2,071.98
Other Monetary assets	USD	46.35	47.35	2,194.83	46.35	47.35	2,194.82
Total Receivables (A)			98.90	5,627.05		78.69	4,266.80
Hedges by derivative contracts (B)		-	-	-	66.30	155.00	10,269.53
Unhedged receivables (C=A-B)			98.90	5,627.05		-	-
II. Liabilities							
Trade Payable & Others	USD	64.40	20.60	1,327.21	66.20	9.22	610.70
Borrowings (Others)	USD	67.10	39.29	2,635.23	66.90	67.96	4,549.18
Total Payables (D)			59.89	3,962.44		77.18	5,159.88
Hedges by derivative contracts (E)			-	-		-	-
Unhedged Payables F=D-E)			59.89	3,962.44		77.18	5,159.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
38. Related Party Disclosures

As per accounting standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Subsidiary Company	Milton Holdings Limited Balasore Metals Pte. Limited Balasore Alloys Nigeria Ltd
Associate Company	Balasore Energy Limited
Key Management Personnel and their relative	Mr. Pramod Mittal (Chairman) Mrs. Vartika Mittal Goenka (women director) (upto 29th May 2016) Mr. Anil Sureka (Managing Director) Mr R K Parakh (Whole-time Director) Mr G Janarthanam (Whole-time Director)
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence*	Navoday Consultant Ltd Navdisha Real Estate Pvt. Ltd Gontermann-Peipers (India) Ltd Dankuni Investment Ltd Shakti Chrome Ltd Sri Mahalaxmi Solar Energy Pvt. Ltd Ispat Minerals Ltd Jaltarang Vanijya Pvt Ltd Ispat Profile India Ltd Ispat Corp Pvt. Ltd Global Steel Holding 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.

Transactions during the year with related parties:

(₹ in lacs)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel and their Relatives	Enterprises over which Key Managerial personnel and their Relatives are able to exercise significant influence	Total
1	Loan Given (Net.)	- -	- -	- (6.00)	564.00 (350.00)	564.00 (356.00)
2	Loan Repaid		-	6.00 -	- -	6.00 --
3	Sale of Goods/Assets	- -	- -	- -	59.56 (48.29)	59.56 (48.29)
4	Interest Income	- -	- -	- -	224.08 (175.80)	204.08 (175.80)
5	Rent	-	- -	- -	90.64 (86.54)	90.64 (86.54)
6	Managerial Remuneration	- -	- -	308.53 (260.77)	- -	308.53 (260.77)
7	Subscription of Share Capital Including Premium (Conversion)	- -	- -	- -	2,150.00 (1,360.00)	2150.00 (1,360.00)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in lacs)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personnel and their Relatives	Enterprises over which Key Managerial personnel and their Relatives are able to exercise significant influence	Total
8	Money received against share warrant	-	-	-	1,921.16 <i>(935.89)</i>	1921.16 <i>(935.89)</i>
9	Loan From Body Corporate	-	-	-	- <i>(1,000.00)</i>	- <i>(1,000.00)</i>
10	Interest Expense	-	-	-	149.99 <i>(40.32)</i>	149.99 <i>(40.32)</i>
11	Deposit Given	-	-	-	90.00 -	90.00 -
12	Purchase Of Goods	-	-	-	4.95 -	4.95 -
Balance as at 31st March, 2017						
13	Investments	2,194.83 <i>(2,194.83)</i>	1.70 <i>(1.70)</i>	-	-	2,196.53 <i>(2,196.53)</i>
14	Deposits	-	-	-	801.50 <i>(711.50)</i>	801.50 <i>(711.50)</i>
15	Trade & other Payable	-	-	-	- <i>(24.39)</i>	- <i>(24.39)</i>
16	Advance to vendor	-	-	-	5.57 -	5.57 -
17	Money received against share warrant	-	-	-	707.05 <i>(935.89)</i>	707.05 <i>(935.89)</i>
18	Loans including Interest receivable	-	-	- <i>(6.00)</i>	3,243.84 <i>(2,457.78)</i>	3,243.84 <i>(2,463.78)</i>
19	Loan from body corporate including Interest payable	-	-	-	1175.31 <i>(1,040.32)</i>	1175.31 <i>(1,040.32)</i>
20	Trade Receivable	-	-	-	83.09 -	83.09 -
21	Guarantees	-	-	Note No (21) -	Note No (22) -	- -

Note : Figures in Italic represents Previous Year's amounts.

Disclosure in Respect of Material Related Party Transactions during the year:

- Loans given (Net.) to Ispat Profile India Ltd. Nil (Previous year ₹ 350.00 Lacs), Mr. Rajendra Kumar Parakh ₹ Nil (Previous year ₹ 6 Lacs) and to Gontermann-Peipers (India) Ltd ₹ 564.00 Lacs (Previous Year ₹ Nil)
- Loan repaid by Mr. Rajendra Kumar Parakh Rs 6 Lacs (Previous year ₹ Nil).
- Sale of Goods/Assets Include sales made to Gontermann-Peipers (India) Ltd ₹ 59.56 Lacs (Previous Year ₹ 48.29Lacs).
- Interest income include Ispat Profile India Ltd. ₹ 204.03 Lacs (Previous year ₹ 175.80 Lacs) and Gontermann-Peipers (India) Ltd ₹ 20.05 Lacs (Previous Year ₹ Nil).
- Rents paid to Navdisha Real Estate Private Limited ₹ 90.64 Lacs (Previous Year ₹ 86.54 Lacs).
- Managerial Remuneration includes Mr. Anil Sureka ₹ 164.26 Lacs (Previous Year ₹ 143.30 Lacs), Mr. R K Parakh ₹ 76.11 Lacs (Previous Year ₹ 58.64 lacs) , Mr G Janarthanam ₹ 68.16 Lacs (Previous Year ₹ 24.73)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

7. Subscription of Share capital (Including Premium) includes subscription by Jal Tarang Vanijya Pvt Ltd. ₹ Nil (Previous Year ₹ 1,360.00 Lacs), Global Steel Holdings Asia Pte. Ltd ₹ 623.50 lacs (Previous Year ₹ Nil), Direct Trading & Investments Singapore Pte. Ltd. ₹ 623.50 lacs (Previous Year ₹ Nil) & Prasan Global Ventures Singapore Pte Ltd. ₹ 903.00 lacs (Previous Year ₹ Nil)
8. Amount received against share warrants includes Global Steel Holdings Asia Pte Ltd ₹ 543.64 Lacs (Previous Year ₹ 279.45 Lacs), Prasan Global Ventures Singapore Pte Ltd ₹ 830.19 Lacs (Previous Year ₹ 377.03 Lacs), Direct Trading & Investments Singapore Pte Ltd ₹ 547.33 Lacs (Previous year ₹ 279.41 Lacs).
9. Loan from body corporate taken from Ispat Corp Pvt. Ltd. ₹ Nil (Previous year ₹ 1,000 Lacs)
10. Interest Payable to Ispat Corp Pvt. Ltd ₹ 149.99 Lacs (Previous year ₹ 40.32 Lacs)
11. Deposit given to Navdisha Real Estate Pvt Ltd ₹ 90.00 Lacs (Previous Year ₹ Nil)
12. Purchase of goods from Gontermann-Peipers (India) Ltd ₹ 4.95 Lacs (Previous Year ₹ Nil)
13. Investments includes Milton Holdings Limited ₹ 2,194.83 Lacs (Previous Year ₹ 2,194.83 Lacs), Balasore Energy Limited ₹ 1.70 Lacs (Previous Year ₹ 1.70 Lacs)
14. Deposits include Navdisha Real Estate Pvt Ltd ₹ 801.50 Lacs (Previous Year ₹ 711.50 Lacs).
15. Trade & other Payables include Navdisha Real Estate Pvt. Ltd. ₹ Nil (Previous year ₹ 24.39Lacs).
16. Advance to vendor includes Navdisha Real Estate Pvt. Ltd. ₹ 5.57 lacs (Previous Year ₹ Nil)
17. Money received against share warrants includes Global Steel Holdings Asia Pte Ltd ₹ 199.59 Lacs (Previous Year ₹ 279.45 Lacs), Prasan Global Ventures Singapore Pte Ltd ₹ 304.22 Lacs (Previous Year ₹ 377.03 Lacs), Direct Trading & Investments Singapore Pte Ltd ₹ 203.24 Lacs (Previous year ₹ 279.41 Lacs).
18. Loans Including Interest receivable represents Ispat Profile India Ltd. ₹ 2,661.80 Lacs (Previous Year ₹ 2,457.78 Lacs), Mr. Rajendra Kumar Parakh ₹ Nil (Previous Year ₹ 6.00 Lacs) and Gontermann-Peipers (India) Ltd ₹ 582.04 Lacs (Previous Year ₹ Nil).
19. Loan from body corporate including interest payable represent Ispat Corp. Pvt. Ltd. ₹ 1,175.31 Lacs (Previous Year ₹ 1,040.32 Lacs).
20. Trade receivable from Gontermann-Peipers (India) Ltd ₹ 83.09 (Previous Year ₹ Nil).
21. All working capital loan/Non convertible debenture are guaranteed by personal guarantee of Mr. Pramod Mittal & Mrs. Vartika Mittal Goenka.
22. All working capital loan is guaranteed by corporate guarantee of Shakti Chrome Ltd, Ispat Minerals Ltd & Balasore Energy Ltd.

39. Basis for calculation of Basic and Diluted Earnings per Share is as follows:

Particulars	2016-17	2015-16
Present Weighted Average Equity Shares (In Numbers)	78,890,411	74,628,116
Equivalent Weighted Average Equity Shares to be allotted against share warrant (In Numbers)	5,306,849	-
Potential weighted Average Equity Shares (In Numbers)	84,197,260	74,628,116
Net Profit after Taxes (₹ In Lacs)	8,951.98	1,869.09
Nominal Value of each Shares (In ₹)	5/-	5/-
Basic Earnings Per Share (In ₹)	11.35	2.50
Diluted Earnings Per Share (In ₹)	10.63	2.50

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

40. The company entered into a contract with a party for purchase of raw material on a fixed price in earlier year and advanced ` 3,683.57 lacs. The material was to be supplied over a period of eighteen months. However, due to erratic price movement of the material both parties failed in their respective commitments. To arrive at an amicable solution both parties have entered into a memorandum of understanding (MOU), whereby the party have agreed to repay the advance taken in phased manner starting June 2017 and ending March, 2019, without interest. In view of the said MOU with the party, management is confident of realization of amount as per the stipulated schedule.

