

**BALASORE ALLOYS LIMITED**  
**CIN No.:- L27101OR1984PLC001354**  
**Registered office:- Balgopalpur – 756 020, Dist. Balasore, Odisha**  
**Website: www.balasorealloys.com; Email Id: mail@balasorealloys.com**  
**Phone:+91-6782 – 275781- 85**

**NOTICE**

**NOTICE** is hereby given that the Thirty-Second 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 **Thursday, 30<sup>th</sup> March, 2023 at 11.30 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, 2020 together with Reports of the Directors and Auditors thereon.

**SPECIAL BUSINESS:**

2. To appoint Statutory Auditors to fill casual vacancy, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to sub-section (8) of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), **M/s B.Nath & Co**, Chartered Accountants, (Firm Registration No. 307057E), be and are hereby appointed as statutory auditors of the company with effect from 15<sup>th</sup> February, 2023 to fill the casual vacancy caused due to resignation of **M/s Chaturvedi & Shah LLP**, Chartered Accountants, (FRN 10720W/W100355).  
"FURTHER RESOLVED THAT **M/s B. Nath & Co**, Chartered Accountants (Firm Registration No. 307057E), be and are hereby appointed as statutory auditors of the company to hold office until the conclusion of the ensuing annual general meeting at the remuneration of Rs. 50,00,000/- ( Rupees Fifty Lakhs Only) per annum plus applicable taxes and out of pocket expense, as may be determined and recommended by the Audit Committee in consultation with the auditors and duly approved by the Board of Directors of the Company."
3. Appointment of Statutory Auditor, 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 139, 141, 142 and other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Audit & Auditors) Rules, 2014 including any amendments or modifications made thereto from time to time, and upon the recommendation of the Audit Committee and Board of Directors of the Company **M/s. B. Nath & Co.**, Chartered Accountants (Firm Registration No.307057E) be and is hereby appointed as the Statutory Auditors of the Company for a period of five years to hold office from the conclusion of 32nd Annual General Meeting until the conclusion of the 37th thirty-seventh Annual General Meeting of the Company to be held in the year 2025 at a remuneration of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) as shall be fixed by the Board of Directors from time to time in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."  
  
"RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to sign, execute all such documents and do all such acts, deeds and things which may be necessary to bring into effect the above resolution."
4. **Reappointment of Mr. Anil Kumar Sureka (DIN: 00058228) as the 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 that pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force applicable clauses of the Articles of Association of the Company. and pursuant to applicable provisions of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), and subject to such consents, approvals or permissions as may be necessary, consent of the Company be and is hereby given for reappointment of Mr. Anil Kumar Sureka (DIN: 00058228) as the Managing Director of the Company for a period of one year with effect from 17th April, 2020 till 16th April, 2021 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 05th June, 2020, entered into between the Company and Mr. Anil Kumar Sureka, a copy whereof, initialed by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved, and remuneration payable to Mr. Anil Kumar Sureka as set out in the agreement shall be the minimum remuneration payable to him, notwithstanding such remuneration is in excess of limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

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

**5. Ratification of remuneration of Cost Auditor of the Company for the financial year 2020-21**

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 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. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per annum 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 30<sup>th</sup> July, 2020, to conduct the audit of the cost records of the Company for the financial year 2020-21.

**"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."

**6. Ratification of remuneration of Cost Auditor of the Company for the financial year 2021-22**

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 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. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per annum 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 15<sup>th</sup> February, 2023, to conduct the audit of the cost records of the Company for the financial year 2021-22.

**"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. Ratification of remuneration of Cost Auditor of the Company for the financial year 2022-23**

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 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. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per annum, 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 15<sup>th</sup> February, 2023, to conduct the audit of the cost records of the Company for the financial year 2022-23.

**"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."

**8. Appointment of Mr. Pravakar Mohanty (DIN:01756900) as an Independent 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Pravakar Mohanty (DIN: 01756900), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) Years from 15<sup>th</sup> February, 2023 to 14<sup>th</sup> January, 2028, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

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

**9. Appointment of Mr. Ramen Ray Mandal (DIN:00700908) as an Independent 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Ramen Ray Mandal (DIN: 00700908), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) Years from 15<sup>th</sup> February, 2023 to 14<sup>th</sup> January, 2028, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

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

**10. Appointment of Ms Shweta Jain (DIN: 10045546) as an Independent Woman 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Ms. Shweta Jain (DIN: 10045546), who was appointed as an Additional Director under the category of Independent Woman Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director, not liable to retire by rotation and to hold office for a term of 5 (Five) Years from 15<sup>th</sup> February, 2023 to 14<sup>th</sup> January, 2028, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

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

**11. Appointment of Mr. Paramesh Bhattacharya (DIN: 09221495) as Independent 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Paramesh Bhattacharya (DIN: 09221495), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of three (3) Years from 8<sup>th</sup> July, 2021 to 9<sup>th</sup> July, 2024, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

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

**12. Appointment of Mr. Rajib Das (DIN: 09132223) as Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Rajib Das (DIN 09132223), who, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company was appointed as an Additional Director with effect from 2<sup>nd</sup> April, 2021 and who holds the office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**13. Appointment of Mr. Saivenkat Chitisureshbabu Chigurupali (DIN: 09131190) as Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Saivenkat Chitisureshbabu Chigurupali (DIN 9131190), who, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company was appointed as an Additional Director with effect from 2<sup>nd</sup> April, 2021 and who holds the office up to the due date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**14. Appointment of Mr. Saivenkat Chitisureshbabu Chigurupali (DIN: 09131190) as Whole-Time Director designated as Director-Operations:**

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

**"RESOLVED** that pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force applicable clauses of the Articles of Association of the Company, and pursuant to applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), and subject to such consents, approvals or permissions as may be necessary, consent of the Company be and is hereby given for appointment

of Mr. Saivenkat Chitishreshbabu Chigurupali (DIN: 09131190) as Whole-Time Director designated as Director-Operations for a period of 3 (three) years with effect from 2<sup>nd</sup> April, 2021 to 1<sup>st</sup> April, 2024 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 2<sup>nd</sup> April, 2021, entered into between the Company and Mr. Saivenkat Chitishreshbabu Chigurupali, a copy whereof, initialed by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved, and remuneration payable to Mr. Saivenkat Chitishreshbabu Chigurupali as set out in the agreement shall be the minimum remuneration payable to him, notwithstanding such remuneration is in excess of limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

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

**15. Revision in remuneration of Mr. Saivenkat Chitishreshbabu Chigurupali (DIN: 09131190):**

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

**"RESOLVED THAT** in partial modification of the resolution passed by the shareholders of the company and pursuant to the provisions of Sections 196, 197, 198, 203 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) read with Schedule V thereof, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all applicable guidelines issued by the Central Government from time to time, Articles of Association of the Company and such other approvals, as may be necessary, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the company be and hereby accorded to change in designation of Mr. Saivenkat Chitishreshbabu Chigurupali (DIN: 09131190) as "Executive Director" with effect from 15<sup>th</sup> February, 2023 for the remaining period of his existing tenure on the terms and conditions including remuneration as set out in the Explanatory Statement and supplementary agreement dated 15<sup>th</sup> February, 2023 entered into between the Company and Mr. Saivenkat Chitishreshbabu Chigurupali, which agreement also be and is hereby approved."

**"RESOLVED FURTHER** that in the absence or inadequacy of profits in any financial year, minimum remuneration payable shall be determined in terms of Schedule V of the Companies Act, 2013.

**"RESOLVED FURTHER** that the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorized to alter and vary the terms and conditions of the said appointment and / or remuneration of Mr. Saivenkat Chitishreshbabu Chigurupali as it may deem fit and as may be acceptable to him, subject to the same not exceeding the limits hereby sanctioned and within the overall ceiling of managerial remuneration provided under the Companies Act, 2013 or any other statute or such other limits as may be approved by the members from time to time."

**"RESOLVED FURTHER THAT** the Board of the Directors be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, as may be deemed proper and expedient to give effect to this aforesaid Resolution and to settle any question, difficulty or doubt that may arise in the said regard."

**16. Appointment of Mr. Akula Nagendra Kumar (DIN:08462253) as the 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 that pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and Rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force applicable clauses of the Articles of Association of the Company, and pursuant to applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), and subject to such consents, approvals or permissions as may be necessary, consent of the Company be and is hereby given for appointment of Mr. Akula Nagendra Kumar (DIN:08462253) as the Managing Director of the Company for a period of three (3) years with effect from 2<sup>nd</sup> April, 2021 to 1<sup>st</sup> April, 2024 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 5<sup>th</sup> May, 2022, entered into between the Company and Mr. Akula Nagendra Kumar, a copy whereof, initialed by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement

be and is hereby specifically approved, and remuneration payable to Mr. Akula Nagendra Kumar as set out in the agreement shall be the minimum remuneration payable to him, notwithstanding such remuneration is in excess of limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

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

**Date: 15<sup>th</sup> February, 2023**

**By Order of the Board**

**Place: Kolkata**

**Sudhanya Sengupta  
Dy. Company Secretary**

## NOTES:

1. The Company has passed through the hurdles of Covid 19 Pandemic, consequent worldwide lockdown, heavy rainfall, cyclone, trade conflict, fluctuations in exchange rate, resultant business losses etc during the past 2 (two) years. After going through so many hurdles, the Company has emerged as a more strong entity in 2023 which shall be a complete turnaround. The Company has restarted plant on 11<sup>th</sup> December, 2022 and all furnaces operations commenced on 30<sup>th</sup> December, 2022. Company's success has already begun with a record production of 1360 MT (highest ever) at Sukinda Plant and production of 7298 MT at Balasore Plant in January, 2023. Export has also commenced and realization received to the tune of Rs. 16 Cr. The Company has received successfully Export Incentive in terms of Duty Drawback from Ministry of Commerce & Industry Dept of Revenue against first lot Export of 459 MT Ferro Chrome to China.

The Company is working with team catering to the requirements and compliances related to a listed entity. The Company is fully committed to complete the necessary steps to fulfil the compliance requirements under Companies Act, 2013, SEBI Regulations, and other applicable Acts, Laws, Rules and Byelaws made thereof and amended from time to time, within a span of few months.

2. In compliance with the provisions of Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Ministry of Corporate Affairs ("MCA") General Circular Nos. 10/2022, 14/2020, No. 17/2020 and No. 20/2020 dated 28<sup>th</sup> December, 2022, 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020 respectively and SEBI circular Nos. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 5<sup>th</sup> January, 2023 and 12<sup>th</sup> May, 2020 respectively permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Shareholders at a common venue.

Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with the said Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company has decided to convene its 32<sup>nd</sup> AGM through VC/ OAVM and the Shareholders can attend and participate in the ensuing AGM through VC/ OAVM.

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Explanatory Statement pursuant to Section 102 of the Act relating to item no. 4 to 11 of the Notice of the 32<sup>nd</sup> AGM is annexed hereto.
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC/ OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said circulars read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 & Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 issued by the Securities and Exchange Board of India ("SEBI Circulars"), the facility to appoint a proxy to attend and cast vote for the shareholder is not made available for this AGM and hence the proxy form and attendance slip are not annexed to this notice.

However, in pursuance of Sections 112 and 113 of the Act and Rules framed thereunder read with the said Circulars, the institutional/ corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM. Institutional/ corporate members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [investorshelpline@balasorealloys.com](mailto:investorshelpline@balasorealloys.com)

6. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
7. The Notice is being sent to all the members of the Company, whose name appear in the Register of Members as on Benpos date of Monday, 03<sup>rd</sup> March, 2023.
8. 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.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice along with the Annual Report 2019-20 of the Company for the financial year ended March 31, 2020, will be sent **only through e-mail**, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. MCS Share Transfer Agent Limited or the Depository Participant(s) as on 03<sup>rd</sup> March, 2023. Physical Copy of Notice and/or Annual Report will not be sent to any member

Members may note that the Notice and Annual Report 2019-20 will also be available at the Company's website [www.balasorealloys.com](http://www.balasorealloys.com), websites of the Stock Exchanges, viz. BSE Limited and CSE Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.cseindia.com](http://www.cseindia.com) respectively, and also the e-voting agency, viz. Central Depository Services (India) Limited (CDSL) website at <https://www.evoting.cdsi.com>.

10. For receiving all communication (including Annual Report) from the Company electronically:
- a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by providing the details of folio number and attaching a self-attested copy of PAN card to Central Depository Services (India) Ltd e-voting agency.
  - b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant. The Shareholders can join the AGM in the VC/ OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below in the Notice.
11. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) 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 32<sup>nd</sup> 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).
12. 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. In line with the Circulars issued by the MCA and SEBI Circulars, the Annual Report including Notice of the 32<sup>nd</sup> AGM of the Company inter alia indicating the process and manner of e-voting is being sent only by Email, to all the Shareholders whose Email IDs are registered with the Company/ Depository Participant(s). Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and SEBI Circulars, the Annual Report including Notice of the 32<sup>nd</sup> AGM of the Company will also be available on the website of the Company at [www.balasorealloys.com](http://www.balasorealloys.com). The same can also be accessed from the websites of the Stock Exchanges i.e. Bombay Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com) and Calcutta Stock Exchange of India Limited at [www.cseindia.com](http://www.cseindia.com) respectively and on the website of Central Depository Services (India) Ltd. (CDSL) e-voting agency.
13. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, 23<sup>rd</sup> March, 2023, through email at [sudhanya.sengupta@balasorealloys.com](mailto:sudhanya.sengupta@balasorealloys.com) so as to enable the management to keep the information ready on the date of AGM and reply suitably.
14. The Register of Members and the Share Transfer books of the Company will remain closed from **Thursday, 23<sup>rd</sup> March, 2023 to Thursday, 30<sup>th</sup> March, 2023** (both days inclusive) for the purpose of AGM.
15. In compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act, read with the relevant rules made thereunder and Regulation 44 of the SEBI Listing Regulations (as amended), the Company is pleased to extend e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Central Depository Services (India) Ltd. (CDSL) as the Agency to provide remote e-voting facility and e-voting facility at the AGM.
16. Further, in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed **Thursday 23<sup>rd</sup> March, 2023**, as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. Only those persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. **Thursday 23<sup>rd</sup> March, 2023**, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a member as on cut-off date should treat this Notice for information purpose only.



17. Only those Shareholders, who will be present at the AGM through VC/ OAVM facility and who have not cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
18. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act 2013, the Register of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act 2013, the certificate from the Secretarial Auditors of the Company and other documents referred to in the accompanying Notice and the Explanatory Statement shall be made available over email on making a request to the Company through Email on [investorshelpline@balasorealloys.com](mailto:investorshelpline@balasorealloys.com)
19. Members may note that registration/ updating of their E-mail addresses with RTA, if shares are held in physical mode, or with their Depositories, if shares are held in electronic mode would ensure delivery of all future communications from the Company including Annual Reports, Notices, Circulars, etc., without delay.
20. 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.
21. 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.
22. The Board of Directors of the Company has appointed Mr. Raj Banthia, M/s. MKB & Associates, as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner. The Scrutinizer shall, after conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and shall make consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or person authorized by him in writing, who shall countersign the same and declare the result of the voting therewith.
23. The Results shall be declared within two working days from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the Resolution(s). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www. Balasorealloys.com](http://www.Balasorealloys.com) and on the website of the service provider [www.cdslindia.com](http://www.cdslindia.com) after the declaration of result by the Chairman or a person authorized by him in writing and also the same will be communicated to the BSE Limited and CSE Limited.
24. Instruction Kit for e-voting is attached herewith for reference.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 & 102(1) OF THE COMPANIES ACT, 2013.**

**Item No. 2 & 3**

M/s Chaturvedi & Shah LLP, Chartered Accountants, (FRN 10720WW100355), have tendered their resignation from the position of Statutory Auditors with effect from 9<sup>th</sup> January, 2023, due to their pre occupation in other assignments resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged under section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditor shall be approved by the shareholders in General Meeting within three months from the date of recommendation of the Board of Directors of the Company. The Board of Directors of the Company at its meeting held on 15<sup>th</sup> February, 2023 recommended the appointment of M/s B. Nath & Co, Chartered Accountants, (Firm Registration No. 307057E), as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Chaturvedi & Shah LLP. Accordingly, shareholders' approval by way of ordinary resolution is sought. The Board of Directors at its meeting held on 15<sup>th</sup> February, 2023, also recommended appointment of M/s B. Nath & Co, Chartered Accountants, (Firm Registration No. 307057E) as statutory auditors of the company from the conclusion of 32<sup>nd</sup> Annual General Meeting until the conclusion of the 37<sup>th</sup> (thirty-seventh) Annual General Meeting of the Company to be held in the year 2025.

M/s B. Nath & Co, Chartered Accountants, (Firm Registration No. 307057E) have conveyed their consent for being appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 2 and 3 of the notice as an ordinary resolution

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

**Item No. 4**

Mr. Anil Kumar Sureka was appointed as Managing Director and Chief Executive Officer (CEO) of the Company for a period of three years w.e.f. 17<sup>th</sup> April, 2012 till 16<sup>th</sup> April, 2015 on the terms and condition as set out in the agreement dated 17.04.2012 entered between the Company and Mr Anil Kumar Sureka.

The Shareholders in its meeting held on 29<sup>th</sup> September, 2015 had approved the re-appointment of Mr. Anil Sureka as the Managing Director of the Company for his second term of five years i.e. from 14.04.2015 till 16<sup>th</sup> April, 2020.

The Board in its meeting held on 13th April, 2020 considering the significant contribution made by Mr. Anil Sureka in the growth of the Company, approved the re-appointment of Mr. Sureka as the Company's Managing Director & CEO for a further period of one year with effect from 17th April, 2020 till 16th April, 2021 subject to approval of the shareholders by way of a **Special Resolution** in the ensuing Annual General Meeting of the Company.

The Nomination & Remuneration Committee has approved terms of appointment and remuneration of Managing Director in its meeting held on 14<sup>th</sup> April, 2020. For this purpose, an agreement has been entered into by the Company with the Managing Director on 5<sup>th</sup> June, 2020. In view of the unprecedented COVID-19 situation, it could only be possible to execute the agreement on 05.06.2020, however, this agreement will be effective from 17<sup>th</sup> April, 2020.

There is no increase in the remuneration of Managing Director as was approved by the members in its meeting held on 27.09.2019.

The said agreement dated 05.06.2020, (which was effective from the date of his reappointment i.e. 17.04.2020) inter alia, contains the following terms and conditions:

- (i) Basic Salary Rs. 5,40,000/- (Rupees Five Lac Forty 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 his performance.

- (ii) In addition to the above basic salary, Mr. Anil Kumar Sureka shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-

(i)	Basis Salary	- Rs. 64,80,000 per annum
(ii)	Perquisites	- Rs. 1,09,08,415 per annum
(iii)	Others	- <u>Rs. 7,77,600 per annum</u>
		<u>Rs. 1,81,66,015 per annum</u>

(iii) The Managing Director shall be entitled to leave according to the Rules of the Company in this regard.

(iv) The Managing Director shall be provided a company's maintained car and furnished accommodation facility.

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

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

The Board recommends the resolutions at Item No. 4 for your approval in the interest of the Company.

None of the Directors or Key Managerial Personnel of the company and/or their relatives, except Mr. Anil Kumar Sureka and his relatives, are concerned or interested, financial or otherwise in the resolution set out at item no.4.

#### INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013 GENERAL INFORMATION

- 1) Nature of Industry: **Manufacturing**  
The Company manufactures Ferro Chrome, Charge Chrome from its five submerged Electric Arc Furnaces utilizing Chrome Ore which is available to the company for its captive consumption in the Chromite Mines located at Sukinda Valley, Jajpur, Orissa.
- 2) Date of commencement of Commercial Production: **11<sup>th</sup> July, 1984**
- 3) In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: **Not Applicable**
- 4) Foreign Investments or Collaborations, if any: Except investment in Equity Shares of the Company there are no other foreign investment and collaboration.

#### II. INFORMATION ABOUT THE APPOINTEE Mr. Anil Sureka

##### 1.1 Educational Qualification

Professional	Member of Institute of Company Secretaries of India.
Graduation	Bachelor of Commerce (Hons.)

##### 1.2 Experience

Mr. Anil Sureka has more than 43 Years of Corporate experience in reputed organisation. His array of exposure percolates to areas like Finance, Project Planning & Execution, Costing & Cost Control, Commercial matters including contract, Secretarial & legal aspects, mining, Supply Chain Management, Marketing, Modern Management Initiatives, Human Resource and Administration etc.

2. Past remuneration (including contribution to PF, superannuation fund and gratuity fund) for the last three years:

(Rs. in lakhs)			
2019-20	2018-19	2017-18	2016-17
154.87	170.67	185.88	164.27

3. Recognition or Awards: N.A.

4. Job Profile and his Suitability

a) Job Profile:

Mr. Anil Kumar Sureka's responsibilities include:

- Establish Strategic Business Plan & effective implementation of the same and to create an environment for unrelenting focus on the achievement of strategic business goals & objectives and promote a culture of continuous improvement within the organization.
- Making operations of the Company profitable through effective and optimum utilization of Company's resources.
- Explore & capitalize opportunities for growth & new business expansion
- Ensure and monitor the implementation of the annual budget to meet budget targets.
- Enhance Enterprise Value to increase confidence and attract investors
- Keep the Board fully informed on the performance of the organization at regular intervals. Identify problems and opportunities and address them; bring those which are appropriate to the attention of the Board and/or its committees and facilitate discussion and deliberation. Inform the Board and its committees about trends, issues, problems and activities in order to facilitate policy-making. Recommend policy positions.
- Set expectations for organizational performance with all functions of the organization, keeping in mind the strategic objectives and vision.
- Institutionalize Business Excellence as a way of life, make it a part of Company's DNA and lead by example in pursuit of excellence.
- Promote a culture of good governance and ensure ethical behaviour in all interactions and at all levels.
- Establish and maintain effective formal and informal links and high level networking with major customers / Key Accounts and ensure range of product offerings and quality of services.
- Maintain appropriate levels of stakeholder communication including exchange of information and views to relevant government departments and agencies, local authorities, key decision-makers and other stakeholders such as Bankers, Community, Employees, Shareholders, etc.
- Lead by example and consistently demonstrate the values espoused by the company.
- Fostering a value driven organization and develop future business leaders.
- Nurture an empowered organization through motivation and recognition.
- Lead sustainable CSR activities to ensure upliftment of local communities and nurture a harmonious environment.

b) Suitability:

- ❖ Mr. Sureka had been a guiding force for the Company by handling various assignments with distinction which laid on his huge experience as has been explained in point no 1.2 of this explanatory statement.

In view of the above, and also in view of the high esteem in which he is held in the Corporate Sector for his legal, technical & commercial knowledge and business acumen, the Board considers Mr. Anil Kumar Sureka as the most suitable professional for shouldering responsibilities pertaining to various facets governing the operations of the Company.

5. Remuneration Proposed:

The proposed salary of Rs. 1,81,66,015/-per annum is the same existing salary as explained in point no. (ii) of the terms and conditions mentioned herein above.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into consideration the size of the Company and the responsibilities shouldered by Mr. Anil Sureka, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial persons in other companies.

7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Save what is set out herein, Mr. Sureka will not be entitled to remuneration from the Company under any other head. He has no direct or indirect interest in any contract by or with the Company. No relative of Mr. Sureka is employed by the Company.

**Item No. 5, 6 & 7**

The Board, on the recommendation of the Audit Committee, at its Board Meeting held on 30<sup>th</sup> July, 2020, has appointed M/s Shome & Banerjee, Cost Accountants to conduct the cost audit records for the financial year ended 31<sup>st</sup> March, 2021 at a remuneration of Rs. 2,50,000/- ( Two Lakh Fifty Thousand Only) per annum plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred to conduct the audit of the cost records.

The Board, on the recommendation of the Audit Committee, at its Board Meeting held on 15<sup>th</sup> February, 2023, has appointed M/s Shome & Banerjee, Cost Accountants to conduct the cost audit records for the financial year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2023 at a remuneration of Rs. 2,50,000/- ( Two Lakh Fifty Thousand Only) per annum plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred to conduct the audit of the cost records.

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

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5, 6 & 7.

**Item No. 8**

The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Pravakar Mohanty (DIN:01756900) as Additional director in the category of Independent (Non-Executive) Director and recommended him before the members of the Company for their approval the appointment for a term of 5 years from 15<sup>th</sup> February, 2023 to 14<sup>th</sup> January, 2028. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Mr. Pravakar Mohanty for the office of Independent Directors of the Company. The Company has received from him (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment &

Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Act and (iii) declaration of independence u/s 149(7) of the Act, 2013 read with Schedule IV and SEBI(LODR) 2015.

In the opinion of the Board of Directors, they fulfill the conditions specified in the Act and the rules made thereunder, for their appointment as Independent Directors of the Company. They are independent of the management and possess appropriate skills, experience and knowledge. The Company has received declarations from them confirming that they meet the criteria of independence under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject to appointment, copy of the letter of appointment of the Independent Directors setting out the terms and conditions of appointment shall be available for inspection by the Members electronically.

The Independent Director shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings as recommended by the Nomination and Remuneration Committee and approved by the Board.

Brief profile of Mr. Pravakar Mohanty is as below:

**Qualifications:**

- M.Com
- LL.B
- FCMA
- Presently pursuing Ph.D from KIIT University

**Experience:**

Organisation	Position	Period	Key highlights
IDC of Odisha Ltd	Head of Finance & Director in its subsidiaries	2 years 2 years	✓ Remained as MD of Konark Jute Ltd, In 2 spells for about 2 years.  ✓ Remained as Director "IDCOL- Beach Sand Project" for about 2 years
Neelachal Ispat Nigam Ltd (NINL)	Director- Finance  M.D.	2 Years  3 Months approx	✓ Handled all responsibilities as Director of Finance. ✓ Handled the position of M.D. for about 3 months
Odisha Hydro Power Corporation Ltd	Director- Finance & CFO	6 Years	✓ Handled all responsibilities as Director of Finance.
Odisha Power Generation Corporation Ltd	Director- Finance	4 Years	✓ Handled all responsibilities as Director of Finance.
Odisha Thermal Power Corporation Ltd	CEO	3 Years	✓ Handled all responsibilities as CEO.

			✓	Project Finance
			✓	Funds Planning
			✓	Restructuring & Disinvestment
			✓	Working Capital Management
			✓	Cost Control & Budgeting
			✓	Corporate Planning & MIS
			✓	Debt Restructuring
			✓	Managing DRT matters & OTS with Banks & FIs

The Board of Directors recommends the above resolution for approval of the Members by way of Special Resolutions.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

#### Item No.9

The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Ramen Ray Mandal (DIN:00700908) as Additional director in the category of Independent (Non-Executive) Director and recommended him before the members of the Company for their approval the appointment for a term of 5 years from 15<sup>th</sup> February, 2023 to 14<sup>th</sup> January, 2028. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Mr. Ramen Ray Mandal for the office of Independent Directors of the Company. The Company has received from him (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Act and (iii) declaration of independence u/s 149(7) of the Act, 2013 read with Schedule IV and SEBI(LODR) 2015.

In the opinion of the Board of Directors, they fulfill the conditions specified in the Act and the rules made thereunder, for their appointment as Independent Directors of the Company. They are independent of the management and possess appropriate skills, experience and knowledge. The Company has received declarations from them confirming that they meet the criteria of independence under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject to appointment, copy of the letter of appointment of the Independent Directors setting out the terms and conditions of appointment shall be available for inspection by the Members electronically.

The Independent Director shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings as recommended by the Nomination and Remuneration Committee and approved by the Board.

Brief profile of Mr. Ramen Ray Mandal is as below:

#### Qualifications:

- A. B. Tech In Electrical Engg. from Indian Institute of Technology (IIT), Madras (in 1991)
- B. PGDM (MBA) from Indian Institute of Management (IIM), Calcutta (In 1994)
- C.

#### Experience:

Organisation	Position	Period	Key highlights
--------------	----------	--------	----------------

Greenb ack Capital Ltd	Director  SEO & Board Member	Oct'21 - Dec'22  Jan'23 -	✓ Overseeing the Company's Fund management and investment activities ✓ Business development and assessment of the investment advisory business ✓ Maintaining client relationships
Almas Capital Limited	Consultant - Director	Aug'20 - Sep'21	✓ Advising two open-ended investment funds in Mauritius ✓ Overseeing the business development and assessment of investment proposals for these Funds
Bridgerock ( <a href="http://www.bridgerock.in">www.bridgerock.in</a> )	Director & Co-Promoter	May'19 - Jul'20	✓ Worked on several M&A and fund-raising mandates across sectors ✓ Advising market entry strategies for many MNCs ✓ Structured debt syndications
Steer Advisors	Advisor - on Assignment	Sept'18 - Mar'19	✓ Executed 2 M&A deals ✓ Worked on 2 structured finance deals
HDFC Bank Ltd.	Head - Corporate Finance, Investment Banking	Aug'16 - Aug'18	✓ Focused on building Industrial practices and overseeing senior bankers in Infra and Financial Services ✓ Advised NCLT bidding situations, successfully completed IPOs, M&A Advisory transactions for clients
Kotak Mahindra Bank Ltd.	Executive Director - M&A	May'15 - Jul'16	✓ Was part of the Industrial practices with a successful M&A deal closure within this short time
ING Vysya Bank	Head - Investment Banking	Mar'08- Apr'15	✓ Built up advisory practices from scratch before it got merged with Kotak Mahindra Bank in 2015 ✓ Achieved 14 deal closures (listed below) with an average fee earned ~Rs.80-100 Mn per year with a team size of 4-5 bankers
ICICI Bank	Dy. General Manager ~ Corporate & Investment Banking	Jan'06 - Feb'08	✓ Delivered a PBT target of US\$ 45.0 Mn thru the origination of various large structured finance mandates (listed below) ✓ Executed cross-border M&A funding, financing against shares with deal sizes ranging US\$ 40.0 to 900.0Mn
DBS Bank	Asst. Vice President - SME Banking	Aug'04 - Dec'05	✓ Part of the core team that set up SME business practices by designing their lending programme & processes ✓ Built up a loan book of over US\$ 50.0 Mn within a year
BNP Paribas	Sr. Relationship Manager - Corporate & Investment Banking	Jul 1997 - Jul'04	✓ Instrumental in increasing loan book by US\$ 75.0 Mn within 2 years in BNP Bangalore & made it a profitable branch for the first time ✓ Developed banking relationships with many MNCs ✓ Worked across India and contributed well
Exim Bank of India	Project Finance Officer	Apr'94 - Jun'07	✓ Appraised and financed many export-oriented projects ✓ Instrumental in introducing the Forfeiting concept in India

The Board of Directors recommends the above resolution for approval of the Members by way of Special Resolutions.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.



#### **Item No. 10**

The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Ms. Shweta Jain (DIN:10045546) as Additional director in the category of Independent (Non-Executive) Director and recommended her before the members of the Company for their approval the appointment for a term of 5 years from 15<sup>th</sup> February, 2023 to 14<sup>th</sup> January, 2028. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Ms. Shweta Jain for the office of Independent Directors of the Company. The Company has received from her (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified in accordance with sub-section (2) of Section 164 of the Act and (iii) declaration of independence u/s 149(7) of the Act, 2013 read with Schedule IV and SEBI(LODR) 2015.

In the opinion of the Board of Directors, she fulfill the conditions specified in the Act and the rules made thereunder, for their appointment as Independent Directors of the Company. She is independent of the management and possess appropriate skills, experience and knowledge. The Company has received declarations from them confirming that she meet the criteria of independence under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject to appointment, copy of the letter of appointment of the Independent Directors setting out the terms and conditions of appointment shall be available for inspection by the Members electronically.

The Independent Director shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings as recommended by the Nomination and Remuneration Committee and approved by the Board.

Brief profile of Ms. Shweta Jain is as below:

#### **Qualifications:**

- Masters in Human Resource Management, Amravati University
- Diploma in Training & Development, ISTD, New Delhi
- Bachelors in Computer Science (BCS), Amravati University

#### **Experience:**

- ✓ Conducted various training and development sessions across companies.
- ✓ Worked as Professor in Amravati University
- ✓ Worked as a freelancer HR Generalist.
- ✓

The Board of Directors recommends the above resolution for approval of the Members by way of Special Resolutions.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

#### **Item No. 11**

The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Paramesh Bhattacharya (DIN:09221495) as Additional director in the category of Independent (Non-Executive) Director and recommended him before the members of the Company for their approval the appointment for a term of 3 years from 8<sup>th</sup> July, 2021 to 9<sup>th</sup> July, 2024. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Mr. Paramesh Bhattacharya for the office of Independent Directors of the Company. The Company has received from him (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act and (iii) declaration of independence u/s 149(7) of the Act, 2013 read with Schedule IV and SEBI(LODR) 2015.

In the opinion of the Board of Directors, he fulfill the conditions specified in the Act and the rules made thereunder, for their appointment as Independent Directors of the Company. He is independent of the management and possess appropriate skills, experience and knowledge. The Company has received declarations from them confirming that he meet the criteria of independence under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject to appointment, copy of the letter of appointment of the Independent Directors setting out the terms and conditions of appointment shall be available for inspection by the Members electronically.

The Independent Director shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings as recommended by the Nomination and Remuneration Committee and approved by the Board.

Brief profile of Mr. Paramesh Bhattacharya is as below:

#### **Qualifications:**

- Bachelors of Engineering Mechanical

#### **Experience:**

- ✓ Conducted various training and development sessions across companies.
- ✓ He has worked with NTPC, ALSTOM, VISA STEEL, etc

The Board of Directors recommends the above resolution for approval of the Members by way of Special Resolutions.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

#### **Item No. 12**

Mr. Rajib Das (DIN: 09132223) was appointed as an Additional Director with effect from 02<sup>nd</sup> April, 2021, to hold office up to the due date of holding AGM for the Financial Year 2020-21. Since the AGM for that year could not be held within the due date and Mr. Rajib Das has continued to act as Director till date so the

Board recommends to appoint Mr. Rajib Das, liable to retire by rotation, at this AGM, in the interest of the company.

The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Rajib Das (DIN:09132223) as Additional Director with effect from 2<sup>nd</sup> April, 2021, and who holds the office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as Directors of the Company, liable to retire by rotation. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Mr. Rajib Das for the office of Independent Directors of the Company. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Mr. Rajib Das for the office of Independent Directors of the Company. The Company has received from them (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Act. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings as recommended by the Nomination and Remuneration Committee and approved by the Board.

The Board of Directors recommends the above resolution for approval of the Members.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

#### **Item No. 13**

Mr. Saivenkat Chitishureshababu Chigurupali (DIN: 09131190) was appointed as an Additional Director cum Director- Operations with effect from 02<sup>nd</sup> April, 2021, to hold office up to the due date of holding AGM for the Financial Year 2020-21. Since the AGM for that year could not be held within the due date and Mr. Saivenkat Chitishureshababu Chigurupali has continued to act as Director cum Director-Operations till date so the Board recommends to appoint Mr. Saivenkat Chitishureshababu Chigurupali, liable to retire by rotation, at this AGM, in the interest of the company

The Board on the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. Saivenkat Chitishureshababu Chigurupali (DIN: 09131190) as Additional Director with effect from 2<sup>nd</sup> April, 2021, and who holds the office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as Directors of the Company, liable to retire by rotation. The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Mr. Saivenkat Chitishureshababu Chigurupali. The Company has received from them (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Act. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings as recommended by the Nomination and Remuneration Committee and approved by the Board.

The Board of Directors recommends the above resolution for approval of the Members.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

#### **Item No. 14**

Mr. Saivenkat Chitishureshababu Chigurupali (DIN: 09131190) was appointed as Whole-time Director designated as Director-Operations, of the Company for a period of 3 (three) years with effect from 2<sup>nd</sup> April,

2021 till 1<sup>st</sup> April, 2024, on the terms and conditions as set out in the agreement entered between the Company and Mr. Saivenkat Chitisureshbabu Chigurupali.

The Nomination & Remuneration Committee had approved terms of appointment and remuneration of Director-Operations in its meeting held on 2<sup>nd</sup> April, 2021.

The said agreement (which was effective from the date of his reappointment i.e. 02.04.2021) inter alia, contains the following terms and conditions:

- (i) Basic Salary Rs. 1,80,000/- (Rupees One Lac Eighty 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 his performance.
- (ii) In addition to the above basic salary, Mr. Saivenkat Chitisureshbabu Chigurupali shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-

(i)	Basis Salary	-	Rs. 21,60,000 per annum
(ii)	Perquisites	-	Rs. 21,21,504 per annum
(iii)	Others	-	<u>Rs. 33,000 per annum</u>
			<u>Rs. 43,14,504 per annum</u>
- (iii) Annual Variable Pay shall be up to 10% of the total CTC i.e. up to Rs. 5,40,000/- (Rupees Five Lakhs Forty Thousand only) annually. The same shall be paid as per the Company's Rules.
- (iv) You will also be entitled to other benefits and facilities like PF, LTA, Gratuity, Leave etc. as per Company's Rules. Full details are given in the Annexure.
- (v) The Director shall be entitled to leave according to the Rules of the Company in this regard.
- (vi) Over and above the CTC, you will be provided a company's maintained car.
- (vii) The Director shall be liable to retire by rotation and his re-appointment at the AGM as a Director retiring by rotation would not constitute a break in his appointment as Director.
- (viii) The Director shall not be paid any Sitting Fees for attending the meetings of the Board or any Committee thereof.

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

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

#### INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

##### GENERAL INFORMATION

- 1) Nature of Industry: Manufacturing  
  
The Company manufactures Ferro Chrome, Charge Chrome from its five submerged Electric Arc Furnaces utilizing Chrome Ore which is available to the company for its captive consumption in the Chromite Mines located at Sukinda Valley, Jajpur, Orissa.
- 2) Date of commencement of Commercial Production: 11<sup>th</sup> July, 1984
- 3) In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: Not Applicable
- 4) Foreign Investments or Collaborations, if any: Except investment in Equity Shares of the Company there are no other foreign investment and collaboration.

## II. INFORMATION ABOUT THE APPOINTEE

- **PROFILE:**

Mr. Saivenkat Chitishreshbabu Chigurupati did his B.Tech.in Instrumentation from Andhra University (1994). He is an enterprising leader & planner with a strong record of contributions in streamlining operations, invigorating businesses, heightening productivity, systems & procedures. He has achievement-driven professional experience in spearheading entire unit/ plant operations to maintain continuity and match organizational goals through supervising Operations, Quality Control, Production Goals, Automation, Maintenance, Process Improvements, Safety Guidelines, Manpower Development, New Policy/Procedure Guidelines, Resource Allocation and Cost Optimizations. He is leading and managing all plant operations with effective utilization of all resources and implementing industry best practices such as TPM, Six Sigma, Lean Management & others Business Excellence initiatives that contribute to improve productivity and efficiency. He has exhibited leadership in closely collaborating with numerous Japanese Consultants for implementing TPM to enhance overall plant effectiveness.