41. The company has carried out scientific studies including validation of resources of chrome ore in its chromite mine at Sukinda, Kaliapani, Odisha (Lease -1) by an international mining consultant. The company has planned for mining of these resources at 1.4 Million tonne per annum through underground mining method and convert the same into Ferrochrome thereby improving profitability of the company.

In order to expedite the project company has approached some prospective lenders for financial tie-ups Pending financial tie-up for the aforesaid project the order for the long lead delivery equipment and machinery have been placed against which company has advanced a sum of ` 16002.48 lacs and also incurred expenses of ` 5979.39 lacs towards project development Management is confident of implementing the said long gestation project through financial tie-ups

42. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016:-

(₹ in Lacs)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	163.22	19.66	182.88
(+) Permitted receipts	-	53.03	53.03
(-) Permitted payments	-	63.48	63.48
(-) Amount deposited in Banks	163.22	-	163.22
Closing cash in hand as on 30-12-2016	-	9.21	9.21

43. CIF Value of Imports

(₹ in Lacs)

Particulars	2016-17	2015-16
Raw Materials	11964.92	3,163.11
Stores and Spares	57.95	9.81

44. Expenditure in foreign currency (accrual basis)

(₹ in Lacs)

Particulars	2016-17	2015-16
Travelling and conveyance	313.87	183.55
Rent & Hire Charges	41.01	33.59
Employee Benefit	178.56	140.73
Claim Expenses & Interest there on	163.99	26.92
Legal & Professional Fees	80.92	98.48
Commission on Sales (other than sole selling agent)	1,481.05	548.54
Finance costs	125.58	131.90
Others	41.93	55.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
45. Earning in foreign currency (on accrual basis) (₹ in Lacs)

Particulars	2016-17	2015-16
FOB Value of Exports	80,359.58	57,042.76

46. Break-up of consumption of raw materials, stores & spares etc. (including items debited to other heads of expenses, unserviceable and / or damaged / obsolete items written down and / or written off) for 2016-17:-

(₹ in Lacs)

Particulars	Raw Materials		Stores & Spares Consumed*	
	Amount	%	Amount	%
Indigenous	20,664.21 <i>(21,778.72)</i>	70.51 <i>(75.36)</i>	3,733.35 <i>(2,951.12)</i>	99.98 <i>(99.94)</i>
Imported	8,642.19 <i>(6,676.61)</i>	29.49 <i>(24.14)</i>	0.73 <i>(1.68)</i>	0.02 <i>(0.06)</i>
Total	29,306.40 <i>(27,661.40)</i>	100.00 <i>(100.00)</i>	3,734.08 <i>(1,826.57)</i>	100.00 <i>(100.00)</i>

Note: Figures in Italic represents of previous year

* Includes ` 681.57 lacs (` 537.31 lacs) charged to repair & maintainance excluding discarded fixed assets

47. 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 2017 (Refer Note No. 13).
- II) All the said loans and advances are given for business purposes.
- III) Investments made by the company as at 31st March 2017 (Refer Note No. 12)
- IV) No guarantee has been given by the Company as at 31st March, 2017.

48. There were no foreign currency remittances on account of dividend during the year.
49. Previous year's figures including those given in brackets have been regrouped / rearranged where necessary to conform to this year's classification.

As per our attached report of even date

For Chaturvedi & Shah

Firm registration number: 101720W
Chartered Accountants

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata

Date : 19th May, 2017

For and on behalf of Board of Directors

Anil Sureka (Managing Director) R K Parakh (Director - Finance)
DIN No.- 00058228 DIN No.- 00459699

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 March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the 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 and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 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 state of affairs of the Group and its associate as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note 30 to the consolidated financial statements regarding demand by North Eastern Electricity Supply Company of Orissa Limited (NESCO) towards revocation of the waiver of dues granted under a settlement in earlier years to Holding Company. NESCO has raised total claim for ₹ 17,616.94 Lacs as at 31st March, 2017 (₹16,800.34 Lacs as at 31st March, 2016) (including delayed payment surcharge) towards revocation of the waiver of dues granted under a settlement in an earlier year net of ₹ 3,400 lacs already paid and provided in respective year of payment as a matter of prudence by the Holding Company. Pursuant to the Supreme Court Order, the dispute has been sent to Grievance Redressal Forum (GRF). Pending outcome of the decision of GRF and based on discussion with Holding Company's legal counsel, no provision has been made towards above demand.



BALASORE ALLOYS LIMITED

- b) We draw attention to Note 40 to the consolidated financial statements relating to payments and expenditure incurred towards implementation of long gestation project for underground mining. The Holding company is in the process of making financial tie-ups for early implementation of project.

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

Other Matters

- (i) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 3,057.74 lacs as at 31st March, 2017, total revenues of ₹ 6.71 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.
- (ii) We have relied on the unaudited financial statements in respect of one subsidiary whose financial statements reflects total assets of ₹ Nil as at 31st March, 2017 and total revenues of ₹ Nil for the year ended 31st March, 2017, as considered in consolidated financial statement. This unaudited financial statement have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts included in respect of this subsidiary is based solely on such unaudited financial statements certified by the management.

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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;
 - 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 the reports of the other auditors;
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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;
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of these entities is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and its associate company incorporated in India;
 - 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its subsidiary companies and its associate as referred to in Note 26 and 29 to 30 to the consolidated financial statements.
 - The Group and its associate company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its associate company incorporated in India.
 - The Holding Company and its associate incorporated in India have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by these entities and as produced to us by the Management as referred to in Note 42 to the consolidated financial statements.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. 101720W

Amit Chaturvedi

Partner

Membership No. 103141

Place : Kolkata
Date : May 19, 2017

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT ON
THE CONSOLIDATED FINANCIAL STATEMENTS OF BALASORE ALLOYS LIMITED**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

(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 over Financial Reporting 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 March 31, 2017, we have audited the internal financial controls over financial reporting of Balasore Alloys Limited (hereinafter referred to as “the Holding Company”) and its associate company 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 its associate which are companies 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 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 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, 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 March 31, 2017, 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 reports of the auditors of such company.

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

Amit Chaturvedi
Partner
Membership No. 103141

Place : Kolkata
Date : May 19 , 2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

	Notes	As at 31st March, 2017	(₹ in Lacs) As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
a. Share Capital	3	4,596.38	4,096.38
b. Reserves and Surplus	4	83,951.58	84,676.05
c. Money Received Against Equity Share Warrants	5	707.06	935.89
		89,255.02	89,708.32
Non-Current Liabilities			
a. Long-Term Borrowings	6	1,010.16	1,906.35
b. Deferred Tax Liabilities (net)	7	1,786.89	1,580.20
c. Long-Term Provisions	8	1,490.97	1,120.71
		4,288.02	4,607.26
Current Liabilities			
a. Short-Term Borrowings	9	11,379.08	9,347.69
b. Trade Payables	10		
Micro and Small Enterprises		18.09	45.89
Others		35,146.73	25,590.54
c. Current Maturities of Long-Term Borrowings	6	3,142.04	1,939.82
d. Other Current Liabilities	11	11,296.90	7,252.73
e. Short-Term Provisions	8	9,045.14	4,154.19
		70,027.98	48,330.86
TOTAL		1,63,571.02	1,42,646.44
ASSETS			
Non-Current Assets			
a. Fixed Assets			
Tangible Assets	12	78,595.21	86,198.48
Intangible Assets	12	2,093.66	1,786.82
Capital Work-in-Progress	12	9,426.55	9,024.80
b. Non-Current Investments	13	1,583.15	1,215.95
c. Long-Term Loans and Advances	14	25,594.94	12,853.22
		1,17,293.51	1,11,079.27
Current assets			
a. Inventories	17	20,312.27	13,275.10
b. Trade Receivables	16	3,985.39	2,457.97
c. Cash and Bank Balances	18	3,025.76	1,509.95
d. Short-Term Loans and Advances	14	18,305.22	13,528.60
e. Other Current Assets	15	648.87	795.55
		46,277.51	31,567.17
TOTAL		1,63,571.02	1,42,646.44
Significant Accounting Policies	2		
Notes on Financial Statements	3-45		

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 : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

R K Parakh
(Director - Finance)
DIN No.- 00459699

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lacs)

	<u>Notes</u>	<u>2016-17</u>	<u>2015-16</u>
INCOME			
Gross Revenue From Operations	19	1,04,171.89	87,443.23
Less: Excise Duty		2,990.46	3,646.17
Net Revenue From Operations		1,01,181.43	83,797.06
Other Income	20	2,515.05	676.51
Total Revenue (I)		1,03,696.48	84,473.57
EXPENSES			
Cost of Raw Materials Consumed	21	29,306.40	26,316.16
Purchase of Stock-in-Trade		-	826.73
(Increase)/ Decrease in Inventories	22	(523.05)	47.75
Power		27,840.68	25,530.61
Employee Benefit Expenses	23	6,402.77	5,677.02
Other Expenses	24	20,305.77	17,205.04
Depreciation & Amortization expenses	25	2,280.05	2,225.95
Finance Costs	26	3,934.25	3,151.37
Total (II)		89,546.87	80,980.63
Profit Before Taxes (III)		14,149.61	3,492.93
Tax Expenses			
Current Tax		5,052.00	830.44
Deferred Tax Charge		206.69	540.14
Taxation Expenses of Earlier Years		(57.69)	259.08
Total Tax Expenses (IV)		5,200.99	1,629.66
Less : Share of Loss of Associate		-	(0.20)
Profit For the Year [(III) – (IV)]		8,948.62	1,863.08
Earnings per equity share (nominal value of share ₹ 5/-)			
Basic EPS (₹)		11.34	2.50
Diluted EPS (₹)		10.63	2.50
Significant Accounting Policies	2		
Notes on Financial Statements	3-45		

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 : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228R K Parakh
(Director - Finance)
DIN No.- 00459699Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

(₹ in Lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES:

<u>Notes</u>	<u>2016-17</u>	<u>2015-16</u>
Profit Before Tax	14,149.61	3,492.93
Adjustment For :		
Depreciation/Amortisation Expenses	(4,631.41)	2,225.95
Profit on Sale/Discard of Fixed Assets (Net)	34.68	14.58
Unrealized Foreign Exchange Gain/Loss	183.72	(57.28)
Unspent Liabilities no Longer Required Written Back	(50.80)	(150.85)
Loss on Associate Company	-	(0.19)
Irrecoverable Debts, Deposits & Advances Written Off	2.33	771.69
Provision for Doubtful Debts/Advances	619.51	9.64
Interest Expense	3,403.50	2,771.05
Interest Income	(542.75)	(495.64)
Operating Profit Before Working Capital Changes		
Movements in Working Capital :		
Increase/ (Decrease) in Trade Payables and Other Current Liabilities	11,402.27	5,481.41
Increase/ (decrease) in Provisions	459.13	(7.27)
Decrease / (Increase) in Trade Receivables	(1,422.14)	(1,148.00)
Decrease / (Increase) In Inventories	(7,037.17)	(627.01)
Decrease / (Increase) in Loans and Advances and Other Assets	(5,490.38)	(4,224.54)
Cash Generated From /(Used in) Operations	11,080.10	8,056.49
Taxes Paid (Net)	(636.91)	(1,767.58)
Net Cash Flow From Operating Activities (A)	10,443.18	6,288.91

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Fixed Assets (Including CWIP and Capital Advances)	(10,649.98)	(6,896.95)
Increase of Investments	(367.20)	0.20
Purchase of Investment	-	(10.00)
Proceeds From Sale of Fixed Assets	3.26	5.10
Maturity of/(Investment in) Fixed Deposit	(1,497.41)	(159.37)
Interest Received	689.43	376.03
Net Cash Flow From/(Used) in Investing Activities (B)	(11,821.90)	(6,684.99)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds From Issue of Share Capital	2,150.00	1,360.00
Proceeds From Money Received Against Share Warrant	(228.83)	935.89
Repayment of Long-Term Borrowings	306.03	(1,876.15)
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)	(453.72)	(495.62)
Net Movement in Short-term Borrowings	2,077.65	3,494.60
Interest Paid	(2,384.56)	(2,624.70)
Net Cash Flow From (Used) in Financing Activities (C)	1,466.57	794.01
Exchange Difference or Transaction of Foreign Subsidiaries	(69.46)	174.43
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C)	18.40	572.36
Cash & Cash Equivalents as at the Beginning of the Year	766.07	193.71
Cash & Cash Equivalents as at the End of the Year	784.47	766.07
Cash & Cash Equivalents as at the End of the Year Includes		
Cash-on-Hand	187.54	198.16
Cheques/ drafts on hand	335.00	-
Balances with Banks:		
In Current Accounts	165.89	491.49
In Unpaid Dividend Account *	96.04	76.42
Cash and Cash Equivalents at the End of the Year (Ref Note 17)	784.47	766.07

Significant Accounting Policies

2

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

The accompanying notes are forming part of 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 : 19th May, 2017

For and on behalf of the Board of Directors

Anil Sureka R K Parakh
(Managing Director) (Director - Finance)
DIN No.- 00058228 DIN No.- 00459699Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****1. Corporate information**

Balasure 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 Balasure, 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.

2. Significant Accounting policies on Consolidated Financial Statements**A) Basis of preparation of consolidated financial statements**

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B) Principles of Consolidation

- (i) The Consolidated Financial Statements present the consolidated Accounts of Balasure Alloys Limited and its following Subsidiaries and its Associate.

Name of the Companies	Relationship	Country of Incorporation	Proportion of Ownership / Interest	
			31st March, 2017	31st March, 2016
Milton Holding Limited (MHL)	Subsidiary	Mauritius	100 %	100 %
Balasure Metals Pte Limited (BMPL)	Subsidiary	Singapore	100%	100%
Balasure Alloys Nigeria Ltd	Subsidiary	Nigeria	99%	-
Balasure Energy Limited	Associate	India	34%	34%

In terms of Accounting Standard 21 notified no minority interest exists. MHL is into the business of mining and has not yet commenced commercial operations. BMPL is into the business of trading of ferro alloys.

- (ii) The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profits.
- (iii) Investment in Associate Company has been accounted under the equity method as per Accounting Standard (AS) 23-“Accounting for Investments in Associates in Consolidated financial Statements.
- (iv) The financial statements of Milton Holding Limited have been prepared in accordance with International Financial Reporting Standards which has been converted using the accounting policies of the company by the management and considered for consolidation.
- (v) The financial statements of Balasure Alloys Nigeria Ltd have been prepared in accordance with Nigerian Accounting Standards which has been converted using the accounting policies of the company by the management and considered for consolidation.
- (vi) The financial statements of Balasure Metals Pte Limited have been prepared in accordance with Singapore Financial Reporting Standards which has been converted using the accounting policies of the company by the management and considered for consolidation.
- (vii) In translating the financial statements of the non-integral foreign Subsidiaries for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expense items are translated at average exchange rate; and all resulting exchange differences are accumulated in the exchange fluctuation reserve.
- (viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- C) Investment other than in subsidiaries and associate have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.

D) Other Significant Accounting Policies

These are set out under significant Accounting Policies as given in the Company's separate financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****3. Share capital**

(₹ in Lacs)

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Authorized shares		
200,000,000 (200,000,000) equity shares of ₹ 5/- each	<u>10,000.00</u>	<u>10,000.00</u>
Issued and subscribed shares		
91,934,263 (81,934,263) Equity Shares of ₹ 5/- Each	<u>4,596.71</u>	4,096.71
Paid-up shares		
88,890,411 (78,890,411) Equity Shares of ₹ 5/- Each Fully Paid up	<u>4,444.52</u>	3,944.52
Add: Shares Forfeited	<u>151.86</u>	151.86
Total	<u><u>4,596.38</u></u>	<u><u>4,096.38</u></u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year*Equity shares*

	<u>As at 31st March, 2017</u>		<u>As at 31st March, 2016</u>	
	<u>No. in lacs</u>	<u>₹ In lacs</u>	<u>No. in lacs</u>	<u>₹ In lacs</u>
At the Beginning of the Year	<u>788.90</u>	<u>3,944.52</u>	708.90	3,544.52
Issued During the Year	<u>100.00</u>	<u>500.00</u>	80.00	400.00
Outstanding at the End of the Year	<u><u>888.90</u></u>	<u><u>4,444.52</u></u>	<u>788.90</u>	<u>3,944.52</u>

(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	<u>As at 31 March, 2017</u>		<u>As at 31 March, 2016</u>	
	<u>Numbers</u>	<u>% holding</u>	<u>Numbers</u>	<u>% holding</u>
Goldline Tracom Private Limited	<u>1,24,02,346</u>	<u>13.95%</u>	1,24,02,346	15.72%
Jal Tarang Vanijya Pvt Ltd	<u>80,00,000</u>	<u>9.00%</u>	80,00,000	10.14%
Navoday Highrise Private Limited	<u>73,46,635</u>	<u>8.26%</u>	73,46,635	9.31%
Navoday Niketan Private Limited	<u>49,53,215</u>	<u>5.57%</u>	49,53,215	6.28%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****4. Reserves and surplus**

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Capital Reserve		
Balance as per the last financial statements		
Capital investment subsidy (a)	41.96	41.96
Amount arisen on forfeiture of equity warrants (b)	490.00	490.00
Revaluation Reserve		
Balance as per the last financial statements	46,149.66	50,819.48
Less : Discard of revaluation asset	(6,911.46)	-
Less: Amount transferred to the statement of profit and loss as reduction from depreciation (Refer Note 24)	(4,342.17)	(4,669.82)
Closing Balance (c)	34,896.03	46,149.66
Securities Premium Account		
Balance as per the last financial statements	3,236.00	2,276.00
Add : On issue of Shares	1,650.00	960.00
Closing Balance (d)	4,886.00	3,236.00
Foreign Currency Translation Reserve		
Balance as per the last financial statements	937.02	762.60
Addition/(Deduction) for the year	(69.46)	174.42
Closing Balance (e)	867.56	937.02
General Reserve		
Balance as per the last financial statements	7,923.05	7,876.47
Add : Transfer From Profit and Loss Account	-	46.58
Closing Balance (e)	7,923.05	7,923.05
Debenture Redemption Reserve		
Balance as per the last financial statements	739.98	818.84
Add : Transfer From/(to) Profit and Loss Account	(372.94)	(78.86)
Closing Balance (f)	367.04	739.98
Surplus in the Profit and Loss Account		
Balance as per the last financial statements	25,158.38	23,832.71
Profit For The Year	8,948.62	1,863.08
	34,107.00	25,695.79
Less: Appropriations		
Transfer to general reserve	-	(46.58)
Transfer (to)/from debenture redemption reserve	372.94	78.86
Proposed dividend [dividend per share ₹ 0.60 (₹ 0.60)]		(473.34)
Tax on dividend	-	(96.36)
	372.94	(537.42)
Net surplus in the Profit and Loss Account (g)	34,479.94	25,158.38
Total Reserves and Surplus (a to g)	83,951.58	84,676.05

- 4.1. The Board of Directors, have recommended dividend of ₹ 0.75 per equity share to the equity shareholders. The dividend will be paid after the approval of shareholders at the ensuing Annual General Meeting. During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 – 'Contingencies and Events Occurring after the Balance sheet date' (AS 4). However, as per the requirements of revised AS 4 which is applicable w.e.f 1st April, 2016 the Company is not required to provide for dividend proposed after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March, 2017. Had the Company continued with creation of provision for proposed dividend, as at the Balance Sheet date, its Surplus in Statement of Profit and Loss would have been lower by ₹ 806.19 lacs and Short Term Provision would have been higher by ₹ 806.19 lacs (including dividend distribution tax of ₹ 139.51 lacs).