- **REMUNERATION PROPOSED:**

The proposed salary of Rs. 43,14,504/- per annum plus annual variable pay is the same existing salary as explained in point no. (ii) of the terms and conditions mentioned herein above

- **RESPONSIBILITIES:**

- Directing the entire gamut of Plant Operations along with ensuring optimum utilization of available resource.
- Directing the entire gamut of Plant Operations along with ensuring optimum utilization of available resource.
- Strategizing the implementation of quality pillars such as TPM, Six Sigma, Lean Management and so on; driving efforts for augmenting machines, equipment, and process efficiency.
- Rendering leadership support through establishing effective models for troubleshooting & maintenance that reduces  
  
the process control instruments' downtime to a minimum level.
- Guiding the plant project team on overhauling of multiple sections as per the production requirements.
- Conceptualizing and implementing impressive cost saving techniques and heading significant modifications for accomplishing reduction in O&M expenditures thereby, ensuring adherence to the budgetary norms.
- Spearheading internal & external audits for safeguarding the effectiveness of TPM & due diligence, operational procedures, and compliance with environmental requirements; implementing corrective & preventive measures, as & when required.
- End-to-End Project Management: Strategizing project baselines; controlling projects with respect to cost, resource deployment, time overruns and quality compliance for satisfactory execution of projects.
- Heading Overall Production Effectiveness (OPE)/ Overall Equipment Effectiveness (OEE) for timely completion of the pre-set production targets as per Quantity, Quality, Cost and Delivery norms.
- Proactively recognizing the production/ operational losses along with formulating corrective & preventive measures to eliminate losses.
- Quality Leader; ensuring strict adherence to the quality standards; leading seamless execution of various stages of workflow through quality management systems.
- Rendered support to TPM by providing necessary technical inputs, data collection and training to the operators to increase operational& maintenance skill & knowledge.
- Delivering motivational leadership to the Plant Project Team for restructuring diverse sections as per the

production requirements.

- Ensure that manufacturing strategies and processes are in place to meet business objectives and operational needs in terms of price, quality, and delivery targets and which enables the company to function and compete effectively in the market.
- Evaluate the challenges faced by the business and take action to mitigate risks and develop opportunities.
- Contribute to overall business strategy and annual budget process.
- Deploying various methodologies for analyzing processes, recommending modifications to minimize escalations & rejection for realizing operational efficiencies, costs, and cycle-time.
- Spearheading the business forecasting & financial modeling to help short & long-term planning of the organization; administering the generation of financial forecasts, mid-quarter estimates and business plans based on analysis.
- Developing new process concepts for production optimization, yield improvement and establishing guidelines for sequencing of manufacturing activities.
- Monitoring implementation & documentation of quality systems and dealing with techno-commercial activities relating to O&M contracts and procurement of utility equipment.
- Superintending labor requirements/manpower planning, equipment modifications and establishing innovative systems & processes by utilizing all available technologies.
- Implementing maintenance schedules and steering periodic checks to ensure performance of various equipment and maintaining requisite documents for the same.
- Executing plans & schedules for maintenance operations (Preventive, Predictive, CBM, Shutdowns, Reliability Centered) and annual turnarounds with focus on optimum utilization of manpower & material.
- Directing capital expenditure & operating expenditure planning intended to provide reliability in services, reduce cost of erection & commissioning and increase plant capacity for increasing profitability.
- Establishing a complete & effective occupational Health & Safety Management System as per HSE standards and best practice; driving HSE objective setting & implementation of HSE Policies; designing Disaster Management and Recovery plan.

**III. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Taking into consideration the size of the Company and the responsibilities shouldered by Mr. Saivenkat Chitishreshbabu Chigurupali, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial persons in other companies.

**IV. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Save what is set out herein, Mr. Saivenkat Chitishreshbabu Chigurupali will not be entitled to remuneration from the Company under any other head. He has no direct or indirect interest in any contract by or with the Company. No relative of Mr. Saivenkat Chitishreshbabu Chigurupali is employed by the Company.

**Item No. 15**

Mr. Saivenkat Chitishreshbabu Chigurupali (DIN: 09131190), was appointed as whole time director of the company designated as Director-operations for a period of three years from 2<sup>nd</sup> April, 2021 till 1<sup>st</sup> April, 2024. Mr. Saivenkat Chitishreshbabu Chigurupali possesses valuable experience in plant operations and mining for over a decade. Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Saivenkat Chitishreshbabu Chigurupali, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on

15th February, 2023, has approved the proposal to re-designate him as Executive Director of the Company and increase in his remuneration w.e.f. 15<sup>th</sup> February, 2023, for the remaining period of his tenure i.e. up to 1st April, 2024.

The main terms and conditions of his re designation as Executive Director as contained in the supplementary agreement dated 15<sup>th</sup> February, 2023. are as follows:

(i) Basic Salary Rs. 2,34,000/- (Rupees Two Lakhs Thirty Four 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 his performance.

(ii) In addition to the above basic salary, Mr. Saivenkat Chitishreshbabu Chigurupali shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-

(i) Basis Salary	- Rs. 28,08,000 per annum
(ii) Perquisites	- Rs. 27,50,688 per annum
(iii) Others	- Rs. 20,400 per annum
	<u>Rs. 55,79,088 per annum</u>

(iii) Annual Variable Pay shall be up to 10% of the total CTC i.e. up to Rs. 7,00,000/- (Rupees Seven Lakhs only) annually. The same shall be paid as per the Company's Rules.

(iv) You will also be entitled to other benefits and facilities like PF, LTA, Gratuity, Leave etc. as per Company's Rules. Full details are given in the Annexure.

(v) The Director shall be entitled to leave according to the Rules of the Company in this regard.

(vi) Over and above the CTC, you will be provided a company's maintained car and a fully furnished accommodation.

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

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

A statement containing additional information as required in Schedule V of the Companies Act, 2013 forms part of explanatory statement to item no.14 of the notice with the following additional information:

Remuneration Last Drawn : Rs. 43.14 Lakhs per annum  
Remuneration proposed : Rs. 70.00 Lakhs per annum

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Whole Time Director of the Company as approved by the members of the Company shall remain unchanged. Considering Mr. Saivenkat Chitishreshbabu Chigurupali experience in industry, and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and are commended for your approval.

Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of Members. The Board commends the Special Resolution set out at Item No.15 of the accompanying Notice for the approval by the Members.

Except the appointee, none of the Directors, Key Managerial Personnel and their relatives, except Mr. Saivenkat Chitishreshbabu Chigurupali and his relative, are in any way, concerned or interested in the said resolution.

#### **Item No. 16**

Mr. Akula Nagendra Kumar was appointed as Managing Director of the Company for a period of three years w.e.f. 2<sup>nd</sup> April, 2021 to 1<sup>st</sup> April 2024, on the terms and condition as set out in the agreement dated 17.04.2012 entered between the Company and Mr. Akula Nagendra Kumar.

The Shareholders in its meeting held on 27<sup>th</sup> September, 2019 had approved the appointment of Mr. Akula Nagendra Kumar as the Whole Director designated as Executive Director of the Company for a period of three (3) years with effect from 30<sup>th</sup> September, 2019 to 29<sup>th</sup> May, 2022.

The Board in its meeting held on 2<sup>nd</sup> April, 2021 considering the significant contribution made by Mr. Akula Nagendra Kumar in the growth of the Company, approved the appointment of Mr. Kumar as the Company's Managing Director for a period of three(3) years with effect from 2<sup>nd</sup> April, 2021 to 1<sup>st</sup> April, 2024, subject to approval of the shareholders by way of a **Special Resolution** in the ensuing Annual General Meeting of the Company.

The Nomination & Remuneration Committee has approved terms of appointment and remuneration of Managing Director in its meeting held on 2<sup>nd</sup> April, 2021. For this purpose, an agreement has been entered into by the Company with the Managing Director on 2<sup>nd</sup> April, 2021. In view of the unprecedented COVID-19 situation, it could only be possible to execute the agreement on 5<sup>th</sup> June, 2022, however, this agreement will be effective from 2<sup>nd</sup> April, 2021.

The said agreement dated 5<sup>th</sup> June, 2022, (which was effective from the date of his appointment i.e. 02.04.2021) inter alia, contains the following terms and conditions:

- (i) Basic Salary Rs. 2,50,000/- (Rupees Two Lac 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 his performance.
- (ii) In addition to the above basic salary, Mr. Akula Nagendra Kumar shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-

(i)	Basis Salary	- Rs. 30,00,000 per annum
(ii)	Perquisites	- Rs. 7,95,000 per annum
(iii)	Others	- <u>Rs. 36,95,100 per annum</u>
		<u>Rs. 74,90,100 per annum</u>

(iii) The Managing Director shall be entitled to annual variable pay of up to 10% of the total CTC i.e. up to Rs. 9,00,000/- (Rupees Nine Lakhs Only) annually. The same shall be paid as per Company's rules.

(iv) The Managing Director shall be entitled to leave according to the Rules of the Company in this regard.

(v) The Managing Director shall be liable to retire by rotation and his re-appointment at the AGM as a Director retiring by rotation would not constitute a break in his appointment as Managing Director.

(vi) The Managing Director shall not be paid any Sitting Fees for attending the meetings of the Board or any Committee thereof.

The Board recommends the resolutions at Item No. 16 for your approval in the interest of the Company.

None of the Directors or Key Managerial Personnel of the company and/or their relatives, except Mr. Akula Nagendra Kumar and his relatives, are concerned or interested, financial or otherwise in the resolution set out at item no. 16

## INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

### GENERAL INFORMATION

- 1) Nature of Industry: **Manufacturing**  
The Company manufactures Ferro Chrome, Charge Chrome from its five submerged Electric Arc Furnaces utilizing Chrome Ore which is available to the company for its captive consumption in the Chromite Mines located at Sukinda Valley, Jajpur, Orissa.
- 2) Date of commencement of Commercial Production: **11<sup>th</sup> July, 1984**
- 3) In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: **Not Applicable**



- 4) Foreign Investments or Collaborations, if any: Except investment in Equity Shares of the Company there are no other foreign investment and collaboration.

## II. INFORMATION ABOUT THE APPOINTEE Mr. Anil Sureka

### 1.1 Educational Qualification

Professional	BE (Mechanical) MBA (Operations Management) from IGNOU M.Tech (Metallurgy) from National Institute of Technology
--------------	--

### 1.2 Experience

Mr. Akula Nagendra Kumar has more than 36 Years of Corporate experience in reputed organisation. His array of exposure percolates to areas like production Operations, Project management, Blast Furnace, Supply Chain Management, matters including Audit, EHS Implementation, business planning, risk management, safety practises to ensure safe and accident free working environment.

2. Past remuneration (including contribution to PF, superannuation fund and gratuity fund) for the last three years:

2021-22	2020-21	2019-20
90,00,000/-	62,35,000/-	62,35,000/-

### 3. Recognition or Awards:

- Rewarded for completing Metallic Blast Pre heater capital repair just in 11 days as against industry standards of 18 days while working at TATA Metallica
- Innovative suggestion Award in 2004 & 2006 on improving efficiency of dust recycling system in JSW
- Performance Reward consisting of 334 JSW shares in 2007, Exemplary work Award in 2008 in JSW.

### 4. Job Profile and his Suitability

#### a) Job Profile:

Mr. Akula Nagendra Kumar's responsibilities include:

- Establish Strategic Business Plan & effective implementation of the same and to create an environment for unrelenting focus on the achievement of strategic business goals & objectives and promote a culture of continuous improvement within the organization.
- Making operations of the Company profitable through effective and optimum utilization of Company's resources.
- Explore & capitalize opportunities for growth & new business expansion
- Ensure and monitor the implementation of the annual budget to meet budget targets.
- Enhance Enterprise Value to increase confidence and attract investors
- Keep the Board fully informed on the performance of the organization at regular intervals. Identify problems and opportunities and address them; bring those which are appropriate to the attention of the Board and/or its committees and facilitate discussion and deliberation. Inform the Board and its committees about trends, issues, problems and activities in order to facilitate policy-making. Recommend policy positions.

- Set expectations for organizational performance with all functions of the organization, keeping in mind the strategic objectives and vision.
- Institutionalize Business Excellence as a way of life, make it a part of Company's DNA and lead by example in pursuit of excellence.
- Promote a culture of good governance and ensure ethical behaviour in all interactions and at all levels.
- Establish and maintain effective formal and informal links and high level networking with major customers / Key Accounts and ensure range of product offerings and quality of services.
- Maintain appropriate levels of stakeholder communication including exchange of information and views to relevant government departments and agencies, local authorities, key decision-makers and other stakeholders such as Bankers, Community, Employees, Shareholders, etc.
- Lead by example and consistently demonstrate the values espoused by the company.
- Fostering a value driven organization and develop future business leaders.
- Nurture an empowered organization through motivation and recognition.
- Lead sustainable CSR activities to ensure upliftment of local communities and nurture a harmonious environment.

**b) Suitability:**

- ❖ Mr. Kumar had been a guiding force for the Company by handling various assignments with distinction which laid on his huge experience as has been explained in point no 1.2 of this explanatory statement.

In view of the above, and also in view of the high esteem in which he is held in the Corporate Sector for his legal, technical & commercial knowledge and business acumen, the Board considers Mr. Kumar as the most suitable professional for shouldering responsibilities pertaining to various facets governing the operations of the Company.

5. **Remuneration Proposed:** The proposed salary of approx Rs. 90,00,000/-per annum is the same existing salary as explained in point no. (ii) of the terms and conditions mentioned herein above.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**  
  
Taking into consideration the size of the Company and the responsibilities shouldered by Mr. Akula Nagendra Kumar, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial persons in other companies.
7. **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**  
  
Save what is set out herein, Mr. Akula Nagendra Kumar will not be entitled to remuneration from the Company under any other head. He has no direct or indirect interest in any contract by or with the Company. No relative of Mr. Kumar is employed by the Company.

**By Order of the Board**

**Place: Kolkata**  
**Date: 15<sup>th</sup> February, 2023**

**Sudhanya Sengupta**  
**Dy Company Secretary**

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

### CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.balasorealloys.com](http://www.balasorealloys.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and Calcutta Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.cse-india.com](http://www.cse-india.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

#### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOININGVIRTUAL MEETINGSARE AS UNDER:

- Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
  - Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physicalmode and non-individual shareholders in demat mode.
- (i) The voting period begins on 27/03/2023 and ends on 29/03/2023. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23/03/2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the voting is in progress as per the information provided by company. On clicking the voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting</li> </ol>

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

	page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorshelpline@balasorealloys.com](mailto:investorshelpline@balasorealloys.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7(seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

### **SHAREHOLDER INSTRUCTIONS FOR E-VOTING**

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective **Depository Participant (DP)** which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact attoll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**Details of Directors seeking appointment/re-appointment at the AGM**

**[Pursuant to the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]**

Categories	Details of Directors	Details of Directors	Details of Directors	Details of Directors	Details of Directors	Details of Directors	Details of Directors	Details of Directors
Name	Mr. Pravakar Mohanty	Mr. Ramen Ray Mandal	Ms. Shweta Jain	Mr. Rajib Das	Mr. SC Chigurupati	Mr. Anil Kumar Sureka *	Mr. Paramesh Bhattacharya	Mr. Akula Nagendra Kumar
Director Identification Number (DIN)	01756900	00700908	10045546	09132223	09131190	00058228	09221495	08462253
Date of Birth/Age	19/03/1959	02/12/1968	04/02/1984	10/04/1971	28/08/1971	19/11/1955	15/12/1963	20/08/1964
Qualification	M.Com, LL.B, FCMA, Pursuing Ph.D	Chartered Accountant, Company Secretary, Certificate on Information System Audit, Registered Valuer	Masters in Human Resource Management, Diploma in Training and Development, Bachelors in Computer Science (BCS)	B.Com(Hons), MBA (Finance) from Symbiosis, ICWAI	B.Tech	B.Com(Hons) & Company Secretary	BE Mechanical	M.Tech (Metallurgy) MBA (Operations) BE (Mechanical)
Original Date of Joining the Board	15/02/2023	15/02/2023	15/02/2023	02/04/2021	02/04/2021	17/11/2011	08/07/2021	30/05/2019
Experience (approx.)	Approx 25+ years	Approx 10+ years	Approx 5+ years	Approx 20+ years	Approx 28+ years	Approx 30+ years	Approx 36+ Years	Approx 36+ years
Nature of expertise	Wide experience in Manufacturing & Finance	Finance & Risk Analysis	HR & policies framing	Heavy Manufacturing, Heavy Engineering & Infrastructure	An expert with long standing experience in plant Operations, Turnaround Management, CAPEX & OPEX, Safety	Wide experience in Project Planning & Execution, Costing & Cost Control, Supply Chain .	Power and Steel	Concept to commissioning in planning and operating Blast Furnace , Executing Coke Oven, CDQ, Sinter Plant



					Operations				
Background Details/Job Profile & Suitability/Recognition & Awards	Have worked with Odisha Government projects	He has rendered Audit Services as Engagement Leader for Banking entities for like SBI, UCO, Bank of India. He has also served big names like Siemens Ltd	She is an efficient Women Leader in her field. She has conducted various training and development sessions which will prove quite helpful for the day to day activities.	He has worked as Financial Control with Sigma Corporation Ltd. He been associated with Kremikortzi Steel Corporation, Bulgaria as GM of Financial controller & Budgeting.	General Manager (Electrical & Automation) at Adhunik Metalics Limited Senior Manager (Electrical & Automation) at Ispat Industries	He is associated with various eminent group such as Birla, etc He has various exposure in raising resources from domestic Financial Institutions & Banks.	Worked with NTPC, ALSTOM, REL ADAG, VISA STEEL	He is associated with various eminent group such as Tata Metalics, JSW Steel, etc He has received various notable awards and achievements like Rewarded for completing Metallic Blast Preheater capital repair just in 11days as against industry standards of 18 days while working at TATA Metalics	
Terms & Conditions of appointment/re-appointment	As provided in the Explanatory Statement of notice at item No. 8	As provided in the Explanatory Statement of notice at item No. 9	As provided in the Explanatory Statement of notice at item No. 10	As provided in the Explanatory Statement of notice at item No. 12	As provided in the Explanatory Statement of notice at item No. 13,14,15	As provided in the Explanatory Statement of notice at item No. 4	As provided in the Explanatory Statement of notice at item No.11	As provided in the Explanatory Statement of notice at item No.16	
Details of remuneration sought to be paid	Please refer to item no. 8 of explanatory statement	Please refer to item no. 9 of explanatory statement	Please refer to item no. 10 of explanatory statement	Please refer to item no. 11 of explanatory statement	Please refer to item no. 12,13,14 of explanatory statement	Please refer to item no. 4 of explanatory statement	Please refer to item no.11 of explanatory statement	Please refer to item no.16 of explanatory statement	

Remuneration last drawn	He is appointed as Independent Non-Executive Director and paid as per sitting fees.	He is appointed as Independent Non-Executive Director and paid as per sitting fees.	He is appointed as Independent Non-Executive Director and paid as per sitting fees.	He is paid as per sitting fees of Board and Committee meetings.	Rs.43 Lakhs approx	Rs. 182 Lakhs approx	He is paid as per sitting fees of Board and Committee meetings	
Pecuniary relationship directly or indirectly with the Company or the managerial personnel, if any	None	None	None	None	None	None	None	None
Number of Board meeting attended during the year 2022-23	1	1	1	2	2	NA	2	2
Disclosure of relationship with other directors/KMP	None	None	None	None	None	None	None	None
Shareholding of Director	Nil	Nil	Nil	Nil	Nil	84 No of shares	Nil	Nil
List of Directorship in other companies	IDCOL PIPING AND ENGINEERING WORKS LIMITED ABS SPINNING ORISSA LTD S N CORPORATION LIMITED.	STAR9 MOBILITY PVT LTD	Nil	Nil	Nil	Nil	Nil	NOCCI BALASORE INFRASTRUCTURE COMPANY

List of Membership/ Chairmanships of Committees of other companies	None	None	None	None	None	None	None	None	None	None
List of listed entities from which he has resigned during last 3 years	None	None	None	None	None	None	None	None	None	None

**Note: \* The details mentioned are as on 31.03.2021**

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 32nd Annual Report and the Company's audited accounts for the financial year ended 31st March, 2020.

## FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended 31st March, 2020 is summarized below:

(Rs in Lacs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Total Income (net of excise duty)	79,059.42	127016.10	79059.42	127357.62
Profit/(Loss) Before Interest, Depreciation & Tax (PBITD)	(4872.93)	8029.13	(4933.37)	8070.48
Finance Charges	4958.59	4419.83	4958.63	4420.03
Depreciation	3028.57	3207.30	3028.57	3207.30
Exceptional Items	2022.35	3683.58	2022.35	3683.58
Provision for Income Tax (Including for earlier years)	(4041.24)	(365.90)	(4041.24)	(365.90)
Share of Loss of Associate Company	-	-	-	-
Net Profit After Tax (PAT)	(10841.20)	(2915.68)	(10901.68)	(2874.54)
Other Comprehensive Income	52.08	69.64	52.08	69.64
Total Comprehensive Income For the Year	(10789.12)	(2846.04)	(10849.60)	(2804.90)
Profit brought forward from Previous Years	73616.16	77375.65	73589.87	77308.22
Profit Carried to Balance Sheet	62554.28	73616.16	62467.51	73589.87

## **STATE OF AFFAIRS OF YOUR COMPANY**

Your Company's total income decreased by 37.76% from Rs 1,27,016.10 lacs in 2018-19 to Rs: 79,059.42 lacs in 2019-20. PBIDT decreased by 160.69% from Rs 8,029.13 lacs in 2018-19 to Rs: (4,872.93) lacs in 2019- 20. The Profit (PAT) for the Year decreased by 271.82% from Rs (2,915.68) lacs in 2018-19 to Rs: (10,841.20) lacs in 2019-20. Total Comprehensive Income for the year decreased by 279.09% at Rs. (10,789.12) Lacs as against Rs (2,846.04) Lacs in 2018-19. Consequently, the earnings per share stood at Rs: (11.56) (basic) and Rs: (11.56) (diluted) for 2019-20 against Rs: (3.05) (basic) and Rs: (3.05) (diluted) for 2018-19.

## **DIVIDEND**

In view of the loss incurred and tight liquidity position of the company, the Directors, do not recommend any dividend for the financial year under review

## **TRANSFER TO RESERVES**

The Company has not transferred any amount to the General Reserve during the financial year ended on March 31, 2020.

## **SHARE CAPITAL**

The paid-up Equity Share Capital as on 31st March, 2020 was Rs. 4,666.27 lacs.

## **OPERATIONS**

The global ferro chrome market, in terms of demand as well as price, has been at its bottom since July 2019. Persistent low downstream demand resulted in rise in inventories and excess supply bringing the prices of ferro chrome to historically low levels. Accordingly, there was a substantial drop in turnover, production and revenues since the second quarter of 2019-20.

During the FY 2019-20 ferro-alloy production was 1,10,826 MT against 1,47,756 MT in 2018-19, a 24.99% decrease.

## **MINES**

Government of Odisha had granted of mining lease for chromite over a land of 35.60 hects in Sukinda Valley, Jaipur District for 50 years vide Government proceeding No 298 /SM dated 09.01.2017 under Section 10A(2)(c) of the Mines and Minerals (Development and Regulations) (MMDR) Amendment Act, 2015 read with Rule 8(2) of Minerals Concession Rules (MCR), 2016 to the company and asked to furnish the performance security in form of Bank Guarantee and also to sign the Mines

Development and Production Agreement (MDPA) followed by execution of the lease deed and registration thereof on or before 11.01.2017 as required under rule 8(4) of the MCR, 2016.

For the delay in the execution of the lease under the MMDR Amendment Act, 2015 and the Rules under the MCR, 2016, the company moved Hon'ble Orissa High Court and the Hon'ble Orissa High Court vide its Judgment dated 24.04.2018 has directed State Government to execute and register the Lease deed within 2 months' time from date of the Judgment.

State Government didn't adhere with the direction of the Hon'ble Orissa High Court. Therefore, the Company again approached the Hon'ble High Court and filed a contempt Petition. The same was heard by the Hon'ble High Court on 25.01.2019 and the Court admitted the same and issued notices to the opposite parties (State of Orissa & Ors.).

In the meantime, on 19.02.2019, the State of Odisha filed SLP in the Supreme Court of India against the judgment / order dated 24.04.2018 passed by the Hon'ble High Court of Orissa praying for quashing of the order and to stay of the operation of the said order.

On 11.03.2019 the matter was listed before the Hon'ble Chief Justice Bench in the Supreme Court for hearing. After hearing counsels appearing for both sides. The Hon'ble Supreme Court passed the following order:

"Delay condoned. Issue notice. In the meantime, the operation of the impugned order passed by the High Court shall remain stayed."

The matter was last listed for hearing before the Registrar Court on 28.01.2020. Pursuant to the direction of the Registrar all the Affidavits and Counter Affidavits has already been filed by all the concerned parties.

The matter is ready to be listed for final hearing.

## **EXPORT**

Your Company exported 91,670 MT valued at Rs. 63,926.06. Lacs in 2019-20 against 1,13,605 MT valued at Rs. 99,895.70 Lacs during 2018-19. Exports constituted 80.86 % of your Company's turnover in 2019-20.

## **CHALLENGES DUE TO COVID PANDAMIC**

Your company was endeavoring to lift itself out of the morass of the financial and operational crisis since second half on the financial year, the current global pandemic Covid19 and the nationwide lock down struck a double whammy, seriously and adversely affecting and impacting the operations of the company. Unfortunately, with no reduction in the cost of production, the company suffered cash losses and severe liquidity crunch causing delay in payment of certain liabilities, including payment of electricity.

Presently, due to lack of adequate raw material and power supply, the Plants are non-operative and the company is trying to streamline its business/ operations both at its Mine and Plant.

The Plant of the Company has been operational only intermittently. The plant was non-operational for more than 40 "No-Production days" in the months of April and May, 2020 and remained non-operational during from 1<sup>st</sup> of June onwards. As on date on this report, the Plants are non-operative. Consequently, there has been significant loss of production and business, and the revenues and profitability have been adversely affected.

The Company is taking all necessary measures in terms of mitigating the challenges being faced in the business and is adhering all the Governments' advisories related to COVID1-19 and is taking all proactive preventive measures to ensure health and safety of workers/ staff in plants, Mine and offices to the maximum extent possible. Standard Operating Procedures (SOP) complying with all norms related to social distancing, wearing of face masks, proper sanitization and hygiene at workplace for safety and well-being of all the workers and employees have been put in place at Mines, Plant and offices of the Company. Wherever possible and necessary, work from Home Policy has already been adopted by the company.

## **BUSINESS EXCELLENCE DRIVE**

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

Besides, disciplined preventive maintenance facilitated in improving equipment health. During the financial year, your Company has recertified to latest certifications of ISO 9001:2015, ISO 14001:2015, ISO 55001:2014, ISO 27001:2013, ISO 45001:2018 and continued to have certification of SA8000:2014 and ISO 50001:2011. Mines also continued to have certification of ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and SA8000:2014. With this the company has successfully implemented the Integrated Management System (IMS) which integrates all business processes across the value chain in addition to integrating the process involved in Management Initiatives and all forms of ISO Management System.

### **INDUSTRY OUTLOOK**

The chromium industry was plagued by persistently low downstream demand, rising inventories and oversupply bringing prices to historical lows.

Cr ore and FeCr production growth slowed year on year amid the difficult market conditions and broad production cuts.

While South Africa remained the largest supplier of Chrome ore, the industry continued to face Power issues amid Eskom Power supply difficulties, labour movement and logistics issues leading to production cuts.

UG2 concentrate production became more competitive in light of the low prices & production continued to grow going over the 6 MT mark. China remained the main driver from the demand side. (Source: ICDA report Chromium Industry at a glance 2019)

### **BUSINESS STRATEGY-**

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

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

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



The company has already commenced to excavate the blocked chrome ore in the open case benches by Drift & Fill method which has been done for the first time in the country. The company is also developing underground mining in Kaliapani Chromite Mines of Sukinda.

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

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

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES: SUBSIDIARIES**

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

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

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

During the year under review there is no loan given, the details of investment made and the Guarantees provided under the provisions of Section 186 of the Companies Act, 2013 are given in the note no 3&4 respectively of the Financial Statements of the Company for the year ended on 31st March, 2020.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year ended March 31, 2019, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, your Company did not have any Related Party Transaction which required prior approval of the Shareholders.

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

## **PUBLIC DEPOSITS**

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

## **AUDITORS & AUDITORS' REPORT**

Pursuant to provision of Sections 139 and 142 and other applicable provisions, if any, of the Act and Rules made thereunder and based on the recommendations of the Audit Committee and Board, M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W), Statutory Auditors of the Company have been re-appointed by the members at the 30<sup>th</sup> Annual General Meeting held on 28<sup>th</sup>

September, 2018 for the second term of five years, to hold office from the conclusion of 30th AGM until the conclusion of the 35th AGM of the Company on such remunerations as shall be fixed by the Board of Directors from time to time in consultation with the Auditors.

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 therecommendation of the Audit Committee, the Board of Directors at its meeting held on July 30, 2020, 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 2020-21 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, 2019 was filed with Central Government in specified formswithin the due date by the Cost Auditors of the Company. The Report of the Cost Auditors for the Financial Year ended on March 31, 2020 is under finalization and will be filed with the MCA within the prescribed period.

### **INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of (The Companies (Accounts) Rules 2014)and based on the recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on July30, 2020, 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 2020-21 to conduct the internal audit of the Company.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendations of the Audit Committee,the Board of Directors at its meeting held on May 30, 2019,has approved the appointment of M/s MKB & Associates, Company Secretaries, as the Secretarial Auditor of the Company forconducting the Secretarial Audit of the Companyfor the financial year 2019-20.

The report of M/s. MKB & Associates, Secretarial Auditor of the Company for the financial year ended on 31st March, 2020 is annexed to this Report as **Annexure- 2**. The Secretarial Audit Report contains the following qualification as:

- *the company did not have a women director on its Board during the period from 24.04.2018 to 02.04.2019;*

The shareholders may kindly note that, the vacancy of a Women Director occurred due to resignation of Ms. Mita Jha. After her resignation the process of identifying a suitable candidate was sincerely initiated by the Nomination & Remuneration Committee. Subsequently, Mrs. Rupanjana De was appointed as a Director under the category - Independent Woman Director w.e.f. 3<sup>rd</sup> April, 2019.

- *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;*

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

- *the Company had not complied with the provisions of Section 123(4) in respect of dividend relating to Financial Year 2018-19 to be paid to the promoter shareholders of the Company. The company has not deposited the amount of dividend payable to promoter shareholders in separate bank account within five days of declaration of dividend;*
- *the Company had not complied with the provisions of Section 124(1) in respect of dividend relating to Financial Year 2018-19 to be paid to the promoter shareholders of the Company. The company has not paid the dividend to promoter shareholders within thirty days of declaration of dividend;*
- *the company has not transferred the shares on which dividend for the financial year 2011-12 and thereafter for a continuous period of seven consecutive years has not been claimed by the shareholders of the Company*
- *the company has converted warrants issued to promoters of the Company on preferential basis into equity shares on 30.03.2018. The company has not applied for listing of the aforesaid equity shares.*

No fraud has been detected during the year by any of the auditors of the Company.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

### **I. INDEPENDENT DIRECTORS:**

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

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

#### **(b) FAMILIARIZATION PROGRAMME UNDERTAKEN FOR INDEPENDENT DIRECTORS**

The Independent Directors are familiarized 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 includes 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 familiarization Programme imparted by the Company to its Independent directors is displayed at its website i.e., [www.balasorealloys.com](http://www.balasorealloys.com)

### **II. NON-INDEPENDENT DIRECTORS:**

#### **(a) WOMAN DIRECTOR:**

As per the provisions of Section 149(1) of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is required to have at least one Woman Director on its Board. After the resignation of Ms. Mita Jha, Director of the Company w.e.f. 24th April, 2018, Mrs.

Rupanjana De was appointed as an Independent Woman Director of the Company w.e.f. 3rd April, 2019.

**(b) APPOINTMENT OF DIRECTORS:**

Based on the recommendation of Nomination and Remuneration Committee Mrs. Rupanjana De was appointed as an Independent Woman Director of the Company w.e.f. 03rd April, 2019. Thereafter, based on the recommendation of Nomination and Remuneration Committee and Audit Committee Mr. Akula Nagendra Kumar was appointed as Whole-time Director designated as Executive-Director of the Company w.e.f. 30th May, 2019. Further, based on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors in its Meeting held on 13<sup>th</sup> April, 2020, Mr Anil Kumar Sureka, Managing Director of the company was reappointed as Managing Director of the company for another one year i.e. from 17.04.2020 to 16.04.2021.

**(c) RESIGNATION OF DIRECTORS:**

During the year under review Mr Dhiren Kumar Nath resigned from the office of Executive Director designated as Director-Operations w.e.f., 16<sup>th</sup> September 2019. The Board placed on record its sincere appreciation for the valuable guidance and contribution made by Mr Dhiren Kumar Nath in the deliberation of the Board during her tenure as Director 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. Nikunj Pansari (DIN: 08023216) retires by rotation, and being eligible, offers himself for re-appointment. In view of his considerable experience and contribution to the Company, your Directors recommend his re-appointment.

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

**III. KEY MANAGERIAL PERSONNEL**

As on the date of this report, Mr. Anil Sureka, Managing Director, Mr. Nikunj Pansari, Director Finance & CFO, Mr. Akula Nagendra Kumar Executive-Director and Mr. Trilochan Sharma, President & Company Secretary of the Company are the Key

Managerial Personnel of the Company, pursuant to Section 203(2) of the Companies Act, 2013.

## **MEETINGS:**

### **MEETINGS OF BOARD OF DIRECTORS**

During the financial year ended on 31st March,2020,Four Board Meetings were held,the detail of the meetings and the number of meetings attended by each director of the Companyare 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**

Section149, Schedule .IV of the Companies Act 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, mandates the independent directors (ID) of a company to hold at least one separate meeting in a financial year themselves. In this meeting, the Independent Directors evaluates the performance of Board and its Committee as a whole, Directors, Non-Executive Directors and also assess the quality, quantity and the timeliness of flow of information between the Management and the Board. it is usual practice to hold such separate meeting towards the end of financial year.

In view of the sudden unprecedented lockdown imposed in India due to the COVID-19 pandemic situation across the world, the Independent Directors didn't have adequate time and information at hand to convene such separate meeting and hence the separate Independent Directors meeting couldn't be convened during the period under review.

Further, MCA has vide its General Circular No. 11/2020 dated 24<sup>th</sup> March, 2020 had waived the requirement of holding Independent Director (ID) Meeting for the financial year 2019-20and it would not be viewed as a non-compliance of the statutory provisions.

### **PARTICULARS OF EMPLOYEES**

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

The particulars of employees as required under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-

enactments for the time being in force) in respect of the Top 10 Employees(*in terms of remuneration drawn*)including Employees employed throughout the financial year under review and in receipt of remuneration aggregating not less than Rs. 1,02,00,000 per annuas given in Annexure-'4' hereto and forms part of this Report.

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT –**

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

- (i) in the preparation of the annual accounts for the year ended 31st March,2019, 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 in Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015, is attached to the Report on corporate governance. This Certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

## **CEO/CFO CERTIFICATION**

Pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015 pertaining to corporate governance norms, Mr. Anil Sureka, Managing Director of the Company and Mr. Nikunj Pansari, Director-Finance & CFO of the Company have certified inter-alia, about review of financial statements and establishing & maintaining internal control to the financial reporting for the year ended on 31<sup>st</sup> March, 2020. 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 to carry out an annual performance evaluation of its own performance and that of its Committees and individual Directors. However, In view of the sudden unprecedented lockdown imposed in India due to the COVID-19 pandemic situation across the world, the Independent Directors didn't have adequate time and information at hand to convene such separate meeting and hence the separate Independent Directors meeting couldn't be convened during the period under review.

Further, MCA has vide its General Circular No. 11/2020 dated 24<sup>th</sup> March, 2020 had waived the requirement of holding Independent Director (ID) Meeting for the financial year 2019-20 and it would not be viewed as a non-compliance of the statutory provisions.

## **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

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

## **COMMITTEES OF BOARD**

### **AUDIT COMMITTEE**

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

### **NOMINATION AND REMUNERATION COMMITTEE**

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

## **POLICIES AND CODES**

### **REMUNERATION POLICY**

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

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

### **WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

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

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

### **RISK MANAGEMENT POLICY**

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

#### **Principles of Risk Management:**

1. All business decisions will be made with the prior information and acceptance of risk involved.
2. The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses.
3. All employees of the company shall be made aware of risks in their respective domains and their mitigation measures.

4. The risk mitigation measures adopted by the company shall be effective in the long-term and to the extent possible be embedded in the business processes of the company.
5. Risk tolerance levels will be regularly reviewed and decided upon depending on the change in company's strategy.
6. The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

### **Risk Management Policy Statement**

The policy statement is as given below:

1. To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting of all the probable 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 a large, empowering individual (specially women) making them self-reliant, eradicating poverty, providing sanitation facilities & safe drinking water, promoting education, supporting economically weaker section of the society and ensuring environment sustainability.

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

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

[http://www.balasorealloys.com/upload/media/csr-policy/CSR\\_25\\_06\\_2018.pdf](http://www.balasorealloys.com/upload/media/csr-policy/CSR_25_06_2018.pdf)

The Report on CSR activities or initiatives for the financial year 2019-20 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 20<sup>th</sup> May, 2014 had approved the policy on materiality of and dealing with Related Party Transactions. The policy regulates the transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company and also lays down mechanism for identification, approval, review and reporting of such transactions.

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

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

#### **POLICY ON PRESERVATION AND ARCHIVING OF THE DOCUMENTS**

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

## **POLICY TO DETERMINE THE MATERIAL EVENTS**

The Board at its meeting held on 14<sup>th</sup> 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 28<sup>th</sup> September, 2016 had approved the Policy for determining Material Subsidiaries. The Policy for determining Material Subsidiaries specifies the process of determination and compliances in respect of Material Subsidiaries.

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

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

## **CODE OF CONDUCT**

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

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

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

## **CODE OF INSIDER TRADING**

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

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

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

## **OTHER REQUIREMENTS:**

### **EXTRACT OF THE ANNUAL RETURN**

Extract of the Annual Return as on the financial year ended on 31<sup>st</sup> March, 2020 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 is no significant material Orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the company and its future operations.

### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF).**

Pursuant to provisions of Section 124 and 1250 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") as amended from time to time, the Company has deposited a sum of Rs. 12,89,088.50 into the specified bank account of the IEPF, Government of India towards unclaimed or unpaid dividend amount for the financial year 2011-12. Further, corresponding 618012 shares in respect of which dividend remains unclaimed or unpaid for seven consecutive years couldn't be transferred to the Demat account of the IEPF Authority.

### **PERSONNEL**

Your company is continuing the tradition of excellence in human capital management by adopting all modern tools and techniques of human management. The pragmatic and proactive approach of management has contributed in enhancing the job satisfaction of employees. Your company has analyzed the Strength and Weakness of key functions to internalize the gap and similarly Opportunities and Threats to mitigate the external forces. Your company always remains vigilant to capitalize on talent pool in order to promote performance driven work culture both within and outside the organization. The continuous dialogue sessions with the office bearers of union, prompt grievance redressal and implementation of employees' friendly welfare scheme has been institutionalized. A congenial productive atmosphere has been created through mutual trust and transparency between the management and the union.

## **AWARD AND RECOGNITION**

The Company has received many recognitions for its outstanding performance during the financial year 2019-20:

1. Your company received the following four Prizes in different activities inspected during 21st Mining Environment and Mineral Conservation (MEMC) week 2019-20 in Bhubaneswar:
  - a. First prize in waste dump management
  - b. First prize in mineral beneficiation
  - c. Second prize in overall performance
  - d. Second prize in sustainable development
2. The Company was awarded as the "Star Performer" Award for **Excellence in Exports of MEIS Items** for the year 2016-17 in the product group - Ferro alloys, Large Enterprise by EEPC Eastern Region, branch of EEPC India, trade and investment promotion organization sponsored by the Ministry of Commerce & Industry, Government of India.
3. The company received Silver Award "Three Star Export House- Non MSME" from Federation of Indian Export Organizations, Eastern Region in 6th Export Excellence Awards for the year 2017-2018.

## **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.

## **CREDIT RATING**

As on 01.01.2020, CARE Ratings Limited (CARE) has affirmed Credit Rating CARE BB (Double B) for the long-term Bank Facilities and CARE A4 (A Four for the Short-term Bank Facilities of your Company. The outlook on the Long Term and Short-term Rating has been assigned to 'Stable'.



## **APPRECIATION**

Your directors place on records 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 of Directors**

**Anil Sureka**  
Managing Director  
DIN: 00058228

**Asish K. Bhattacharyya**  
Director  
DIN: 0079903

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of Subsidiaries / Associate Companies/ Joint Ventures**

## Part "A": Subsidiaries

Sl. No.	Particulars	(Rs In Lacs)	
		Name of the subsidiaries	
1.	Date since when subsidiary was acquired	Milton Holdings Ltd.	Balasore Metals Pte. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	17.06.2008	15.12.2011
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.	N.A.
4.	Share capital (Issued, Subscribed & Paid Up)	1USD = INR 74.64	1USD = INR 74.64
5.	Reserves & surplus (incl. debit balance in Profit & Loss Account).	2,194.83	0.00*
6.	Total assets	(2,223.74)	(123.70)
7.	Total Liabilities	0.07	0.07
8.	Investments	28.99	123.77
9.	Turnover	-	-
10.	Profit / Loss before taxation	-	-
11.	Provision for taxation	(4.03)	(56.45)
12.	Profit after taxation	-	-
13.	Proposed Dividend	(4.03)	(56.45)
14.	% Of shareholding	-	-
		100%	100%

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

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

## Notes:

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

For Chaturvedi & Shah  
 Firm registration number: 101720W  
 Chartered Accountants

For and on behalf of the Board of Directors

Amit Chaturvedi  
 Partner  
 Membership no.: 103141

Anil Sureka  
 (Managing Director)  
 DIN No.- 00058228

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

Place: Mumbai  
 Date: 30<sup>th</sup> July, 2020

Place: Kolkata  
 Date: 30<sup>th</sup> July, 2020

Trilochan Sharma  
 (Company Secretary)  
 Membership No. FCS 6024

A/Cs,

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

**Part "B": Associates**

Sl. No.	Name of Associates	Balasore Energy Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2020
2	Date on which the Associate or Joint Venture was associated or acquired	15 <sup>th</sup> May, 2008
3	Shares of Associate held by the company on the year end	
	- No. of Shares	17000
	- Amount of Investment in Associates (Rs. 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% 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 (Rs. in Lacs)	0
7	Profit / Loss for the year	
	i. Considered in Consolidation (Rs. in Lacs)	-
	ii. Not Considered in Consolidation*	(0.43)

\*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 LLP**  
Firm Registration No. 101720W  
Chartered Accountants

**For and on behalf of the Board of Director**

**Amit Chaturvedi**  
Partner  
Membership no.: 103141

**Anil Sureka**  
(Managing Director)  
DIN No.- 00058228

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

Place: Mumbai  
Date: 30<sup>th</sup> July, 2020

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

**Trilochan Sharma**  
(Company Secretary)  
Membership No. FCS 6024

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020  
*[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 31<sup>st</sup> March, 2020 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020, 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - f) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- 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 and the rules, regulations made thereunder.
  - b) The Mines and Minerals (Development & Regulation) Act, 1957 and Rules thereunder
  - c) The Mineral Conservation and Development Rules, 1988 and The Mineral Conservation and Development Rules, 2017
  - d) The Water Cess Act, 1977
  - e) The Explosives Rules, 2008

- f) The Metalliferous Mines Regulations, 1961
- g) The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines, labour Welfare Cess Act, 1976 and Rules thereunder
- h) The Hazardous Waste (Management, Handling and Transboundary Movements) Rules 2008.
- i) Environment Protection Act, 1986 and the rules, notifications issued thereunder.
- j) Factories Act, 1948 and allied State Laws.

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

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

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

- a) *the company did not have a women director on its Board during the period from 24.04.2018 to 02.04.2019;*
- b) *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;*
- c) *the Company had not complied with the provisions of Section 123(4) and Section 124(1) of Companies Act, 2013 in respect of dividend relating to Financial Year 2018-19 to be paid to the promoter shareholders of the Company. The company has neither deposited the amount of dividend payable to promoter shareholders in separate bank account within five days of declaration of dividend nor paid the dividend to them within thirty days of declaration of dividend;*
- d) *the company has not transferred to Investor Education & Protection Fund the shares on which dividend for the financial year 2011-12 has not been paid or claimed for seven consecutive years by the shareholders of the Company*

- e) the company has converted warrants issued to promoters of the Company on preferential basis into equity shares on 30.03.2018. As required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the company has not applied for listing of the aforesaid equity shares*

We further report that

- a) Except as mentioned above, 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:

- i. Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as the Whole-time Director of the Company;
- ii. Payment of remuneration to Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company for the period from April 01, 2018 to April 16, 2020;
- iii. Payment of remuneration to Mr. Dhiren Kumar Nath (DIN:08022082), Director – Operations for the period from April 01, 2018 to March 31, 2021

- iv. Payment of remuneration to Mr. Nikunj Pansari (DIN: 08023216), Director-Finance & Chief Financial Officer of the Company for the period from April 01, 2018 to July 25, 2018 and August 11, 2018 to March 31, 2021

This report is to be read with our letter of even date which is annexed as Annexure – 1 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

Date: 30.07.2020  
Place: Kolkata  
UDIN: A011470B000533508



Annexure – 1

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.

*Note: There was lockdown declared by the Central Government in the country due to COVID-19 pandemic since 24th March 2020. During the Lockdown and continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.*

For MKB & Associates  
Company Secretaries

Manoj Kumar Banthia  
(Partner)  
ACS no. 11470  
COP no. 7596  
FRN: P2010WB042700

Date: 30.07.2020  
Place: Kolkata  
UDIN: A011470B000533508

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 2019-20:

Managing Director: 47.86 times

Director-Finance: 22.39 times

Executive Director-Operations: 16.43 times

Company Secretary: 13.17 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 2019-20:

Managing Director: NIL

Director-Finance: NIL

Executive Director-Operations: NIL

Company Secretary: NIL

- (iii) Percentage increase in the median remuneration of employees in the financial year 2019-20:

0.03% Decrease in median remuneration

- (iv) There are 882 Number of employees (870 Permanent employees and 12 contractual employees) on the rolls of company as on 31.03.2020.

- (v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Avg. % increase below Manager (2019-20): NIL

Avg. % increase Managerial personnel (2019-20): NIL

- (vi) It is affirmed that the remuneration is as per the remuneration policy of the company.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

Anil Sureka  
Managing Director  
DIN: 00058228

Asish K. Bhattacharyya  
Director  
DIN: 00799039

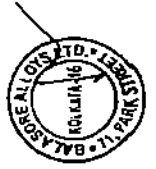


Annexure-4

**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 31<sup>st</sup> March 2020**

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

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 (Rs. In Lacs)	Last Employment- Designation
1	Anil Sureka	Managing Director	Contractual	B.Com&CS	65	17.04.2012	47 Years	154.87	JSW Ispat Steel Ltd. - Executive Director (Finance)
2	Nikunj Pansari	Director - Finance & CFO	Contractual	MBA	35	01.06.2009	11 Years	75.27	N.A.
3	Vinod Kumar Jodhani	President - CRM	Permanent	B.Com	51	01.01.1990	31 Years	69.39	N.A.
4	Akula Nagendra Kumar	Executive Director - Operations	Contractual	B. Tech- Mechanical, MBA- Operations, M. Tech.- Metallurgy	56	30.03.2019	33 Years	45.62	Lloyds Metals and Energy
5	Trilochan Sharma	President & Company Secretary	Permanent	FCA, FCS, FCMA, MIA	51	15.11.2001	29 Years	45.37	Das & Prasad
6	Shailendra Pratap Singh	Vice President - Engineering	Permanent	B.E.- Mechanical, Diploma in Management	60	18.05.2017	38 Years	43.52	Hindustan Zinc
7	Gyanendra Nath	Senior Vice President - Other Projects	Permanent	M. Sc., B.E.- Mechanical, PGDBM	56	19.11.2016	32 Years	40.57	Jindal Steel



8	Tarini Prasad Mohanty	Vice President - Mines Operations	Permanent	M.Sc. GEOLOGY, PGDMM, MBA	56	03.05.2013	32 Years	34.36	Visa Steel
9	Azfar Shahab	General Manager - IT	Permanent	B.E. - Computer Science	48	19.11.2018	24 Years	30.52	Tega Industries
10	Suman Sengupta	Vice President - F&A	Permanent	B. Com.	43	28.05.2012	18 Years	30.13	GPI

**Notes:**

1. There is no Employee employed for part of the financial year under review and in receipt of remuneration not less than Rs. 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 travel facility and taxable value of perquisites.
3. None of the employee mentioned above is a relative of any of the Director of the Company.
4. None of the employee has drawn in excess of remuneration drawn by MD / WTD and holds not less than 2% of the Equity Shares of the Company as on March 31, 2020.

For and on behalf of the Board of Directors

*[Signature]*

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

Anil Sureka  
Managing Director  
DIN: 00058228

Asish K. Bhattacharyya  
Director  
DIN: 00799039



Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March, 2020  
of

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

**I. REGISTRATION AND OTHER DETAILS:**

- |   |   |
|---|---|
| i) CIN  | : L27101OR1984PLC001354   |
| ii) Registration Date   | : 31 05 1984  |
| iii) Name of the Company  | : BALASORE ALLOYS LIMITED   |
| iv) Category / Sub-Category of the Company  | : Public company - LIMITED BY SHARES  |
| v) Address of the Registered Office and contact details                             | : Balgopalpur - 756 020, Dist. Balasore, Odisha<br>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 & Transfer Agents (RTA), if any | : MCS Share Transfer Agent Ltd.<br>Unit: Balasore Alloys Limited<br>383 Lake Gardens,<br>1st Floor,<br>Kolkata - 700 045<br>Ph. Nos. +91 33 4072 4051 / 4052 / 4053<br>Fax Nos. +91 33 4072 4050<br>E-mail: mcssta@rediffmail.com<br>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 share 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 Energy Ltd. Balgopalpur - 756 020, Dist. Balasore, Odisha	U40102OR2008PLC010020	Associate Company	34%	2(6)



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 1 <sup>st</sup> April, 2019)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF	158660	4660	163320	0.18	158660	4660	163320	0.18	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	40346900	0	40346900	43.23	40346900	0	40346900	43.23	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	40505560	4660	40510220	43.41	40505560	4660	40510220	43.41	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other - Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	16828420	0	16828420	18.03	16828420	0	16828420	18.03	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2)	16828420	0	16828420	18.03	16828420	0	16828420	18.03	0.00
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>57333980</b>	<b>4660</b>	<b>57338640</b>	<b>61.44</b>	<b>57333980</b>	<b>4660</b>	<b>57338640</b>	<b>61.44</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	100	13500	13600	0.01	240	3100	3340	0.00	0.00
(b) Banks / FI	3061	587922	590983	0.63	3061	588322	601383	0.64	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) FIs	1697013	0	1697013	1.82	1697013	0	1697013	1.82	0.00
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1)	1700174	601422	2301596	2.47	1700314	601422	2301736	2.47	0.00
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	3090571	46533	3137104	3.36	2524408	41957	2566365	2.75	-1.28
(b) NRI / Foreign Co.	555364	573418	1128782	1.21	594517	569298	1163815	1.25	-0.04
(c) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	16075489	7573361	23648850	25.34	16587033	7358418	23945451	25.66	0.82
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	5027804	0	5027804	5.39	5267525	0	5267525	5.64	0.08
(d) Others									
IEPF	741653	-	-	0.79	741653	0	741653	0.79	0.79
Trust	982	0	982	0.00	226	0	226	0.00	0.00
Sub-total (B)(2)	25491863	8193312	33685175	36.09	25715362	7969673	33685035	36.09	0.00



Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2019)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	27192037	8794734	35986771	38.56	27415676	8571095	35986771	38.56	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	84526017	8799394	93325411	100	84749656	8575755	93325411	100	0

(ii) Shareholding of Promoters

SINo	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% 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	GoldlineTracom Pvt Ltd	12402346	13.29	13.18	12402346	13.29	13.18	0.00
2	Navoday Exim Private Limited	500000	0.54	0.54	500000	0.54	0.54	0.00
3	Navdisha Real Estate Private Limited	1801880	1.93	1.93	1801880	1.93	1.93	0.00
4	Indethal Holdings Limited	1304100	1.40	0.00	1304100	1.40	0.00	0.00
5	Ispat Steel Holdings Ltd	689400	0.74	0.00	689400	0.74	0.00	0.00
6	Securex Holding Limited	365900	0.39	0.00	365900	0.39	0.00	0.00
7	Navoday Highrise Private Limited	6942674	7.44	7.44	6942674	7.44	7.44	0.00
8	Navoday Niketan Private Limited	4100000	4.39	4.39	4100000	4.39	4.39	0.00
9	Global Steel Holdings Limited	34020	0.04	0.00	34020	0.04	0.00	0.00
10	Vinod Kumar Mittal	2330	0.00	0.00	2330	0.00	0.00	0.00
11	Pramod Kumar Mittal	5710	0.00	0.00	5710	0.00	0.00	0.00
12	Archana Mittal	420	0.00	0.00	420	0.00	0.00	0.00
13	Saroj Rateria	154300	0.17	0.00	154300	0.17	0.00	0.00
14	Santosh Kumar Rateria	3617	0.00	0.00	560	0.00	0.00	0.00
15	Dankuni Investments Limited	3300000	3.54	0.00	3300000	3.54	0.00	0.00
16	Navoday Consultants Limited	3300000	3.54	0.00	3300000	3.54	0.00	0.00
17	Jallarang Vanijya Pvt. Ltd.	8000000	8.57	0.00	8000000	8.57	0.00	0.00
18	Direct Trading & Investments Singapore Pte. Ltd.	2900000	3.11	0.00	2900000	3.11	0.00	0.00
19	Global Steel Holdings Asia Pte. Ltd.	6639983	7.11	0.00	6639983	7.11	0.00	0.00
20	Prasan Global Ventures Singapore Pte. Ltd.	4895017	5.25	0.00	4895017	5.25	0.00	0.00



## (iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Share holding 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	<u>Goldline Tracom Pvt. Ltd.</u>				
	At the beginning of the year	12402346	13.29		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			12402346	13.29
2	<u>Navoday Exim Pvt. Ltd.</u>				
	At the beginning of the year	500000	0.54		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			500000	0.54
3	<u>Navdisha Real Estate Pvt. Ltd.</u>				
	At the beginning of the year	1801880	1.93		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			1801880	1.93
4	<u>Indethal Holdings Limited</u>				
	At the beginning of the year	1304100	1.40		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			1304100	1.40
5	<u>Ispat Steel Holdings Limited</u>				
	At the beginning of the year	689400	0.74		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			689400	0.74
6	<u>Securex Holding Limited</u>				
	At the beginning of the year	365900	0.39		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			365900	0.39
7	<u>Navoday Highrise Pvt. Ltd.</u>				
	At the beginning of the year	6942674	7.44		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			6942674	7.44
8	<u>Navoday Niketan Pvt. Ltd.</u>				
	At the beginning of the year	4100000	4.39		
	Increase/decrease during the year	No changes during the year			
	At the end of the year			4100000	4.39





	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
10	<b>Vinod Kumar Mittal</b>				
	At the beginning of the year	2330	0.00		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			2330	0.00
11	<b>Pramod Kumar Mittal</b>				
	At the beginning of the year	5710	0.00		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			5710	0.00

(iii) Change in Promoters' Shareholding(Cont.)