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
5. Money Received Against Equity Share Warrants

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Money Received Against Equity Share Warrants	707.06	935.89
Total Money Received Against Share Warrants	707.06	935.89

- 5.1 Pursuant to the consent of Board of Directors of the Company on 15.03.2016, the special resolution passed by the members of the Company on 26.09.2016 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 03.11.2016 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 ₹ 1236.25 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 ₹ 1244.56 lacs as stated above. During the year on 31.03.2017 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.

6. Long-term borrowings

(₹ in Lacs)

	Non Current Position		Current maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
A) Secured				
Deferred Payment Credits	1,010.16	344.44	645.60	377.91
Total (i)	1,010.16	344.44	645.60	377.91
11% Redeemable Non-Convertible Debentures				
STATE BANK OF INDIA	-	1,331.53	1,331.51	1,331.53
39,94,580 Nos (39,94,580), 11% redeemable non-Convertible debentures of ₹ 33 partly paid up (₹ 100/- each fully paid up)				
STATE BANK OF HYDERABAD	-	166.31	166.31	166.31
4,98,940 Nos(4,98,940), 11% redeemable non-convertible debentures of ₹ 33 partly paid up (₹ 100/- each fully paid up)				
ALLAHABAD BANK	-	64.07	23.62	64.07
1,92,200 Nos(1,92,200), 11% redeemable non-convertible debentures of ₹ 12 partly paid up (₹ 100/- each fully paid up)				
Total (ii)	-	1,561.91	1,521.44	1,561.91
Loans from Body Corporate	-	-	975.00	-
Total (iii)	-	-	975.00	-
Total (i+ii+iii)	1,010.16	1,906.35	3,142.44	1,939.82

6.1 Indian rupee loan from banks
(i) Deferred Payment Credits
a) Maturity Profile

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Deferred Payment Credits	645.60	482.39	412.55	109.20	6.02

b) Nature of Security

Deferred Payment Credits are Secured Against Hypothecation of Assets Purchased Against Such Loans.

(ii) 11% Redeemable Non-Convertible Debentures
a) Maturity Profile

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
11% Redeemable Non-Convertible Debentures	1521.44	-	-	-	-

b) Nature of Security

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, 2017

7. Deferred tax liabilities (net)	(₹ in Lacs)	
	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Deferred tax liabilities		
Timing difference on depreciable assets	3,196.04	3,500.37
(A)	<u>3,196.04</u>	<u>3,500.37</u>
Deferred tax assets		
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	803.55	1,648.32
Other disallowance under Income Tax Act, 1961	605.60	271.85
(B)	<u>1,409.15</u>	<u>1,920.17</u>
Net deferred tax liabilities (A-B)	<u>1,786.89</u>	<u>1,580.20</u>

8. Provisions	(₹ in Lacs)			
	<u>Non Current Provisions</u>		<u>Current Provisions</u>	
	<u>As at 31st March, 2017</u>	As at 31st March, 2016	<u>As at 31st March, 2017</u>	As at 31st March, 2016
Provision for employee benefits: (Ref Note 34)				
Gratuity	880.93	669.30	50.42	12.61
Superannuation	-	-	61.95	40.62
Compensated Absences	482.68	398.11	54.12	24.39
	<u>1,363.61</u>	<u>1,067.41</u>	<u>166.49</u>	<u>77.62</u>
Other provisions for -				
Taxation (Net of Advance Taxes)	-	-	8,782.29	3,506.87
Site Restoration	127.36	53.30	-	-
Proposed Dividend	-	-	-	473.34
Tax on Dividend	-	-	96.36	96.36
	<u>127.36</u>	<u>53.30</u>	<u>8,878.65</u>	<u>4,076.57</u>
Total	<u>1,490.97</u>	<u>1,120.71</u>	<u>9,045.14</u>	<u>4,154.19</u>

8.1. As Per the requirement of accounting Standard – 29, the management has estimated future expenses on site restoration at mines on best judgment basis and due provision thereof has been made in the accounts.

	<u>As at 31st March 2017</u>
At The Beginning Of The Year	53.30
Arisen During The Year	74.06
Utilized During The Year	-
At The End Of The Year	<u>127.36</u>
Non-Current Portion	127.36

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****9. Short-term borrowings**

(₹ in Lacs)

	<u>As at 31st March 2017</u>	<u>As at 31st March 2016</u>
A) Secured Loans		
Working Capital Loan		
From Bank-		
Rupee loan	7,469.08	3,852.18
Foreign Currency loan	1,640.00	3,772.51
	(A) 9,109.08	7,624.69
B) Unsecured Loans		
Loans from body corporates	2,270.00	1,723.00
	(B) 2,270.00	1,723.00
Total	(A+B) 11,379.08	9,347.69

9.1 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.

10 Trade Payables

(₹ in Lacs)

	Current position	
	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Acceptances	5,987.05	4,501.01
Micro and Small Enterprises	18.09	45.89
Creditor For Goods, Services etc (Including retention money)	29,159.68	21,089.53
Total	35,164.82	25,636.43

A) The details of amounts outstanding to Micro and Small Enterprises based on available information with the company is as Under:

	(₹ in Lacs)	
Particulars	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Principal Amount Due and Remaining Unpaid	18.09	45.89
Interest Due on Above and The Unpaid Interest	8.52	6.06
Interest Paid	-	-
Payment Made Beyond the Appointed Day During the Year	-	-
Interest Due and Payable for the Period of Delay	2.47	6.06
Interest Accrued and Remaining Unpaid	2.47	6.06
Amount of further interest remaining due and payable in succeeding years	8.52	6.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
11. Other Current liabilities

	(₹ in Lacs)	
	As at 31st March, 2017	
	As at 31st March, 2016	
Interest accrued but not due on borrowings	10.03	2.50
Interest accrued and due on borrowings	189.38	96.01
Advance from customers	2,496.74	2,674.94
Unpaid Dividend *	96.04	76.42
Creditors for Capital expenditure	2,337.32	586.53
Statutory Dues	3,355.22	1,579.17
Temporary Book Overdraft	417.62	352.41
Claims Payable	937.41	765.11
Other liabilities**	1,457.14	1,119.65
Total	11,296.90	7,252.73

* These does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

** It includes ₹ 1103.27 lacs (₹ 848.80 lacs) payables against arrangement for procurement of raw materials.


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
12. FIXED ASSETS (₹ in Lacs)

Description	Gross Block			Depreciation/ amortisation			Net block	
	As at 1st April, 2016	Additions	Deductions/ Adjustments	As at 1st April, 2016	For the year	Deductions/ Adjustments	As at 31st March, 2017	As at 31st March, 2016
(i) Tangible assets								
Own assets:								
Freehold land	1,265.44	0.21	862.59	-	-	-	403.06	1,265.44
Buildings	12,824.05	886.09	2,072.30	3,704.15	795.81	660.41	7,798.29	9,119.90
Plant and machinery	40,744.54	3,836.09	12,765.69	22,410.27	1,064.81	8,276.60	16,616.46	18,334.27
Office Equipment	342.02	53.22	4.21	230.38	42.04	4.00	122.61	111.64
Furniture and fixtures	428.75	19.46	-	221.11	27.75	-	199.35	207.64
Vehicles	938.05	976.72	10.13	231.18	128.19	5.48	1,550.75	706.87
Computer & Peripherals	366.30	32.68	3.07	237.16	58.90	2.11	101.96	129.14
Sub-Total	56,909.15	5,804.47	15,717.99	27,034.25	2,117.50	8,948.60	20,203.15	29,874.90
Leased assets:								
Leasehold land	287.77	-	205.11	38.99	1.24	28.35	70.78	248.78
Mining Lease	85,279.23	-	-	29,204.43	4,342.85	-	51,731.95	56,074.80
Sub-Total	85,567.00	-	205.11	29,243.42	4,344.09	28.35	51,802.73	56,323.58
Total (i)	142,476.15	5,804.47	15,923.10	56,277.67	6,461.59	8,976.95	78,595.21	86,198.48
(ii) Intangible assets								
Computer Software	652.55	25.82	-	436.89	67.97	-	173.51	215.66
Mines Development	1,982.66	430.38	-	411.50	91.42	-	1,910.12	1,571.16
Goodwill	-	11.27	-	-	1.24	-	10.03	-
Total (ii)	2,635.21	467.47	-	848.39	160.63	-	1,009.02	1,786.82
Total (i+ii)	145,111.36	6,271.94	15,923.10	57,126.06	6,622.22	8,976.95	54,771.33	87,985.30
Previous year	143,754.03	1,456.73	99.40	50,311.91	6,898.96	84.81	87,985.30	93,442.12
Capital work-in-progress							9,426.55	9,024.80

(12.1) Includes ₹ 34,896.03 lacs (credited to Revaluation Reserve) and ₹ 16,827.79 lacs (credited to General Reserve in terms of High Court Order) capitalised on account of revaluation of mining lease of the Company as on 31st March, 2010, and as on 31st December, 2004 respectively at net replacement cost basis based on the report of an approved valuer.

(12.2) It includes Land ₹ 50 Lacs, Buildings ₹ 410 Lacs and Plant & equipment ₹ 334.21 Lacs purchased in the financial year 2012 -13 in which title clearance is pending.

(12.3) Capital Work-in-progress include:

- ₹ 1012.75 Lacs (₹ 1,556.69 Lacs) on account of project development expenditure.
- ₹ 910.67 Lacs (₹ 912.96 Lacs) on account of cost of construction materials at site.

(12.4) Project Development Expenditure (in respect of projects upto 31.03.2017, included under capital work in progress)

Particulars	2016-2017	2015-2016
Opening Balance	1,556.69	1,070.11
Add:		
Employee Benefit Expenses	32.20	87.90
Travelling And Conveyance	5.02	24.07
Miscellaneous Expenses	96.35	374.61
Total	133.57	486.58
Less: Project Development Expenses capitalised/decapitalised during the year	677.51	-
Closing Balance	1,012.75	1,556.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
13. Non-current investments

	As at 31st March, 2017	(₹ in Lacs) As at 31st March, 2016
Trade investments (valued at cost unless stated otherwise)		
Investment in associate		
17000 (17000) Equity Shares of ₹ 10 each fully paid-up in Balasore Energy Limited	-	-
Investment in Other		
3000000 (3000000) equity shares of ₹ 10 each fully paid-up in Facor Power Limited	300.00	300.00
Investment in government securities		
6 years National Savings Certificates (Deposited with Government Departments)	0.95	0.95
Non-trade investments (valued at cost unless otherwise stated)		
Investment in Others		
Unquoted equity shares		
300000 (300000) equity shares of ₹ 10 each fully paid-up in Elephanta Gases Limited	30.00	30.00
Unquoted Mutual funds		
250000 (250000) Dual Advantage Fund - Series- V units of ₹ 10 each fully paid-up in SBI Mutual Fund	25.00	25.00
100000 (Nil) Dual Advantage Fund - Series- X units of ₹ 10 each fully paid-up in SBI Mutual Fund	10.00	10.00
Unquoted Debentures		
1217200 (850000) 9% Unsecured redeemable non-convertible debentures of ₹ 100 each fully paid-up in Krish Trexim Private Limited	1,217.20	850.00
Total	1,583.15	1,215.95
Aggregate amount of Unquoted investments	1,583.15	1,215.95


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
14. Loans and advances (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

		Non Current		Current	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Capital advances		20,094.43	7,459.14	-	-
	(A)	20,094.43	7,459.14	-	-
Advances recoverable in cash or kind					
Considered good - Others		-	-	10,672.41	9,639.38
Considered doubtful - Others		614.64	9.64	-	-
		614.64	9.64	10,672.41	9,639.38
Provision for doubtful advances		(614.64)	(9.64)	-	-
	(B)	-	-	10,672.41	9,639.38
Loans					
Body Corporates		-	-	1,859.20	1,382.00
Body Corporates - Related Parties		2,267.00	2,267.00	564.00	-
Advance to Employees		-	-	68.09	52.31
	(C)	2,267.00	2,267.00	2,491.29	1,434.31
Security Deposits	(D)	3,233.51	3,127.08	31.96	21.17
Others (Considered Good)					
Balances with statutory / government authorities		-	-	3,756.15	1,552.39
Export benefits receivables		-	-	872.82	709.14
Others		-	-	480.59	172.20
	(E)	-	-	5,109.56	2,433.73
Total	(A to E)	25,594.94	12,853.22	18,305.22	13,528.60

15. Other Assets (Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

		As at 31st March, 2017	As at 31st March, 2016
Others			
Interest Receivable on			
Bank Deposits		22.69	13.93
Long-term investments		98.59	367.20
Loans, Other Deposits		527.33	412.96
Others		0.26	1.46
Total		648.87	795.55

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****16. Trade receivables (Unsecured)**

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	433.53	302.66
Considered doubtful	14.51	-	-	-
	14.51	-	433.53	302.66
Provision for doubtful receivables	(14.51)	-	-	-
(A)	-	-	433.53	302.66
Other receivables (considered good) (B)	-	-	3,551.86	2,155.31
Total (A+B)	-	-	3,985.39	2,457.97

17. Inventories (valued at lower of cost and net realizable value)

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Raw materials and components [includes in transit and pledged ₹3,559.92 Lacs (₹ 32.70 Lacs)]	16,680.76	10,562.18
Stores, Spares & Consumables	1,818.20	1,429.11
Finished goods	897.32	607.78
Stock under process	436.81	169.31
<u>At estimated net realisable value</u>		
Saleable Scraps	479.18	506.72
Total	20,312.27	13,275.10

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****18. Cash and bank balances**

(₹ in Lacs)

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Cash and cash equivalents		
Balances with banks:		
In current accounts	165.89	491.49
In Deposit (Maturity of three months or less)	545.75	23.46
In unpaid dividend account	96.04	76.42
Cheques/ drafts on hand	335.00	-
Cash on hand #	187.54	198.16
(A)	<u>1,330.22</u>	<u>789.53</u>
Other bank balances		
Margin money deposit ##	1,695.54	720.42
(B)	<u>1,695.54</u>	<u>720.42</u>
Total (A+B)	<u>3,025.76</u>	<u>1,509.95</u>

Refer note no. 42 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Fixed deposits are pledged with banks as security against guarantees / letters of credit issued by them.

19. Revenue from operations

(₹ in Lacs)

	<u>2016-17</u>	<u>2015-16</u>
Revenue from operations		
Sale of products		
Finished goods	1,00,862.00	84,005.72
Trading Sales	-	948.13
Saleable Scraps	517.61	662.64
Export Benefits	2,632.43	1,669.69
Other operating revenue		
Scrap sales	159.85	157.05
Revenue from operations (gross)	<u>1,04,171.89</u>	<u>87,443.23</u>
Less: Excise duty	2,990.46	3,646.17
Total Revenue from operations (net)	<u>1,01,181.43</u>	<u>83,797.06</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	<u>2016-17</u>	<u>2015-16</u>
		(₹ in Lacs)
20. Other income		
Interest income on		
Bank deposits	79.63	92.04
Long-term investments	109.55	102.00
Loan, advances, deposits etc	351.28	300.18
Others	2.29	1.42
Insurance Claims	10.06	11.08
Profit on sale of Raw Material	14.27	-
Items pertaining to Previous Years (net)	3.22	-
Unspent liabilities no longer required written back	50.80	150.85
Gain on Foreign Exchange Fluctuation (net)	1,859.80	-
Others	34.15	18.94
Total	<u><u>2,515.05</u></u>	<u><u>676.51</u></u>

	<u>2016-17</u>	<u>2015-16</u>
		(₹ in Lacs)
21 Cost of raw materials consumed		
Inventory at the beginning of the year	10,562.18	9,470.82
Add: Purchases	35,424.98	27,407.52
	<u>45,987.16</u>	<u>36,878.34</u>
Less: Inventory at the end of the period	16,680.76	10,562.18
Cost of raw materials consumed	<u><u>29,306.40</u></u>	<u><u>26,316.16</u></u>
Total		

	<u>2016-17</u>	<u>2015-16</u>
		(₹ in Lacs)
a) Details of raw materials consumed		
Chrome Ore (including own generation/briquetted)	15,324.73	12,201.04
Coal and Coke etc.	10,045.66	10,578.03
Carbon Paste	616.15	693.19
Quartz	741.37	702.82
Magnesite	653.43	474.42
Dolomite	266.95	266.91
Others	1,658.11	1,399.74
Total	<u><u>29,306.40</u></u>	<u><u>26,316.16</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****22. (Increase) / decrease in inventories**

(₹ in Lacs)

	<u>2016-17</u>	<u>2015-16</u>
Inventories at the end of the period:		
Stock under process	436.81	169.31
Finished goods	897.32	607.78
Saleable Scraps	489.01	517.33
	<u>1,823.14</u>	<u>1,294.42</u>
Inventories at the beginning of the year:		
Stock under process	169.31	445.96
Finished goods	607.78	661.88
Saleable Scraps	517.33	237.61
	<u>1,294.42</u>	<u>1,345.45</u>
Less: (Increase)/decrease of excise duty on inventories	(5.67)	3.28
Total	<u>(523.05)</u>	<u>47.75</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>2016-17</u>	<u>2015-16</u>
Salaries, wages and bonus	5,344.07	4,922.97
Contribution to provident and other funds	279.09	264.37
Gratuity expense	249.60	30.81
Staff welfare expenses	530.01	458.87
Total	<u>6,402.77</u>	<u>5,677.02</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****24. Other Expenses**

(₹ in Lacs)

	<u>2016-17</u>	<u>2015-16</u>
Consumption of stores and spares	3,052.51	2,279.40
Contract Labour Charges	2,432.19	1,658.01
Packing and Carriage charges	3,103.23	2,895.68
Rent & Hire Charges	1,023.81	746.71
Rates and taxes	69.23	87.45
Insurance	136.89	103.84
Repairs and maintenance		
Plant and machinery	989.65	810.50
Buildings	64.77	77.76
Others	374.45	955.64
Commission on Sales (other than sole selling agent)	1,522.07	548.98
Travelling and conveyance	1,843.05	1,635.56
Charity and Donations	13.64	23.79
Communication costs	174.72	191.69
Legal and professional fees	2,967.43	2,312.88
Directors' sitting fees	34.70	30.10
Auditors' Remuneration as auditor:		
Audit fee	37.72	33.00
Limited review fee	39.42	27.04
Tax audit fee	10.20	10.00
In Other Capacity for Certification	15.65	16.05
Reimbursement of Expenses to auditor	0.04	0.70
Items pertaining to Previous Years (net)	-	23.58
Corporate Social Responsibility Expenses *	58.33	128.38
Site Development Expenses	167.77	51.23
Loss on Foreign Exchange Fluctuation (net)	-	219.27
Bad debts / advances written off	2.33	771.69
Claim Expenses	163.99	-
Provision for doubtful debts and advances	619.51	9.64
Loss on sale/Discard of fixed assets (net)	31.42	9.48
Loss on Sale of raw material	-	38.65
Miscellaneous expenses	1,357.05	1,508.34
Total	<u>20,305.77</u>	<u>17,205.04</u>

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 ₹ 75.82 lacs (Previous year ₹ 111.14lacs)
- b) Expenditure related to Corporate Social Responsibility Expenses is ₹ 58.32 lacs (Previous year ₹ 128.38 lacs).

Details of Amount spent towards CSR given below :

(₹ in lacs)

Particulars	<u>2016-17</u>	<u>2015-16</u>
Rural Development	7.06	43.11
Plantation	11.80	33.81
Drinking Water	5.04	21.89
Sanitation	2.69	9.04
Road Development	15.34	5.25
Hospital and Dispensary Facilities	2.63	4.50
Sports	2.15	3.69
Aahar Yojana	5.00	2.50
Education	5.10	1.34
Self Employment	-	0.47
Others	1.51	2.77
Total	<u>58.32</u>	<u>128.38</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****25. Depreciation & amortization expense**

(₹ in Lacs)

	As at 31st March, 2017	As at 31st March, 2016
Depreciation of tangible assets	6,461.58	6,631.29
Amortization of intangible assets	160.64	264.48
	6,622.22	6,895.77
Less: Recoupment from revaluation reserve [Refer note 4(c)]	(4,342.17)	(4,669.82)
Total	2,280.05	2,225.95

26. Finance costs

Interest

– To Banks [Net of recoveries ₹ 192.39 lacs (₹ 377.47 lacs)]	1,166.65	1,089.40
– To Others	2,236.85	1,681.65
Other borrowing cost	513.44	370.50
Exchange difference to the extent considered as an adjustment to borrowing costs	17.31	9.82
Total	3,934.25	3,151.37

27. Contingent liabilities not provided for in respect of:

a) Sales tax matters under appeal {Amount paid under appeal ₹ 54.51 lacs (₹ 70.25 lacs)}*	519.52	492.47
b) Entry tax matters {Amount paid under appeal ₹ 111.77 lacs (₹ 100.26 lacs)}*	1,003.50	1,000.28
c) Excise / Service tax matters {Amount paid under appeal ₹ 35.59 lacs (₹ 29.63 lacs)}*	1,165.12	1,287.75
d) Un-expired Bank Guarantees and Letters of Credit	4,389.37	731.82
e) Bills discounted with Banks	1,989.87	4,606.43

* In respect of above cases based on favorable 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.