Sl. No.	Particulars	Share holding 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	<b>Archana Mittal</b>				
	At the beginning of the year	420	0.00		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			420	0.00
13	<b>Saroj Rateria</b>				
	At the beginning of the year	154300	0.17		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			154300	0.17
14	<b>Santosh Kumar Rateria</b>				
	At the beginning of the year	560	0.00		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			560	0.00
15	<b>Dankuni Investments Limited</b>				
	At the beginning of the year	3300000	3.54		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			3300000	3.54
16	<b>Navoday Consultants imited</b>				
	At the beginning of the year	3300000	3.54		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			3300000	3.54
17	<b>Jaltarang Vanijya Pvt. Ltd.</b>				
	At the beginning of the year	8000000	8.57		
	Increase/decrease during the year		No changes during the year		
	At the end of the year			8000000	8.57
18	<b>Direct Trading &amp; Investments Singapore Pte. Ltd.</b>				
	At the beginning of the year	2900000	3.11		
	Increase/ decrease during the year-		No changes during the year		
	At the end of the year			2900000	3.11



19	<u>Global Steel Holdings Asia Pte. Ltd.</u>	6639983	7.11		
	At the beginning of the year	No changes during the year			
	Increase/decrease during the year-				
	At the end of the year			6639983	7.11
20	<u>Prasan Global Ventures Singapore Pte. Ltd.</u>				
	At the beginning of the year	4895017	5.25		
	Increase/ decrease during the year-	No changes during the year			
	At the end of the year			4895017	5.25



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Srl	For Each of the top ten Shareholders		Shareholding at the beginning of the year as on 31.03.2019		Shareholding at the end of the year as on 31.03.2020	
			No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	India Focus Cardinal Fund					
	At the beginning of the year		1697013	1.82		
	At the end of the year				1697013	1.82
2	Sangeetha S					
	At the beginning of the year		0	0.00		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	08.11.2019	Buy	1532050	1.64	1532050	1.64
	At the end of the year				1532050	1.64
3	Unit Trust of India					
	At the beginning of the year		581760	0.62		
	At the end of the year				581760	0.62
4	C Ajay					
	At the beginning of the year		414485	0.44		
	At the end of the year				414485	0.44
5	Kimberley Steel and Equipment Services Pvt Ltd					
	At the beginning of the year		405257	0.43		
	At the end of the year				405257	0.43
6	Delta Trading Company Ltd					
	At the beginning of the year		326100	0.35		
	At the end of the year				326100	0.35
7	Rajni Tarun Jain					
	At the beginning of the year		300000	0.32		
	At the end of the year				300000	0.32
8	Sadhana Mehotra					
	At the beginning of the year		358526	0.38		
	Date Wise increase(+)/decrease(-) with					



	reasons, during the year					
	Date	Reason				
	09.08.2019	Sell	24657	0.026	333869	0.36
	16.08.2019	Sell	15940	0.017	317929	0.34
	23.08.2019	Sell	17929	0.019	300000	0.32
	At the end of the year				300000	0.32
9	Champion Commercial Company Ltd					
	At the beginning of the year		270416	0.29		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	At the end of the year				270416	0.29
10	Ajit Kantilal Shah					
	At the beginning of the year		200000	0.21		
	At the end of the year				200000	0.21
11	Subramanian P					
	At the beginning of the year		1532050	1.64		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	08.11.2019	sell	1532050	1.64	0	0.00
	At the end of the year				0	0.00

(iv) 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 01.04.2019)		Cumulative Shareholding during the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr A K Bhattacharyya	0	0.00	0	0.00
2.	Mr S K Pal	0	0.00	0	0.00
3.	Mr Shanlanu Mohapatra	0	0.00	0	0.00
4.	Prof. S K Majumdar	0	0.00	0	0.00
5.	Mr K P Khandelwal	0	0.00	0	0.00
6.	Ms. Rupanjana De*	0	0.00	0	0.00
7.	Mr K C Raut Nominee Director - SBI.	0	0.00	0	0.00
8.	Mr. Nikunj Pansari Director-Finance & CFO	100	0.00	100	0.00



9.	Mr Dhiren Kumar Nath** Director-Operations	0	0.00	0	0.00
10.	Mr Anil Sureka Managing Director	0	0.00	0	0.00
11.	Mr. Akula Nagendra Kumar Executive Director	0	0.00	0	0.00
12.	Mr. Trilochan Sharma Company Secretary	100	0.00	100	0.00

\*Appointed as Independent Women Director w.e.f. 03.04.2019

\*\* Ceased to be director w.e.f. 16.09.2019



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lacs)

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.19				
i) Principal Amount	9,835.47	1,620.00	-	11,455.47
ii) Interest due but not paid	-	469.20	-	469.20
iii) Interest accrued but not due	3.89	4.32	-	8.21
Total (i+ii+iii)	9,839.36	2,093.52	-	11,932.88
Change in Indebtedness during the financial year				
• Addition	569.44	2,110.00	-	2,679.44
• Reduction	(531.90)	(423.27)	-	(955.17)
Net Change				
Indebtedness at the end of the financial year as on 31.03.20				
i) Principal Amount	9,776.83	3,115.00	-	12,891.83
ii) Interest due but not paid	98.28	665.25	-	763.53
iii) Interest accrued but not due	1.79	-	-	1.79
Total (i+ii+iii)	9,876.90	2,093.52	-	13,657.18

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Anil Sureka (Managing Director)	Mr. Nikunj Pansari (Director-Finance & CFO)	Mr. Dhiren Kumar Nath (Director-Operations)	Mr. Akula Nagendra Kumar (Executive Director)*	
1	Gross salary:					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	140.50	65.69	21.72	39.65	267.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.59	5.71	1.45	3.98	17.73
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7.78	3.87	0.61	1.99	14.25
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A1)	154.87	75.27	23.78	45.62	299.54
	Ceiling as per the Act	Due to inadequacy of profits approval of the members as already been taken vide Special Resolution in the 31st AGM of the Company held on 27 <sup>th</sup> September, 2019.				

\* Ceased to be Director-Operations w.e.f. 16.09.2019

\*\* Appointed as Whole-time director w.e.f. 30.05.2019



**B. Remuneration to other directors: -**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount Rs.
		Mr. S Mohapatra	Mr. S K Pal	Mr. A K Bhattacharyya	
	Independent Directors				
	• Fee for attending board/committee meetings	3,50,000	8,40,000	11,70,000	23,60,000
	• Commission	-	-	-	-
	• Others	-	-	-	-
	Total (i)	3,50,000	8,40,000	11,70,000	23,60,000

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount Rs.
		Mr. S K Majumdar	Mr. K P Khandelwal	Mr. K C Raut	Ms. Rupanjana Das	
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	9,20,000	7,20,000	1,00,000	7,80,000	25,20,000
	• Commission	-	-	-	-	-
	• Others	-	-	-	-	-
	Total (ii)	9,20,000	7,20,000	1,00,000	7,80,000	25,20,000
	Total (B) = (i+ii)					48,80,000
	Total Managerial Remuneration (A+B)					348.34 Lakhs
	Overall Ceiling as per the Act					Rs. 1187.92 Lacs (being 11% of the net profit of the company as calculated under section 198 of the companies act, 2013)

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/ WTD-**

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Trilochan Sharma (Company Secretary)	Total
1	Gross salary	38.43	38.43
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.67	4.67
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.27	2.27
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	45.37	45.37
	Total		



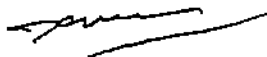
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding			None		

AKS

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

  
Anil Kumar Sureka  
Managing Director  
DIN: 00058228

Asish K. Bhattacharyya  
Director  
DIN: 00799039





**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:

<b>A.</b>	<b>Conservation of energy</b>
<b>(a)</b>	<p><b>The steps taken on conservation of energy:</b></p> <ol style="list-style-type: none"> <li>Optimisation of Cooling Tower Motors– 1 &amp; 2,3, 4 replaced from 18.5 KW to 11 KW with higher energy efficiency- motors.</li> <li>HPSV &amp; MHL (High bay, flood,well glass) replaced with LED lights. - in 3 Phase (254 No's) in Furnace building &amp; Crane bay.</li> <li>Installation of VFD in Underground Vibrating motor system- 7 Nos.</li> <li>Replacement of 200 KW GCP-5 ID Fan motor with higher energy efficiency- IE</li> <li>Installation of APFC Panel-270KVAR with LT panel for improving power factor from 0.80 to 0.97</li> </ol>
<b>(b)</b>	<p><b>The impact on conservation of energy:</b></p> <ol style="list-style-type: none"> <li>Sl.No- (I) - Annual saving 6900 Kwh @Rs 5.6/Kwh = Rs.38,460/-</li> <li>Sl.No- (II) - Annual saving 12067.2 Kwh @Rs 5.6 /Kwh = Rs.67,576/-</li> <li>Sl.No- (III) - Intangible Benefits :- 1) Reduction in Dust generation. 2) Reduction in Maintenance Cost</li> <li>Sl.No- (IV) - Intangible Benefits :-1) Increase in ID Fan Efficiency</li> <li>Sl.No- (V) - Intangible Benefits :- 1) Increase in LT Panel Power factor from 0.8 to 0.97 2) Reduction in Maximum Demand of LT Panel</li> </ol>
<b>(ii)</b>	<p><b>The steps taken by the company for utilising alternate sources of energy:</b></p> <ol style="list-style-type: none"> <li>We are planning to installed the 20 MW solar PV Power Generation Project in BAL premises, for this we have appointed a GENSOL consultancy to study the feasibility study, Tender Specification preparation and Project Management.</li> <li>Solar Water Heater at Guest House and Colony - 6 no's (Colony – 2no's+ Guest House 2 no's + Canteen 2 No's).</li> <li>100% utilization of Day light for all closed or Covered Sheds.</li> </ol>
<b>(iii)</b>	<p><b>The capital investment on energy conservation equipments:</b></p> <ol style="list-style-type: none"> <li>Optimisation of Cooling Tower Motors– 1 &amp; 2 ,3, 4 replaced from 18.5 KW to 11 KW with higher energy efficiency- motors.Investment of <b>Rs. 1.5 Lakh.</b></li> <li>HPSV &amp; MHL (Highbay, flood, well glass) replaced with LED lights. - in 3 Phase (254 No's) in Furnace building &amp; Crane bayRs. <b>12.83 Lakh.</b></li> <li>Installation of VFD in Underground Vibrating motor system- 7 Nos.. <b>Rs. 5.61 Lakh.</b></li> <li>Replacement of 200 KW GCP-5 ID Fan motor with higher energy efficiency- IE <b>Rs. 6.03 Lakh.</b></li> <li>Installation of APFC Panel-270KVAR with LT panel for improving power factor from 0.80 to 0.97 <b>Rs. 3.48 Lakh.</b></li> </ol>



<b>B.</b>	<b>Technology Absorption:</b>
(i)	<b>Efforts made towards technology absorption:</b> (i) Heat recovery system – To pre heat the raw materials.
(ii)	<b>Benefits derived from Efforts made towards technology absorption:</b> (i) Process stability and Optimization. (ii) Improving Automation system Reliability. (iii) Less energy losses.
(iii)	<b>Particulars of technology (imported during the last three years reckoned from the beginning of the financial year):</b>  We have imported the Electrode Management software from Mintek, South Africa
(iv)	<b>The expenditure incurred on Research and Development (R&amp; D):</b>  i) No Capital Expenditures was incurred during the financial year 2019-20..  ii) <b>Total R &amp; D Expenditure:</b> Expenses incurred on R& D activities are charged to respective heads and not allocated separately.


Ans

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	(Rs. In Lacs)	
<b>Earnings on account of:</b>	<b>2019-20</b>	<b>2018-19</b>
FOB value of exports	47827.79	94246.79
<b>Total</b>	<b>47827.79</b>	<b>94246.79</b>
<b>Outgo on account of:</b>		
a) Raw materials	-	-
b) Stores & spare parts	303.67	88.17
c) Travelling Expenses	58.82	123.03
d) Commission on Sales	107.57	699.46
e) Finance Cost	73.06	109.23
f) Advance to Vendor	56.22	136.05
g) Others	399.43	347.53
<b>Total</b>	<b>998.77</b>	<b>1503.47</b>

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

  
**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 2019-20**

**[Pursuant to Section 135 of the Companies Act, 2013 Read with Companies (Corporate Social Responsibility Policy), Rules, 2014]**

- 1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken:**

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

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

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

**[http://www.balasorealloys.com/upload/media/csr-policy/CSR\\_25\\_06\\_2018.pdf](http://www.balasorealloys.com/upload/media/csr-policy/CSR_25_06_2018.pdf)**

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

**Focus Areas of Engagement:**

Among various CSR initiatives of the Company, the major focused areas of CSR spending for the Financial Year 2019-20 had been the followings: -

- a. **Healthcare** – Company is always committed towards CSR at large and as such invested in multiple healthcare projects. Mega Blood Donation camp was organised in collaboration with local community wherein 200 units of blood was collected for benefit of local people. Dengue Awareness programme, First Aid Camp, and Assistance for



the Better Treatment for critical and needy patient were other health related awareness/programs organised by BAL.

Further, distribution of free medicines, health awareness & promotion programmes, programme for physically challenged person, free ambulance facility, distribution of blankets & mosquito nets, etc., are among various initiatives taken towards health care in the financial year 2019-20

- b. **Drinking Water Supply**—The Company has initiated several Safe water projects and in process of endeavouring such commitment, the Company has started Operation & Maintenance of four safe drinking water supply projects benefiting 560 households of Kaliapani, Ghagiashi, Chinghudipal & Bamanagar villages by having regular access to safe water, thereby reducing the number of cases of water borne diseases. Several Water Purifiers were also installed in the peripheral areas of Plant providing safe drinking water for all localities.
- c. **Environment** – With a commitment to make clean and green environment, 9850 saplings were distributed to 2500 families from Remuna & Nilgiri promoting awareness towards environment on World Environment Day.
- d. **Infrastructure Development** – BAL has taken various infrastructural projects like construction of School road and boundary wall, Refugee Colony, Extension of Panchayat Road & Protection Wall of the Ponds at Balgopalpur.
- e. **Women Empowerment** – Company has taken various initiatives for empowering rural women by providing special training programmes on Tailoring, making serving plates from semi dried leaves, Incense sticks making, etc. resulting into self-employment generation for supporting their families. Further, Women's Self Help Groups have also been formed to make them self-dependent.
- f. **Education Development** – With the view to enhance and support educational facilities, BAL has supplied desk & benches to school in Nuapadhi. Further to minimize teacher to student ratio, BAL is providing remuneration to additional teacher's. Providing College Bus transportation facilities for Sukinda college. Various skill development programmes were conducted. Sponsoring financial assistance for higher education & establishing Coaching centres for students.
- g. **Swachh Bharat Abhiyan** – Installation of six Bio-e toilets in three schools in Kaliapani, construction of toilets along with Bathrooms for 90 identified households in Baragali village, Sukinda, clening of ponds, construction of pucca ghats etc are some of the projects undertaken by the company to Promote Swachh Bharat Mission. The Company



## 2. The composition of the CSR Committee

We have a CSR Committee of the Board of Directors who oversees 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
- Ms. Rupanjana De, Non- Executive Independent Director

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

(Rs. In lakhs)	
Particulars	Amounts
Average net profit of the Company for last three financial years	7234.04
Prescribed CSR Expenditure (2% of the average net profit)	144.68
Total Budget for FY 2019-20	144.68
Amount Spent	55.58
Unspent Amount	89.10*

**Note\*:** The unspent amount shall not be carried forward to next FY-2020-21 on account of loss incurred during FY-2019-20.



4. Details of CSR activities/projects undertaken and manner in which the amount spent during the financial year is detailed below: -

Plant (Balgopalpur, Dist – Balasore, Odisha)

(Amount In Rs.)

Sl. No.	CSR Project/Activities Identified	Sector in which the Project is Covered.	Project/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 spend upto the reporting period.	Amount spent: Direct/through Implementing Agency
1	Cooking food & pure drinking water supply during cyclone	Eradication of hunger	Balgopalpur under Nuapadhi G.P. of Remuna Block of Balasore	-	4,74,321	4,74,321	Direct Expenditure
2	Construction of 20kl overhead tank at Balgopalpur	Supply of Safe Drinking Water	Refugee Colony School, Balgopalpur & Sereipur under Nuapadhi GP of Remuna Block of Balasore	-	2,65,680	2,65,680	Direct Expenditure
3	Supply of MS almirah to different schools	Community Relationship	Khirachora Mandir Chhak, Tarini Mandir Chhak of Remuna Bazar and Ispat Chhak, Kali Mandir Chhak, Balgopalpur under Remuna Block.	-	37,000	37,000	Direct Expenditure
4	Blood donation camp at Balgopalpur village	Community Relationship	Balasore Plant and Remuna College	-	50,277	50,277	Direct Expenditure
5	Plantation & watering of block plantation	Environment protection & Development	Villages and Educational Institution of Remuna, Nilgiri and Balasore Sadar Block.	-	85,765	85,765	Direct Expenditure



6	Maintenance and Payment of Energy Bill of the Street Lights	Community Relationship & Infrastructure development	Remuna	-	60,835	60,835	Direct Expenditure
7	Supply & installation of street lights, charges for high max light & others related work	Community Relationship	8 Nos. Tube Wells in the nearby villages under Remuna Block. Grievance Cell of the Collector, Balasore for the use of general public.	-	26,22,655	26,22,655	Direct Expenditure
8	Saplings of tree plants & coastal clean up at Chandipur beach	Environment protection & Development	Chandipur Beach	-	2,58,534	2,58,534	Direct Expenditure
9	100 kg of harad dal to asthapra hari	Community Relationship	Refugee Colony UP (ME) School, Balgopalpur & Sereipur and Nuapadhi (UP) ME School, Nuapadhi under Remuna Block.	-	10,054	10,054	Direct Expenditure
10	Blanket distributions at Jadibali village- Nilagiri	Health & Sanitation Promotion	Netaji Club, Balgopalpur, BAL Medical Center, Remuna	-	60,780	60,780	Direct Expenditure
	<b>Total</b>			<b>40,51,040</b>	<b>39,25,901</b>	<b>39,25,901</b>	



# Mines (Kaliapani, Dist- Jajpur, Odisha)

(Amount in Rs.)

Sl. No.	CSR Project/Activities Identified	Sector in which the Project is Covered.	Project/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 spend upto the reporting period	Amount spent: Direct /through Implementing Agency
1	Electricity Cost for Supply Drinking & pump Water tank hire charges ,operator for drinking water & manpower supply charges	Supply of Safe Drinking Water	Ransol	-	3,51,836	3,51,836	Direct Expenditure
2	Expenditure for Jalachatra at Mines gate	Health & Sanitation Promotion	Chirgunia Majhi Sahi	-	27,816	27,816	Direct Expenditure
3	Hiring of 2 no's water tanker for water distribution	Health & Sanitation Promotion	Birsanagar, Kateni and Sagor	-	1,63,500	1,63,500	Direct Expenditure
4	Contribution to chandimata club for village fuction	Community Engagement	Sukinda	-	50,000	50,000	Expenditure through agency
5	Renovation work of various puja mandap & community centre	Community Engagement	Sukinda College	-	2,45,262	2,45,262	Direct Expenditure
6	Monthly Charges for Sukinda College Bus	Education & Skill Development	Kaliapani	-	1,39,255	1,39,255	Direct Expenditure
7	Plantation of trees providing green cover	Natural Resource Development	Kamkhyanagar	-	1,05,000	1,05,000	Direct Expenditure
8	Various construction work at mines peripheral villages	Health & Sanitation Promotion	Kaliapani, Ghagiashi, Chinghudipal & Bama nagar	-	1,02,000	1,02,000	Direct Expenditure





9	Construction of community centre at Pasibandha village	Community Engagement	Sukinda		2,45,262	2,45,262	Direct Expenditure
10	Distribution of Medicated mosquito net Baragaji Village & Blanket distribution at kaliapani Village	Health & Sanitation Promotion	Kabat, Godisahi&Rankia		1,30,700	1,30,700	Direct Expenditure
	<b>Total</b>			<b>1,04,16,960</b>	<b>15,60,631</b>	<b>15,60,631</b>	

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 of Directors

Place: Kolkata  
Date: 30<sup>th</sup> July, 2020

Anil Sureka  
Managing Director  
DIN: 00058228

Asish K. Bhattacharyya  
Director  
DIN: 00799039



Ad

# BALASORE ALLOYS LIMITED



"Park Plaza", 71, Park Street, Kolkata 700 016  
Phone : +91 33 4029 7000, Fax : +91 33 2229 5693  
E-mail : mail@balasorealloys.com  
Website : www.balasorealloys.com  
CIN : L27101OR1984PLC001354

## REPORT ON CORPORATE GOVERNANCE

### 1. CORPORATE GOVERNANCE

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

### COMPANY'S PHILOSOPHY ON GOVERNANCE

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



Regd. Office & Works : Balgopalpur 756020, Balasore (Odisha). Phone : (06782) 275781-85, Fax : (06782) 275724



## 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 seek to promote health, safety and quality of environment.
- c) **Prohibition of Insider Trading:** The Company has devised a framework to avoid Insider Trading and abusive self-dealing. The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public as per the relevant requirement of SEBI Regulations.
- d) **Risk Management:** The Company has developed and implemented a comprehensive Enterprise risk management framework for risk identification, assessment, minimization and mitigation procedure. The risk management procedures are clearly defined and periodically reviewed by the Board of Directors with a view to strengthen the risk management framework and to continuously review and reassess the risk that the Company may confront with.
- e) **Safety, Health and Environment Policy:** The Company is committed to conduct its business in a manner that values the environment and helps in ensuring the safety and health of all its employees and society at large. The policy is aimed towards strengthening pollution prevention and control measures.
- f) **Equal Employment Opportunity:** The employment policy of the Company assure that there shall be no discrimination or harassment against an employee or applicant on the grounds of race, colour, religion, gender, age, marital status, disability, national origin or any other factor made unlawful by applicable laws and regulations. The policy also ensures fair and respectful treatment of all fellow employees.
- g) **Whistle Blower/ Vigil Mechanism:** The Company has established a Whistle Blower/Vigil mechanism for its directors and employees to report the concerns about unethical behaviour, actual and suspected fraud or violation of the



Company's Code of Conduct. The Board has affirmed that no personnel have been denied access to the audit committee.