28. Capital and other commitment:

Estimated amount of Capital commitments (Net of Advances) ₹ 17,492.62 lacs (₹ 5,430.88 lacs). Other commitment of ₹ 19.80 Lacs is towards unpaid capital of subsidiary Balasore Alloys Nigeria Limited and ₹ 1,834.51 Lacs towards pending registration fees and stamp duty of New Mining Lease Deed.

29. 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 ₹ 123.69 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.

30. Demand notices has been issued by Deputy Director of Mines, Jajpur road, Odisha amounting to ₹ 35,876.97 lacs for the excess extraction over the quantity permitted under the mining plan/ scheme, environment clearance or consent to operate from SPCB, Odisha, during the period 2000-01 to 2007-08. The demand notices has been issued under Section 21(5) of the Mines & Minerals (Development and Regulations) Act (MMDR Act). However, the MMDR Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that Section 21(5) of the MMDR Act is not applicable as the mining is done under the approval of the State Government and accordingly the Company has filed revision application and has been granted the Stay by Revisionary authority, based on the advice of external legal counsel, the Company believes that demand being legally unjustifiable; the Company does not expect any liability in above matter.

31. North Eastern Electricity Supply Company of Orissa Limited (NESCO) had entered into a settlement agreement in the year 2005 under which certain outstanding dues were settled and paid off by the Company. Subsequently, NESCO wrongfully revoked the settlement in the year 2010 after having acted upon the settlement. The alleged claims amount upto 31st March, 2017 is ₹ 21,216.94 lacs (including delayed payment surcharge). Such revocation of settlement was arbitrary and illegal. In the circumstances, the company approached various Judicial Forums including Hon'ble Supreme Court. Pursuant to the Supreme Court Order, the dispute has been sent to Grievance Redressal Forum (GRF). The Company has paid to NESCO ₹ 3,400 lacs and duly provided the same in the accounts towards such claims. The company continues to receive un-interrupted power supply from NESCO. Pending outcome of the decision of GRF and based on the advice of the legal counsels, no further provision has been made towards aforesaid claims.

32. 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 31.03.2015. 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. However, by way of abundant caution and prudence, the Company has accounted for such alleged disputed amount without admitting the same. Pending final adjudication the company has paid ₹ 1,000 lacs towards such disputed dues during the financial year 2016-17. 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, company has agreed to pay ₹ 500 Lacs each in monthly installments by the 30th of each month starting from 30th April 2017 and by each succeeding month till the entire amount of ₹ 58.55 lacs is paid.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

33. As per notification no. 7745-IV(A)SM-44/2015 (PT-IV)/SM dated 18th August, 2015 of Government of Odhisa, miners producing major minerals in the State would be required to pay 30% of the applicable royalty to the District Mineral Foundation (DMF), which was set-up as per the provisions of section 9B of the Mines and Minerals (Development and Regulation) Act, 1957. Later, Govt. of India, Ministry of Mines vide its order dated 17th September, 2015, has notified that the DMF provisions will come into force from 12th January, 2015. This retrospective applicability has been challenged in Hon'ble Delhi High Court by Federation of Indian Mineral Industries (FIMI) & others and the matter has been stayed. Being, the date from which DMF is applicable is in dispute the Company has not recognized the liability of ₹ 1,091.95 lacs, calculated from 12th January, 2015 to 16th September, 2015.
34. 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 as on 31st March 2017, 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. Presently, IPIL winding up order has been confirmed by Hon'ble Delhi High Court. IPIL have filed an application before the Hon'ble Calcutta High Court for stay of the winding up proceedings. Based on the financial viability projections submitted by IPIL and valuation carried out by an independent valuer, no adjustment is considered in the carrying value of the loan.
35. **As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:**

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

Particulars	(₹ in Lacs)	
	2016-17	2015-16
Employer's Contribution to Provident Fund	213.36	202.76
Employer's Contribution to Superannuation Fund	24.65	25.31
Employer's Contribution to ESIC	10.15	8.98

Defined Benefit Plan

The employee's gratuity funds scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan.

- (a) Expenses recognized in the statement of profit and loss for respective years are as follows:

Particulars	(₹ in Lacs)			
	Gratuity(Funded)		Compensated Absences (Unfunded)	
	(2016-17)	(2015-16)	(2016-17)	(2015-16)
Current service cost	94.66	114.78	58.75	72.02
Interest cost on benefit obligation	65.61	67.07	30.92	31.89
Expected return on plan assets	(12.45)	(15.65)	-	-
Net actuarial (Gain)/losses	102.37	(134.88)	76.87	(59.13)
Net benefit expense	250.19	31.32	166.54	44.78
Actual return on plan assets	24.44	3.72	-	-

- (b) Net Liability recognized in the balance sheet as at respective dates are as follows:-

Particulars	(₹ in Lacs)			
	Gratuity(Funded)		Compensated Absences (Unfunded)	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Defined benefit obligation	1097.27	859.58	536.81	422.51
Fair value of plan assets	165.92	177.67	-	-
Net liability	(931.35)	681.91	536.81	422.51



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(c) Changes in the present value of the defined benefit obligation during respective years are as follows:-

Particulars	(₹ in Lacs)			
	Gratuity(Funded)		Compensated Absences (Unfunded)	
	(2016-17)	(2015-16)	(2016-17)	(2015-16)
Opening defined benefit obligation	859.58	892.86	422.51	438.92
Interest cost	65.61	67.06	30.92	31.89
Current service cost	94.66	114.78	58.75	72.02
Benefit paid	(36.95)	(68.31)	(52.24)	(61.19)
Actuarial (Gain)/losses	114.36	(146.81)	76.87	(59.13)
Closing defined benefit obligation	1,097.26	859.58	536.81	422.51

(d) Changes in the fair value of plan assets during respective years are as follows:

Particulars	(₹ in Lacs)	
	Gratuity (Funded)	
	(2016-17)	(2015-16)
Opening fair value of plan assets	177.67	226.80
Expected return on plan assets	12.45	15.65
Contribution by the Company	0.76	15.46
Benefits paid	(36.95)	(68.31)
Actuarial (losses)/Gains	11.99	(11.93)
Closing fair value of plan assets	165.92	177.67

(e) The major categories of Plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity plan assets as at	
	31st March, 2017	31st March, 2016
	Investments with insurer	100 %

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(f) Actuarial assumptions

Particulars	Gratuity(Funded)		Compensated Absences (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
	Mortality Table	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.27%	7.80%	7.27%	7.80%
Rate of escalation in salary (per annum)	10.00%	10.00%	10.00%	10.00%
Expected Return on Plan Assets (per annum)	7.80%	7.81%	Not Applicable	

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(g) Amounts recognised in current year and previous four years (₹ in Lacs)

Particulars	(2016-17)	(2015-16)	(2014-15)	(2013-14)	(2012-13)
Defined benefit obligation	1,097.27	859.58	892.86	698.58	621.74
Fair value of plan assets	165.92	177.67	226.80	218.76	179.18
Deficit	(931.35)	681.91	666.06	479.82	442.56
Experience adjustments on plan liabilities - (gains)/losses	59.80	(147.74)	(31.53)	(50.18)	129.13
Experience adjustments on plan assets - (gains)/losses	11.99	11.93	-	2.16	(3.32)

(H) The Company expects to contribute ₹ 300 lacs (₹ 300 lacs) to gratuity fund in the year 2017-2018.

36. Segment Information**(a) Primary Segments:**

Based on the synergies, risks and return associated with business operations and in terms of Accounting Standard-17, the Company is mainly engaged in the Manufacturing/Mining of Ferro alloys. All activity of the company revolves around this main business. As such, there are no separate reportable segments as per the Accounting Standard-17 (Segment Reporting).

(b) Secondary Geographical Segments

(₹ in Lacs)

Sales Revenue :-	2016-17	2015-16
Domestic Revenues (Net of Excise Duty)	14,882.65	22,610.70
Overseas Revenues (Including Export Benefits)	86,298.78	61,186.12
Total	101,181.43	83,796.82

The Company has common fixed assets in India for producing goods for domestic and overseas markets. Hence, separate figures for fixed assets / additions to fixed assets cannot be furnished. The year-end balance of overseas trade receivables is ₹ 3,432.42 lacs (₹ 2,071.98 lacs) & Domestic trade receivable is ₹ 541.25 lacs (₹ 386.00 lacs)

37. Derivative Instruments & Un hedged foreign currency Exposure :

(i) For Hedging of Foreign Trade Receivable :

Nominal amounts of Forward contract entered into by the company and outstanding as on 31st March 2017 amounting to ₹ Nil (₹ 10,269.53 Lacs)

(ii) Foreign currency exposure that are not hedged by derivative instruments are as under :-

(₹ in Lacs)

	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign currency	Amount in Rs.	Exchange Rate	Amount in Foreign currency	Amount in Rs.
I. Assets							
Trade Receivable	USD	66.58	51.55	3,432.22	66.11	31.34	2,071.98
Other Monetary assets	USD	46.35	47.35	2,194.83	46.35	47.35	2,194.82
Total Receivables (A)			98.90	5,627.05		78.69	4,266.80
Hedges by derivative contracts (B)		-	-	-	66.30	155.00	10,269.53
Unhedged receivables (C=A-B)			98.90	5,627.05		-	-
II. Liabilities							
Trade Payable & Others	USD	64.40	20.60	1,327.21	66.20	9.22	610.70
Borrowings (Others)	USD	67.10	39.29	2,635.23	66.90	67.96	4,549.18
Total Payables (D)			59.89	3,962.44		77.18	5,159.88
Hedges by derivative contracts (E)			-	-		-	-
Unhedged Payables F=D-E)			59.89	3,962.44		77.18	5,159.88

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****38. Related Party Disclosures**

As per accounting standard 18, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Key Management Personnel and their relative	Mr. Pramod Mittal (Chairman) Mrs. Vartika Mittal Goenka (women director)(upto 29th May 2016) Mr. Anil Sureka (Managing Director) Mr R K Parakh (Whole-time Director) Mr G Janarthanam (Whole-time Director)
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence*	Navoday Consultant Ltd Navdisha Real Estate Pvt. Ltd Gontermann-Peipers (India) Ltd Dankuni Investment Limited Shakti Chrome Ltd Sri Mahalaxmi Solar Energy Pvt. Ltd Ispat Minerals Ltd Jaltarang Vanijya Pvt Ltd Ispat Profile India Ltd Ispat Corp Pvt. Ltd Global Steel Holding 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.