- h) **Board Diversity:** The Board members are quite diverse as it had Directors from various sectors viz. Accounting, Finance, Banking, Mining, Corporate Governance, Risk Management, Corporate Law etc.
- i) **Board Evaluation Policy:** Board Evaluation Policy which indicates the criteria for evaluation of the Board, Committees of the Board and Individual Directors of the Company.

## 2. Board of Directors

### Board composition and category of Directors

The Board has an optimum composition of Executive and Non-Executive Directors with at least one women director in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Board as on 31<sup>st</sup> March, 2020, consists of Ten (10) Nos. of Directors out of which Six (6) Nos. of Directors are Independent Directors. The composition and category of the Directors on the Board, as on the date of this report, are as follows: -

Category	Name of the Director
Executive Directors	Mr. Anil Sureka, Managing Director Mr. Nikunj Pansari, Director- Finance & CFO Mr. Dhiren Kumar Nath, Director – Operations* Mr. Akula Nagendra Kumar, Executive Director**
Non-Executive Independent Directors	Dr. A K Bhattacharyya Mr. S Mohapatra Mr. S K Pal Prof. S K Majumdar Mr. K P Khandelwal Mrs. Rupanjana De***
Non-Executive Directors	
Nominee Director	Mr. K C Raut (Representing State Bank of India)

\* Ceased to be Director-Operations w.e.f. 16.09.2019.

\*\* Appointed as Whole-time Director designated as Executive Director w.e.f. 30.05.2019.

\*\*\* Appointed as Non-Executive Director designated as Independent Woman Director w.e.f. 03.04.2019.

Mr. Dhiren Kumar Nath, Executive Director designated as Director-Operations of the Company had served Board as a Director till 16<sup>th</sup> September, 2019.

Mr. Akula Nagendra Kumar was appointed as Executive-Director designated as Whole-Time Director of the Company w.e.f. 30<sup>th</sup> May, 2019.



### Details of the Board Meetings

Four (4) Board Meetings were held during the year. The time gap between any two meetings of the Board of Directors of the Company did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are as follows:-

30.05.2019, 13.08.2019, 13.11.2019 and 13.02.2020.

Attendance at the aforesaid Board Meetings, at the last Annual General Meeting and the number of Directorships and Committee Chairmanship/Memberships in other Companies of each of the Directors as on 31.03.2020 are asbelow:-

Name of Directors	No. of Board Meetings Attended #	Attended last AGM held on 27.09.2019 at Registered Office	No. of Directorship in other Companies <sup>1</sup>		No. of Membership in Committees of Directors in other Companies <sup>2</sup>	
			Chairman	Director	Chairman	Member
Dr. A K Bhattacharyya (Independent Director)	4	Yes	Nil	1	1	Nil
Mr. S Mohapatra (Independent Director)	4	Yes	Nil	1	1	Nil
Mr. S K Pal (Independent Director)	4	Yes	Nil	3	1	1
Prof. S K Majumdar (Independent Director)	4	Yes	Nil	Nil	Nil	Nil
Mr. K P Khandelwal (Independent Director)	4	Yes	Nil	5	4	3
Ms. Rupanjana De* (Independent Director)	4	Yes	Nil	6	Nil	Nil
Mr. Anil Sureka ** (Managing Director)	4	Yes	Nil	Nil	Nil	Nil
Mr. Nikunj Pansari (Director Finance & CFO)	4	Yes	Nil	Nil	Nil	Nil
Mr. Dhiren K. Nath*** (Director -Operations)	2	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Akula Nagendra Kumar**** (Executive Director)	4	Yes	Nil	Nil	Nil	Nil
Mr. K C Raut (Nominee Director)	2	Yes	Nil	1	Nil	2

- \* Appointed as Non-Executive Director designated as Independent Woman Director w.e.f.03.04.2019.
- \*\* Five-year tenure of Mr Anil Sureka as a Managing Director was expired on 16.04.2020. Mr Sureka was re-appointed as Managing Director for a further period of one year i.e., 17.04.2020 to 16.04.2021.
- \*\*\* Ceased to be Director-Operations w.e.f.16.09.2019.
- \*\*\*\* Appointed as Whole-time Director designated as Executive-Director w.e.f. 30.05.2019



# Attendance also includes meeting attended through Video Conferencing.

1. The Directorship, held by Directors as mentioned above, do not include Directorships held in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
2. In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies have been considered.

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

**Details of the Directorship as on 31.03.2020 in other listed entities -**

<b>Name of the Director</b>	<b>Name of the Listed Entities</b>	<b>Category of Directorship</b>
Dr. A K Bhattacharyya (Independent Director)	Nil	N.A.
Mr. S Mohapatra (Independent Director)	1. Lloyds Metals and Energy Limited.	Independent Director
Mr. S K Pal (Independent Director)	1. Greenply Industries Limited 2. Hasimara Industries Limited	Independent Director Independent Director
Prof. S K Majumdar (Independent Director)	Nil	N.A.
Mr. K P Khandelwal (Independent Director)	1. Kesoram Industries Limited 2. GPT Infraprojects Limited 3. LIC Housing Finance Limited	Independent Director Independent Director
Ms. Rupanjana De (Independent Director)	1. Assam Carbon Products Ltd. 2. Visa Steel Limited	Independent Director Independent Director
Mr. Anil Sureka (Managing Director)	Nil	N.A.
Mr. Nikunj Pansari* (Director Finance & CFO)	Nil	N.A.
Mr. K C Raut (Nominee Director)	1. ARSS Infrastructure Projects Limited	Nominee Director
Mr. Akula Nagendra Kumar	Nil	N.A.



## Board Procedure

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

## INDEPENDENT DIRECTORS

In the opinion of the Board, all the Independent Directors of the Company meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations and are independent of the management. The number of Directorship of all the Independent Directors is within the respective limits prescribed under the Act and Listing Regulations. None of the independent directors are aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. The board of directors have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

All the Independent Directors of the Company have duly registered their names in the databank of Independent Directors as being maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended.

## 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 Directors as well as other Senior Managerial Personnel, as required, conducts presentations/programs to familiarize the Independent Directors with the strategy, operations and functions of the Company inclusive of important developments in various business divisions, and new initiatives undertaken by the Company. The details of the familiarization programme is disclosed on Company's website i.e. [www.balasorealloys.com](http://www.balasorealloys.com).



various business divisions, and new initiatives undertaken by the Company. The details of the familiarization programme is disclosed on Company's website i.e. [www.balasorealloys.com](http://www.balasorealloys.com).

### **Familiarisation Programme to Independent Directors**

The details pertaining to familiarisation Programme imparted to Independent Directors of the Company forms an integral part of Director Report. Further, the details of familiarisation Programme imparted to Independent Directors during the year is disclosed on the Company's website i.e., [www.balasorealloys.com](http://www.balasorealloys.com) at the web link <http://www.balasorealloys.com/upload/media/pdf/Familiarisation%20Policy.pdf>

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

### **Skills, expertise and competence of the Board**

The Directors of Balasore Alloys Limited comprises of qualified members who bring in the required skills, experience, competence, expertise, effectively contributing to the Board and Committee proceedings. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance. The individual members of Board of Directors have been identified with the key skills, expertise, competence and attributes in various functional spheres which are required in the context of the Company's business including effective functioning of the Company under overall superintendence of relevant collective body. The list of the same has been mentioned core skills herein below:

Desired/Needed Skills, Experience, Attributes	Dr. A K Bhattacharyya	Mr. S. Mohapatra	Mr. S K Pal	Prof. S. K. Majumdar	Mr. K P Khandwal	Mrs. Rupanjana De	Mr. K.C. Raut	Mr. Anil Sureka	Mr. Nikunj Pansari	Mr. Akula Nagendra Kumar
Industry Expertise		✓						✓	✓	✓
Financial, Taxation & Accounting	✓		✓		✓		✓	✓	✓	
Legal, Compliance, Governance & Risk Management	✓		✓	✓	✓	✓	✓	✓	✓	✓
Sales & Marketing								✓	✓	✓
Leadership, Management & Corporate Strategy	✓			✓		✓		✓	✓	✓
Administration & Human Resource	✓			✓		✓		✓	✓	✓





### **Separate Meeting of the Independent Directors**

In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 11/2020 dated 24<sup>th</sup> March, 2020 had waived the requirement of holding Independent Director (ID) Meeting for the financial year 2019-20.

Schedule IV of the CA 2013 mandates the independent directors (ID) of a company to hold at least one meeting in a financial year without the attendance of non-independent directors and members of management. Since the ID meeting is required to (i) review the performance of non-independent directors and the board of directors as a whole; (ii) review the performance of the chairperson taking into account the views of executive and non-executive directors; and (iii) assess the quality, quantity and timeliness of flow of information between the management and the board of directors, it is usual to hold such ID meetings towards the end of financial year.

In view of the sudden unprecedented lockdown imposed in India due to the COVID-19 pandemic situation across the world, the IDs didn't have adequate time and information at hand to convene such ID meeting. Further, MCA has clarified that if, the IDs are not able to hold at least one ID meeting during the financial year 2019-20, it would not be viewed as a non-compliance of the statutory provisions.

### **Information Placed before the Board of Directors**

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

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

- i. Annual operating plans and budgets and any updates.
- ii. Capital budgets and any updates.
- iii. Quarterly results for the listed entity and its operating divisions or business segments.
- iv. Minutes of meetings of Audit Committee and other Committees of the Board of Directors.
- v. The information on recruitment and remuneration of Senior Officers just below the level of the Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- vi. Show Cause, demand, prosecution notices and penalties notices which are materially important.
- vii. Fatal or Serious accidents, dangerous occurrences, any material effluent or pollution problem.
- viii. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.



- ix. Any issues, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- x. Details of any joint venture or collaboration agreement.
- xi. Transaction that involve substantial payment towards goodwill, brand equity, or intellectual property.
- xii. Significant labour problem and their proposed solutions. Any significant development in human resources/ industrial relation front like signing the wage agreement, implementation of voluntary retirement Scheme etc.
- xiii. Sale of material nature, of investment, subsidiaries and assets, which are not in the normal course of business.
- xiv. Quarterly details of foreign exchange exposures and the steps taken by management to limits the risks of adverse exchange rate movement, if material.
- xv. Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non – payment of dividend, delay in Share Transfer etc.

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

### **3. Audit Committee**

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

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

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

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

30.05.2019, 13.08.2019, 13.11.2019, 16.12.2019 & 13.02.2020.



As on 31.03.2020 the Committee comprises of Five 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)	5
Mr. S Mohapatra*	3
Mr. S K Pal	5
Prof. S K Majumdar *	3
Mr. K P Khandelwal	5
Mrs. Rupanjana De**	2

\* Ceased to be member w.e.f. 13.11.2019

\*\* Appointed as member on 30.05.2019 & Ceased to be a member w.e.f. 13.11.2019

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

- Recommendation for the appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;



- Reviewing, with the management, the 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 quarterly financial statements before submission to the board for approval;
- 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;
- Reviewing and Monitoring the auditor's independence and performance, and effectiveness of audit process;
- 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 listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- 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.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

#### **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 and 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.

Four meetings of Nomination & Remuneration Committee were held during the year. The dates on which the meetings of the Audit Committee were held are:

30.05.2019, 13.08.2019, 13.11.2019 & 13.02.2020.



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

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

Name of Director	No. of Meetings attended during the period
Dr. A K Bhattacharyya (Chairman)	4
Mr. K P Khandelwal	4
Mr. S K Pal*	3
Prof. S K Majumdar	4
Ms. Rupanjana De**	1

\* Ceased to be member w.e.f. 13.11.2019

\*\* Appointed as member w.e.f. 13.11.2019

Pursuant to the section 178 of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has approved & adopted the terms of reference of the Committee. Given below, *inter-alia*, is a gist of the terms of reference of the Nomination & Remuneration Committee.

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by and independent external agency and review its implementation and compliance;
- 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 of the quality required to run the company successfully;
- Devise a policy on diversity of Board of Directors;
- Ensuring remuneration to directors, KMP and Senior Management involves a balance between fixed and incentive pay;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.



- Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

## **5. Performance Evaluation Criteria for Independent Directors**

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

## **6. Remuneration to Directors**

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

### **(a) Remuneration to Non-Executive Directors:**

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

### **(b) Remuneration to Executive Directors:**

#### **Remuneration policy/criteria of payment to Executive Directors:**

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

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

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

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



The Details of the remuneration paid to Whole-time Directors of the Company during the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 are as below: -

(Rs. In Lacs)				
Director	Salary & Perks	Commission	Total	Service Contract (Years)
Mr. Anil Sureka * (Managing Director)	154.87	-	154.87	1 Years*
Mr. Nikunj Pansari (Director – Finance & CFO)	75.27	-	75.27	5 Years
Mr. Dhiren Kumar Nath. ** (Director – Operations)	23.78	-	23.78	5 Years
Mr. Akula Nagendra Kumar (Executive Director)	45.62	-	45.62	3 Years

\* Five-year tenure of Mr Anil Sureka as a Managing Director was expired on 16.04.2020. Mr Sureka was re-appointed as Managing Director for a further period of one year i.e. 17.04.2020 to 16.04.2021.

\*\* Ceased to be Director-Operations w.e.f.16.09.2019.

\*\*\* Appointed as Whole-time Director designated as Executive-Director w.e.f. 30.05.2019

#### Service Contracts, Severance Fee, Notice Period and Stock Options

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

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

#### Relationship of Non-Executive Directors with the Company and interse

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

#### Number of Shares and convertible instruments held by Non-Executive Director

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





## 7. Stakeholders Relationship Committee

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

The Committee comprises of Three Independent Directors of the Company as on 31.03.2020, the details of the meetings attended by the members during the year are as under:

The composition of the Stakeholders Relationship Committee is as under:

Member of the Committee	No. of Meetings Attended
Dr. A K Bhattacharyya (Chairman)	12
Prof. S K Majumdar***	7
Mr. S K Pal ***	7
Mrs. Rupanjana De*	8
Mr. Nikunj Pansari**	5

\* Appointed as member w.e.f. 30.05.2019

\*\* Appointed as member w.e.f. 13.11.2019

\*\*\* Ceased to be member w.e.f. 13.11.2019

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

12.04.2019, 10.05.2019, 11.06.2019, 10.07.2019, 14.08.2019, 11.09.2019, 10.10.2019, 14.11.2019, 13.12.2019, 14.01.2020, 11.02.2019 & 09.03.2019.

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.

The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in



respect of various services being rendered by the registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### **Name and Designation of Compliance Officer**

Mr.Trilochan Sharma –President& Company Secretary

Name and Designation of Contact Person of Registrars 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 01.04.2019 to 31.03.2020, the status of complaints are as under:

Complaints pending as on 01.04.2019	—	Nil
Complaints received from Investors	—	233
Complaints replied/resolved	—	233
Complaints pending as at 31.03.2020	—	Nil

#### **8. Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee was constituted by the Board at its meeting held on 20<sup>th</sup> 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 20<sup>th</sup> 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. The same was amended from time to time pursuant to the requirement of applicable laws / Regulations.

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

30.05.2019, 11.08.2018, 13.11.2019 & 13.02.2020.



The Committee comprises of 4 (four) Directors as on 31.03.2020, 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**	3
Mrs. Rupanjana De*	3

\* Appointed as member w.e.f. 30.05.2019

\*\* Ceased to be member w.e.f. 13.11.2019

## 9. Other Committees

The Company also had Project Committee to overview implementation of various capital projects including status of progress and critical areas affecting projects, implementation schedule and Risk Management Committee of the Board constituted by the Board at its meeting on 29<sup>th</sup> 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
2018-19 (AGM)	Balgopalpur – 756 020, Balasore, Odisha	27.09.2019	9.30 A.M.
2017-18 (AGM)	Balgopalpur – 756 020, Balasore, Odisha	28.09.2018	9.30 A.M.
2016-17 (AGM)	Balgopalpur – 756 020, Balasore, Odisha	23.09.2017	9.30 A.M.

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

Date of AGM	Details of Special Resolutions passed
27.09.2019	(i) Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as the Whole-Time Director of the Company. (ii) Payment of Remuneration to Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company for the period From April 01, 2018 to April 16, 2020. (iii) Payment of Remuneration to Mr. Dhiren Kumar Nath (DIN: 08022082), Director-Operations for the period From April 01, 2018 to March 31, 2021. (iv) Payment of Remuneration to Mr. Nikunj Pansari



	(DIN: 08023216), Director-Finance & Chief Financial Officer of the Company for the period From April 01, 2018 to July 25, 2018 and August 11, 2018 to March 31, 2020.
28.09.2018	<p>(i) Re-appointment of Mr. Asish Kumar Bhattacharyya (DIN: 00799039) as an Independent Director for another term of five years.</p> <p>(ii) Re-appointment of Mr. Shantanu Mohapatra (DIN: 00176836) Independent Director for another term of five years.</p> <p>(iii) Re-appointment of Mr. Sujit Kumar Majumdar (DIN: 00177344) as an Independent Director for another term of five years.</p> <p>(iv) Re-appointment of Mr. Susil Kumar Pal (DIN: 00268527) as an Independent Director for another term of five years.</p> <p>(v) Re-appointment of Mr. Kashi Prasad Khandelwal (DIN: 00748523) as an Independent Director for another term of five years.</p> <p>(vi) Appointment of Mr. Dhiren Kumar Nath (DIN: 08022082), as the Whole-time Director of the Company.</p> <p>(vi) Appointment of Mr. Nikunj Pansari (DIN: 08023216), as the Whole-time Director of the Company.</p>
23.09.2017	<p>(i) Appointment of Ms. Mita Jha (DIN: 07258314), as the Whole-Director of the Company.</p> <p>(ii) Maintenance of the Register of Members and other Statutory Registers at a place other than the Registered Office of the Company.</p> <p>(iii) Revision of Remuneration of Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company.</p> <p>(iv) Revision of Remuneration of Mr. Rajendra Kumar Parakh (DIN: 00459699), Director – Finance &amp; CFO of the Company.</p> <p>(v) Revision of Remuneration of Mr. Janarthanam Govindasamy (DIN: 07356448), Director - Operations of the Company.</p>

3. Whether special resolutions:-

- a) (i) Were put through postal ballot last year : No  
(ii) Details of voting pattern : N.A.  
(iii) Person who conducted the postal ballot exercise : N.A.
- b) (i) Are there any Special Resolution proposed to be Conducted through postal ballot this year : No  
(ii) Procedure for postal ballot : N.A.

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.



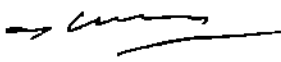
## 11. Code of Conduct

The Code of Conduct (hereinafter referred to as 'Code') is applicable to all its Board Members and the employees including 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 2019 – 2020, duly signed by Managing Director of the Company is herein below enclosed. The Code has also been posted on the Company's website.