Transactions during the year with related parties:

(₹ in lacs)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Sub-sidiaries	Asso-ciates	Key Managerial Personnel and their Relatives	Enterprises over which Key Managerial personnel and their Relatives are able to exercise significant influence	Total
1	Loan Given (Net.)	-	-	- (6.00)	564.00 (350.00)	564.00 (356.00)
2	Loan Repaid	-	-	6.00 -	- -	6.00 -
3	Sale of Goods/Assets	-	-	- -	59.56 (48.29)	59.56 (48.29)
4	Interest Income	-	-	- -	224.08 (175.80)	224.08 (175.80)
5	Rent	-	-	-- -	90.64 (86.54)	90.64 (86.54)
6	Managerial Remuneration	-	-	308.53 (260.77)	- -	308.53 (260.77)
7	Subscription of Share Capital Including Premium (Conversion)	-	-	- -	2150.00 (1,360.00)	2150.00 (1,360.00)
8	Money received against share warrant	-	-	- -	1921.16 (935.89)	1921.16 (935.89)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Sr. No.	Nature of Transactions (Excluding reimbursements)	Sub-sidiaries	Asso-ciates	Key Managerial Personnel and their Relatives	Enterprises over which Key Managerial personnel and their Relatives are able to exercise significant influence	Total
9	Loan From Body Corporate	- -	- -	- -	- <i>(1,000.00)</i>	- <i>(1,000.00)</i>
10	Interest to Expense	- -	- -	- -	149.99 <i>(40.32)</i>	149.99 <i>(40.32)</i>
11	Deposit Given	- -	- -	- -	90.00 -	90.00 -
12	Purchase Of Goods	- -	- -	- -	4.95 -	4.95 -
Balance as at 31st March, 2017						
13	Deposits	- -	- -	- -	801.50 <i>(711.50)</i>	801.50 <i>(711.50)</i>
14	Trade & other Payable	- -	- -	- -	- <i>(24.39)</i>	- <i>(24.39)</i>
15	Advance to vendor	- -	- -	- -	5.57 -	5.57 -
16	Money received against share warrant	- -	- -	- -	707.05 <i>(935.89)</i>	707.05 <i>(935.89)</i>
17	Loans including Interest receivable	- -	- -	- <i>(6.00)</i>	3,243.84 <i>(2,457.78)</i>	3,243.84 <i>(2,463.78)</i>
18	Loan from body corporate including Interest payable	- -	- -	- -	1,175.31 <i>(1,040.32)</i>	1,175.31 <i>(1,040.32)</i>
19	Trade Receivable	- -	- -	- -	83.09 -	83.09 -
20	Guarantees	- -	- -	Note No (21) -	Note No (22) -	- -

Note : Figures in Italic represents Previous Year's amounts.

Disclosure in Respect of Material Related Party Transactions during the year:

- Loans given (Net.) to Ispat Profile India Ltd. ₹ Nil (Previous year ₹ 350.00 lacs), Mr. Rajendra Kumar Parakh ₹ Nil (Previous year ₹ 6 lacs) and to Gontermann-Peipers (India) Ltd ₹ 564.00 lacs (Previous Year ₹ Nil).
- Loan repaid by Mr. Rajendra Kumar Parakh ₹ 6 Lacs (Previous year ₹ Nil).
- Sale of Goods/Assets Include sales made to Gontermann-Peipers (India) Ltd ₹ 59.56 Lacs (Previous Year ₹ 48.29Lacs).
- Interest income include Ispat Profile India Ltd. ₹ 204.03 Lacs (Previous year ₹ 175.80 Lacs) and Gontermann-Peipers (India) Ltd ₹ 20.05 Lacs (Previous Year ₹ Nil).
- Rents paid to Navdisha Real Estate Private Limited ₹ 90.64 Lacs (Previous Year ₹ 86.54 Lacs).
- Managerial Remuneration includes Mr. Anil Sureka ₹ 164.26 Lacs (Previous Year ₹ 143.30 Lacs), Mr. R K Parakh ₹ 76.11 Lacs (Previous Year ₹ 58.64 lacs) , Mr G Janarthanam ₹ 68.16 Lacs (Previous Year ₹ 24.73).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

7. Subscription of Share capital (Including Premium) includes subscription by Jal Tarang Vanijya Pvt Ltd. ₹ Nil (Previous Year ₹ 1,360.00), Global Steel Holdings Asia Pte. Ltd ₹ 623.50 lacs (Previous Year ₹ Nil), Direct Trading & Investments Singapore Pte. Ltd. ₹ 623.50 lacs (Previous Year ₹ Nil) & Prasan Global Ventures Singapore Pte. Ltd. ₹ 903.00 lacs (Previous Year ₹ Nil).
 8. Amount received against share warrants includes Global Steel Holdings Asia Pte Ltd ₹ 543.64 Lacs (Previous Year ₹ 279.45 Lacs), Prasan Global Ventures Singapore Pte Ltd ₹ 830.19 Lacs (Previous Year ₹ 377.03 Lacs), Direct Trading & Investments Singapore Pte Ltd ₹ 547.33 Lacs (Previous year ₹ 279.41 Lacs).
 9. Loan from body corporate taken from Ispat Corp Pvt. Ltd. ₹ Nil (Previous year ₹ 1,000 Lacs).
 10. Interest Payable to Ispat Corp Pvt. Ltd ₹ 149.99 Lacs (Previous year ₹ 40.32 Lacs).
 11. Deposit given to Navdisha Real Estate Pvt Ltd ₹ 90.00 Lacs (Previous Year ₹ Nil).
 12. Purchase of goods from Gontermann-Peipers (India) Ltd ₹ 4.95 Lacs (Previous Year ₹ Nil).
 13. Deposits include Navdisha Real Estate Pvt Ltd ₹ 801.50 Lacs (Previous Year ₹ 711.50 Lacs).
 14. Trade & other Payables include Navdisha Real Estate Pvt. Ltd. ₹ Nil (Previous year ₹ 24.39Lacs).
 15. Advance to vendor includes Navdisha Real Estate Pvt. Ltd ₹ 5.57 lacs (Previous Year ₹ Nil).
 16. Money received against share warrants includes Global Steel Holdings Asia Pte Ltd ₹ 199.59 Lacs (Previous Year ₹ 279.45 Lacs), Prasan Global Ventures Singapore Pte Ltd ₹ 304.22 Lacs (Previous Year ₹ 377.03 Lacs), Direct Trading & Investments Singapore Pte Ltd ₹ 203.24 Lacs (Previous year ₹ 279.41 Lacs).
 17. Loans Including Interest receivable represents Ispat Profile India Ltd. ₹ 2,661.80 Lacs (Previous Year ₹ 2,457.78 Lacs), Mr. Rajendra Kumar Parakh ₹ Nil (Previous Year ₹ 6.00 Lacs) and Gontermann-Peipers (India) Ltd ₹ 582.04 Lacs (Previous Year ₹ Nil).
 18. Loan from body corporate including interest payable represent Ispat Corp. Pvt. Ltd. ₹ 1,175.31 Lacs (Previous Year ₹ 1,040.32 Lacs).
 19. Trade receivable from Gontermann-Peipers (India) Ltd ₹ 83.09 (Previous Year ₹ Nil).
 20. All working capital loan/Non convertible debenture are guaranteed by personal guarantee of Mr. Pramod Mittal & Mrs. Vartika Mittal Goenka.
 21. All working capital loan is guaranteed by corporate guarantee of Shakti Chrome Ltd, Ispat Minerals Ltd & Balasore Energy Ltd.
39. Basis for calculation of Basic and Diluted Earnings per Share is as follows:

Particulars	2016-17	2015-16
Present Weighted Average Equity Shares (In Numbers)	78,890,411	74,628,116
Equivalent Weighted Average Equity Shares to be allotted against share warrant (In Numbers)	5,306,849	-
Potential weighted Average Equity Shares (In Numbers)	84,197,260	74,628,116
Net Profit after Taxes (₹ In Lacs)	8,948.64	1,869.11
Nominal Value of each Shares (In ₹)	5/-	5/-
Basic Earnings Per Share (In ₹)	11.34	2.50
Diluted Earnings Per Share (In ₹)	10.63	2.50

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

40. The company entered into a contract with a party for purchase of raw material on a fixed price in earlier year and advanced ₹ 3,683.57 lacs. The material was to be supplied over a period of eighteen months. However, due to erratic price movement of the material both parties failed in their respective commitments. To arrive at an amicable solution both parties have entered into a memorandum of understanding (MOU), whereby the party have agreed to repay the advance taken in phased manner starting June 2017 and ending March, 2019, without interest. In view of the said MOU with the party, management is confident of realization of amount as per the stipulated schedule.
41. The company has carried out scientific studies including validation of resources (34 million tonne approx.) of chrome ore in its chromite mine at Sukinda, Kaliapani, Odisha (Lease -1) by an international mining consultant. The company has planned for mining of these resources at 1.4 Million tonne per annum through underground mining method and convert the same into Ferrochrome thereby improving profitability of the company.

In order to expedite the project company has approached some prospective lenders for financial tie-ups Pending financial tie-up for the aforesaid project the order for the long lead delivery equipment and machinery have been placed against which company has advanced a sum of ₹ 16,002.48 lacs and also incurred expenses of ₹ 5,979.39 lacs towards project development Management is confident of implementing the said long gestation project through financial tie-ups.

42. **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 in Profit or loss	
	As % of Consolidated net assets	Amount (₹ in Lacs)	As % of Consolidated net assets	Amount (₹ in Lacs)
Parent				
Balasure Alloys Limited	99.08	88437.13	100.00	8,951.98
Subsidiaries				
Milton Holdings Limited	0.95	846.25	(0.03)	(2.41)
Balasure Metals Pte. Limited	(0.03)	(26.64)	(0.01)	(0.95)
Balasure Alloys Nigeria Ltd	(0.00)	(0.00)	(0.00)	(0.00)
Minority Interest	0.00	0.00	0.00	0.00
Associates (Investments as per the equity method)				
Balasure Energy Limited	(0.00)	(0.00)	(0.00)	(0.00)

ANNEXURE -A**Salient features of financial statements of Subsidiary/ Associates as per Companies Act, 2013.****Part "A" Subsidiaries**

(Rs in Lacs except % of Shareholdings)

1	Name of the Subsidiary Company	Balasure Alloys Nigeria Ltd***	Milton Holdings Ltd.	Balasure Metals Pte Ltd.
2	The Financial year of the Subsidiary Company ended on	31st March' 2017	31st March' 2017	31st March' 2017
3	Exchange rate	1 USD=INR 64.84	1 USD=INR 64.84	1 USD=INR 64.84
4	Equity Share Capital (Issued, Subscribed & Paid Up)	20**	2,194.83	0*
5	Reserves & Surplus (incl. debit balance in Profit & Loss Account)	0	846.24	-26.64
6	Total Assets	20	3,049.09	8.65
7	Total Liabilities	0	8.02	35.29
8	Investments	0	-	-
9	Turnover	0	-	-
10	Profit/(Loss) before Tax	0	-2.41	-0.95
11	Provision for taxation	0	-	-
12	Profit/(Loss) after taxation	0	-2.41	-0.95
13	% 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 31.03.2016 – 1US\$=INR 66.33

On 31.03.2017 – 1US\$=INR 64.84

**₹ 19.80 Lacs is towards unpaid capital of subsidiary Balasure Alloys Nigeria Limited.

***Financial Information based on unaudited result of 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, 2017****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
Balasure Energy Limited	31.03.2017	17000	1.7	34%	0	-	(0.90)	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.

43. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016:-

(₹ in Lacs)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	163.22	19.66	182.88
(+) Permitted receipts	-	53.03	53.03
(-) Permitted payments	-	63.48	63.48
(-) Amount deposited in Banks	163.22	-	163.22
Closing cash in hand as on 30-12-2016	-	9.21	9.21

44. 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 2017 (Refer Note No.13).
- II) All the said loans and advances are given for business purposes.
- III) Investments made by the company as at 31st March 2017 (Refer Note No. 12)
- IV) No guarantee has been given by the company as at 31st March, 2017.

45. Previous year's figures including those given in brackets have been regrouped / rearranged where necessary to conform to this year's classification.

As per our attached report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141
Place : Kolkata
Date : 19th May, 2017

For and on behalf of Board of Directors

Anil Sureka
(Managing Director)
DIN No.- 00058228

R K Parakh
(Director - Finance)
DIN No.- 00459699

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024



BALASORE ALLOYS LIMITED

NOTES



BALASORE ALLOYS LIMITED

CIN: L27101OR1984PLC001354

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

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

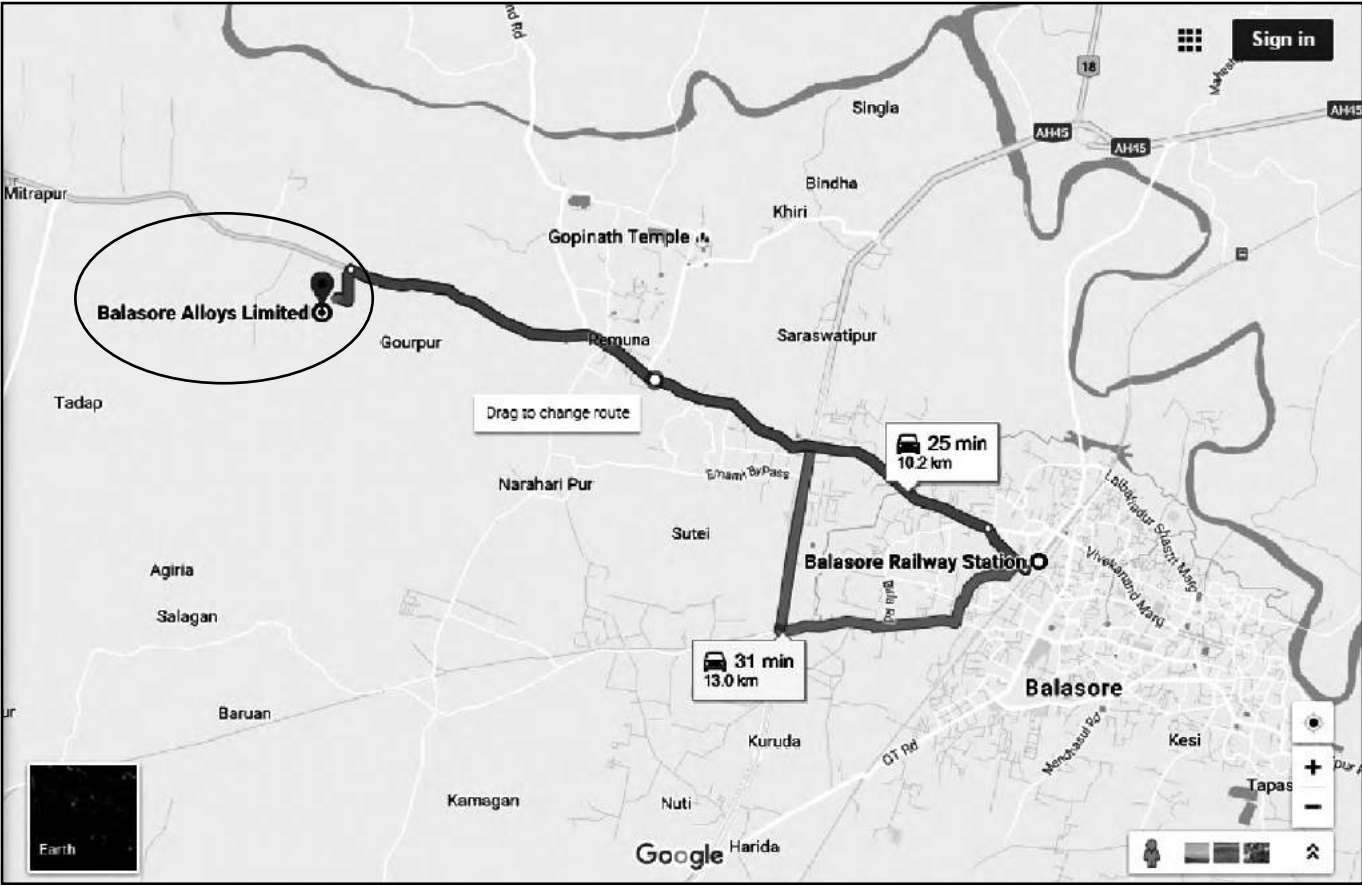
Phone: +91-6782-275781-85 Fax: +91-6782-275724

ATTENDANCE SLIP

Regd. Folio No. / DP ID & Client ID:	
Name and Address of the Shareholder:	
Joint Holder(s):	
Number of Equity Shares held:	

1. I hereby record my presence at the 29th Annual General Meeting of the Company being held on Saturday, 23rd September, 2017 at 9.30 a.m. at the Registered Office of the Company at Balgopalpur - 756 020, Dist. Balasore, Odisha.
2. Signature of the Shareholder / Proxy present _____
3. Shareholder / Proxy Holder wishing to attend the meeting must bring the Attendance slip, duly signed, to the meeting and hand it over at the entrance.
4. Shareholder / Proxy Holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the Meeting.

Route Map to the venue of the 29th AGM of Balasore Alloys Limited



BALASORE ALLOYS LIMITED
Balgopalpur - 756 020
Dist. Balasore, Odisha



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 29th Annual General Meeting of the Company, to be held on Saturday, 23rd September, 2017 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	#	
		For	Against
Ordinary Business			
1	Adoption of the Audited Financial Statement of the Company for the year ended on 31 st March, 2017, 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, 2017.		
3	Re-appointment of Mr. Anil Sureka (DIN: 00058228) 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.		
Special Business			
5	Appointment of Ms. Mita Jha (DIN: 07258314), as the Whole-time Director of the Company.		
6	Ratification of Remuneration of Cost Auditor of the Company for the financial year 2017-18.		
7	Maintenance of the Register of Members and other Statutory Registers at a place other than the Registered Office of the Company.		
8	Revision of Remuneration of Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company.		
9	Revision of Remuneration of Mr. Rajendra Kumar Parakh (DIN: 00459699), Director - Finance of the Company.		
10	Revision of Remuneration of Mr. Janarthanam Govindasamy (DIN: 07356448), Director - Operations of the Company.		
11	Appointment of Dr. Samuel Onyeabor Nwabuokei (DIN: 07835812), as Director.		

Signed this day of, 2017

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 29th 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.



PLANTATION AND AWARENESS PROGRAM

The Company distributed around 25,000 fruits and medicinal saplings in villages and educational institutions nearby Balasore Plant and conducted awareness Programs to edify about the benefits.

BICYCLE MARATHON CYCLOTHON-2016

The Company sponsored Bicycle Marathon "Cyclothon-2016" in association with Lions Club of Balasore Youth in Balasore to encourage green environment.



BLOOD DONATION CAMP

Blood Donation Camp organised at Balasore Plant in association with District Blood Bank.

BOOK POST

If undelivered please return to:

MCS SHARE TRANSFER AGENT LIMITED
(Unit: Balasore Alloys Ltd.)
12/1/5 Manoharpukur Road, Kolkata - 700 026