### 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 31<sup>st</sup> March, 2020.

30<sup>th</sup> July, 2020

  
Anil Sureka  
Managing Director  
DIN No.: 00058228

## 12. Subsidiaries

During the year 2019-20, the Company does not have any material subsidiary company. Therefore, the provisions relating to material subsidiary whose turnover or Net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or Net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year, does not apply.

The policy for determining material subsidiaries is available at the website at <http://www.balasorealloys.com/upload/media/pdf/Policy%20for%20Determination%20of%20Material%20Subsidiaries.pdf>

## 13. Disclosures

- a. The particulars of transactions between the Company and its related parties as required by Indian Accounting Standard (IND AS-24) are set out in Notes to financial statements as at and for the year ended March 31, 2020 of the Annual Report. There were no material significant related party transactions. All contracts / agreements / transactions entered into during the period with the related parties were carried out at arm's length at the fair market value.



- b. The policy on material related party transactions, and on dealing with related parties and a statement on such policy has been uploaded on the Company's website at  
<http://www.balasorealloys.com/upload/media/pdf/Policy%20on%20Related%20Party%20Transaction.pdf>
- c. In preparation of financial statement, the Company has followed the Indian 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.
- f. The Company has framed a Whistle Blower Policy / Vigil mechanism as required under Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and was initially adopted by the Company w.e.f. 20.05.2014 and the same was amended from time to time pursuant to the requirement of the applicable laws / Regulations. During the financial year 2018-19 no personnel was denied access to the Audit Committee for reporting cases under this policy.
- h. The Consolidated fee of Rs. 125.20 (Rupees One Crore Twenty-Five Lacs Twenty Thousand only) was paid to M/s Chaturvedi & Shah LLP, Statutory Auditors for the Financial Year ended 31<sup>st</sup> March, 2020. Further, neither any fee was paid to them for any subsidiaries nor any fee paid to any entity in the network firm / network entity of which the Statutory Auditor is a part.
- i. Disclosure in relation to the Sexual harassment of Women at Workplace 3(Prevention, Prohibition & Redressal) Act, 2013:
- Number of complaints filed during the financial year - Nil
  - Number of complaints disposed of during the financial year - Nil
  - Number of complaints pending as on end of the financial year - Nil

#### **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 complied with and adopted the mandatory requirements stipulated under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year under review except the following:

During the F.Y 2019-20 due to Non-Compliance of Regulation 17(1) i.e. upon failure to appoint a Woman Director on the Board of the Company, BSE Limited imposed fines for the quarter ended 30<sup>th</sup> June, 2019 which amounted to Rs. 11,800. Imposed fines was paid within their respective due dates. Mrs. Rupanjana De was appointed as Independent Woman Director of the Company w.e.f. 3<sup>rd</sup> April, 2019.

**Non-Mandatory Requirements:**

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

The Company does not maintain office of Chairman

**2. Shareholders' right**

The quarterly and half-yearly financial results are published in widely circulating national and local dailies and are displayed on the Company's website [www.balasorealloys.com](http://www.balasorealloys.com)

**3. Audit qualification**

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

**4. Separate posts Chairman, Managing Director and CEO**

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

**5. Reporting of Internal Auditors**

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

**15. Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that



the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

#### 16. Means of communication

Quarterly results - Which newspapers normally published	Financial Express/ Economic Times / Business Standard (in English) Sambad/ Samaja (Oriya version)
Web sites where quarterly results are displayed	www.balasorealloys.com
Whether it also displays official news releases	Yes, as and when necessary
Whether Management Discussion & Analysis is a part of Annual Report	Yes
Presentations made to institutional investors or to the analyst	Nil

#### Certificate from Practicing Company Secretary

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has obtained a certificate from MKB & Associates, Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and such certificate forms part of this report.

#### 17. GENERAL SHAREHOLDERS' INFORMATION

1	<b>Annual General Meeting</b> Day, Date & Time  Venue	Relevant details of AGM will be disclosed in the notice conveying the 32 <sup>nd</sup> AGM and forming part of the Annual Report
2	<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March





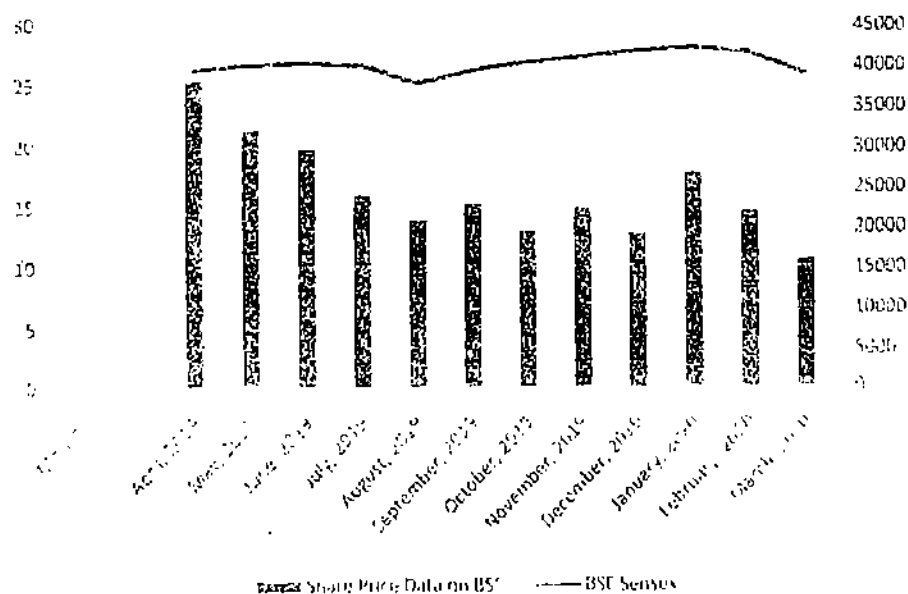
3	<b>Tentative Financial Calendar 2020-21</b> Financial Reporting for the quarter ending June30, 2020 Financial Reporting for the quarter ending September 30, 2020 Financial Reporting for the quarter ending December 31, 2020 Financial Reporting for the quarter ending March 31, 2021 Annual General Meeting for the year ending March 31, 2020	By 15 <sup>th</sup> September, 2020 By 15 <sup>th</sup> November, 2020 By 14 <sup>th</sup> day of February, 2021 By 30 <sup>th</sup> day of May, 2021 By 31 <sup>st</sup> December, 2020			
4	<b>Book Closure Date</b>	Relevant details of Book Closure will be disclosed in the notice conveying the 32 <sup>nd</sup> AGM and forming part of the Annual Report			
5	<b>Dividend Payment Date</b>	N.A.			
6	<b>Registered Office</b>	Balgopalpur – 756 020 Balasore, Odisha			
7	<b>Listing on Stock Exchanges</b>	i) BSE Limited, PhirozeJeebhoy 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 2019-20 has been paid to the BSE Limited and The Calcutta Stock Exchange Limited.					
8	<b>Stock Market information:</b>  (i) <b>Stock Code:</b>  BSE Ltd. :513142 The Calcutta Stock Exchange Ltd. :10019059 ISIN No. for Fully Paid up Equity Shares:INE135A01024				
(ii) <b>Market Price</b>		<b>Share Price Data on BSE</b>	<b>BSE Sensex</b>		
		<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>High</b>	<b>Low</b>
<b>Months</b>					



April, 2019	25.45	18.75	39487.45	38460.25
May, 2019	21.40	15.90	40124.96	36956.10
June, 2019	19.75	13.80	40312.07	38870.96
July, 2019	16.00	9.30	40032.41	37128.26
August, 2019	13.92	8.92	37807.55	36102.35
September, 2019	15.34	10.27	39441.12	35987.8
October, 2019	13.04	10.64	40392.22	37415.83
November, 2019	14.99	11.20	41163.79	40014.23
December, 2019	12.93	10.74	41809.96	40135.37
January, 2020	17.87	12.10	42273.87	40476.55
February, 2020	14.79	10.29	41709.3	38219.97
March, 2020	10.75	6.52	39083.17	25638.9

*Note: During the financial year ended March 31, 2020, there was no trading in the equity shares of the Company at the Calcutta Stock Exchange Ltd.*

**BAL Share Price movement vs Sensex Apr'19- Mar'20**



9	<b>Share Price Performance In comparison to BSE Sensex opened</b>  The BSE Sensex open on 2 <sup>nd</sup> April, 2019 at 38858.88 and on 31 <sup>st</sup> March, 2020, the Sensex closed at 29,468.49. The market price of the shares of the Company on the BSE has varied from Rs. 6.52 to Rs. 25.45 during the period under review.	
10	<b>Depository Connectivity</b>	a. National Securities Depository Limited (NSDL) b. Central Depository Services (India) Ltd. (CDSL)
11	<b>Registrars &amp; Share Transfer Agent:</b> (Share transfer and communication regarding share certificates, Dividends & change of Addresses, redressal of queries/grievances of Shareholders etc.)	<b>MCS Share Transfer Agent Limited,</b> Unit: Balasore Alloys Limited 383 Lake Gardens, 1 <sup>st</sup> Floor Kolkata - 700045, India Ph. Nos. +91 33 4072 4051/4052/4053 Fax Nos. +91 33 4072 4050 E-mail: mcssta@rediffmail.com (Registered with SEBI as Share Transfer Agent – Category I)
12	<b>Share Transfer System:</b>  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.  *Pursuant to the amendment to regulation 40 of SEBI (LODR) Regulations, 2015, no transfer of securities shall be processed after 31 <sup>st</sup> March, 2009 unless the securities are held in dematerialized form with a depository (except in case of transmission or transposition of securities).	



13	<p><b>Investor Grievance Redressal System:</b></p> <p>The Investor grievances/shareholders complaints are handled by the Company's Registrars and Share Transfer Agent, M/s MCS Share Transfer Agent Limited, Kolkata, in consultation with the Secretarial department of the Company. The Registrar has adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances.</p> <p>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.</p>
----	--

14	<p><b>Compliance Certificate of the Auditors:</b></p> <p>The Statutory Auditors' have stated in their certificate, that the Company has complied with the conditions of Corporate Governance, as stipulated in Schedule V of the SEBI (LODR), Regulation, 2015 is annexed to the Report on Corporate Governance.</p>
----	--

15	<b>a) Distribution of Shareholding as at 31<sup>st</sup> March, 2020</b>				
Category	No. of Shareholder	% of Shareholders	No. of Shares Held	% of Share Capital	
1 to 500	112994	95.7763	10580274	11.3370	
501 to 1000	2605	2.2081	1934674	2.0730	
1001 to 2000	347	0.2941	529334	0.5672	
2001 to 3000	641	0.5433	1637771	1.7549	
3001 to 4000	312	0.2645	1119318	1.1994	
4001 to 5000	285	0.2416	1353800	1.4506	
5001 to 10000	432	0.3662	3251374	3.4839	
10001 to 50000	300	0.2543	6240334	6.6866	
50001 to 100000	27	0.229	1911695	2.0484	
100001 and above	34	0.288	64766837	69.3989	
<b>Total</b>	<b>117977</b>	<b>100.00</b>	<b>93325411</b>	<b>100.00</b>	

	<b>b) Categories of Shareholders as on 31<sup>st</sup> March, 2020</b>		
Category	No. of Shares of Held	% of Total Shareholding	
Promoter Group	57338640	61.44	
Mutual Funds / UTI	13600	0.01	
Financial Institution / Banks	590983	0.63	





17	<b>Address for Investor Correspondence</b>  17.1 Registrar and Share Transfer Agent          17.2 Company's Registered Office Address          17.3 Administrative Office Address	MCS Share Transfer Agent Limited, Unit: Balasore Alloys Limited 383 Lake Gardens, 1 <sup>st</sup> Floor, Kolkata – 700045, India Ph. Nos. +9133 4072 4051/4052/4053 Fax Nos +91 33 4072 4050 E-mail: mcssta@rediffmail.com  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  The President & Company Secretary "Park Plaza", 1 <sup>st</sup> Floor, 71, Park Street, Kolkata – 700 016 Ph. Nos.: +91-33-4029-7000 Fax Nos.: +91-33-22295693 Email: mail@balasorealloys.com investorshelpline@balasorealloys.com Website: www.balasorealloys.com
<b>Note:</b> Shareholders holding shares in dematerialized form should address all correspondence to their respective depository participants.		
18.	As on 01.01.2020, CARE Ratings Limited (CARE) has affirmed Credit Rating CARE BB(Double B) for the Long-term Bank Facilities and CARE A4(A Four) for the Short-term Bank Facilities of your Company. The outlook on the Long-Term and has been assigned to 'Stable'.	

**19. The status of equity shares lying in the unclaimed suspense account is given below:**

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

## **20. Shareholder Reference**

### **Dematerialise your shares**

All the investors are hereby informed that, transfer of Physical Shares is not allowed w.e.f. 01.04.2019 (except transmission & transposition) pursuant to SEBI Regulations. Hence, it is advised to convert Physical shares into demat form immediately as transfer can only be made in demat mode.



### **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.

Further it is again advised to dematerialise the physical share certificate in order to avoid any hassle or trouble in transmission of shares.

### **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 Transfer Agent**

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

### **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company doesn't have any commodity price risk exposure hedging activities.

During the Financial Year March 31, 2020, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company entered forward contracts, options and packing credit in foreign currency (PCFC) for hedging foreign exchange exposures against export. The details of financial risk management is disclosed in Note No. 32 to the Notes to the Financial Statements for the financial year ended March 31, 2020.



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

30<sup>th</sup> July, 2020

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

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

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit committee, and the steps have been taken or propose to take to rectify these deficiencies.
- d) (i) There has not been any significant change in internal control over financial reporting during the year under reference;
- (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- (iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Nikunj Pansari**  
Director – Finance & CF  
DIN: 080232216

**Anil Sureka**  
Managing Director  
DIN: 00058228





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

To the Members,  
Balasore Alloys Limited  
Kolkata

1. The Corporate Governance Report prepared by Balasore Alloys Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

**Management's Responsibility**

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

**Auditor's Responsibility**

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

### **Other Matters and Restriction for Use**

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

**For Chaturvedi & Shah**  
Chartered Accountants  
F.R.N.No.101720W

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: July 30, 2020  
Place: Mumbai

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**To**  
**The Members**  
**Balasore Alloys Limited**

Based on our verification of the books, papers, registers, forms, returns, disclosures received from the Directors and other records maintained by **Balasore Alloys Limited**, having its Registered office at Balgopalpur – 756 020, Dist.: Balasore, Odisha(“the Company”) and also the information provided by the Company, its officers, agents and authorized representatives for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the verification of the portal [www.mca.gov.in](http://www.mca.gov.in), including Directors Identification Number (DIN) status at the portal, we hereby certify that during the Financial Year ended on March 31, 2020, in our opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority.

It is the responsibility of the management of the Company for ensuring the eligibility for the appointment/ continuity of every director on the board of the Company. Our responsibility is to express an opinion on these based on our verification.

**For MKB & Associates**  
**Company Secretaries**

Manoj Kumar Banthia  
[Partner]

ACS no. 11470

COP no. 7596

FRN: P2010WB042700

Date: 30.07.2020

Place: Kolkata

UDIN: A011470B000533497

**INDEPENDENT AUDITOR'S REPORT**

To the Members of BALASORE ALLOYS LIMITED

Report on the Audit of Standalone Financial Statements

**Opinion**

We have audited the accompanying Standalone Financial Statements of Balasore Alloys Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 Companies Act, 2013 ("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, 2020, its Losses including Other Comprehensive Income, its Cash Flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics Issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

**Emphasis of Matter**

- (a) We draw attention to Note No 41 of the Standalone Financial Statements regarding slow implementation of underground mining project at Sukinda. As represented by the management, since substantial pre-development activities have been completed and considering the revision in method of underground mining which shall be funded by mix of internal accruals, promoters contribution and financial tie-ups and will be completed in due course. Hence, no adjustments have been carried out for carrying value of capital work in progress of ₹ 10,075.78 lacs and the advances to vendors of ₹ 15,503.08 lacs at this stage.
- (b) We draw attention to Note No 42 of the Standalone Financial Statements regarding certain advances of ₹ 6,786.13 lacs which are outstanding for more than one year on account of supply against materials and services. For the reasons stated in said note management is confident of getting the supplies or refund and therefore, there is no need to make any adjustment at this stage.
- (c) We draw attention to Note No 43 of the Standalone Financial Statements regarding trade receivable of ₹ 2,689.51 lacs which are outstanding for more than one year from its due date. For the reasons stated in said note management is confident of realizing the amount and therefore, there is no need to make any adjustment at this stage. Our report is not modified in respect of this matter.
- (d) We draw attention to Note 44 of the Standalone Financial Statements which explains the uncertainties and management's assessment of the financial impact due to lockdown/restrictions related to the COVID-19



(e) pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions.

Our Opinion is not modified in respect of above matters.

**Material Uncertainty related to Going Concern**

We draw attention to Note 45 of the Standalone Financial Statements which indicates that the Company's incurred operating losses as of March 31, 2020 and the Company's current liabilities exceeded its current assets. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not modified in respect of this matter.

**Key Audit Matters**

Key Audit Matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements as at and for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and, in forming our opinion thereon; we do not provide a separate opinion on these matters.

Except for the matter described in the Emphasis of Matter, we have determined following key audit matters to communicate in our report:

Sr.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1	<p><b>Contingent Liabilities:</b> (Refer Note 36 to 39 of Standalone Financial Statements)</p> <p>There are number of legal, regulatory and tax cases against the company. High level of judgements is required in estimating the level of provisioning required. There is an inherent risk that all legal exposures are not identified and considered for disclosure and provisioning for financial reporting purpose on a timely basis making it a significant matter for our audit</p>	<p>Our audit procedures in relation to management's identification/judgments/estimation of contingent liabilities includes the following :</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of Company's key controls around the recording and assessment of contingent liabilities;</li> <li>• Meeting company's legal team to understand the ongoing and potential legal/tax matters impacting the company.</li> <li>• Read the Board minutes for an update on the status of significant legal cases and assess whether any constructive obligation had arisen in individual cases based on available records.</li> <li>• Understanding relevant historical judgments set in the similar cases as well as reading legal opinions from external lawyers/experts, when obtained by the management;</li> <li>• Performed the substantive procedures on the underlying calculations for the provisions recorded for completeness and accuracy.</li> <li>• Reviewing the accounting and disclosure of legal exposures.</li> </ul> <p>Our testing as described above showed that management's judgments/estimation/assessment in relation to the contingent liabilities are reasonable and does not require additional provisioning. The disclosures made with respect to the contingent liabilities are adequate.</p>



2	<p><b>Revenue Recognition</b> (Refer note 19 and Para 1B(m) of the significant accounting policies of Standalone Financial Statements)</p> <p>Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the company's performance obligation under a contract with customer.</p> <p>The company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before completion of the performance obligation.</p> <p>There is a significant risk of misstatement due to risk related to inappropriate recognition of the revenue and hence was determined to be a key audit matter</p>	<p>Our audit procedures to assess the appropriateness of revenue recognised included the following:</p> <p>Our audit procedures, considering the significant risk of misstatement related to revenue recognition, included amongst other:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of an assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process.</li> <li>• Examination of significant contracts entered into close to year end to ensure revenue recognition is made in correct period.</li> <li>• Testing a sample of contracts from various revenue streams by agreeing information back to contracts and proof of delivery as appropriate and ensure revenue recognition policy is in accordance with principles of Ind AS 115.</li> <li>• Assessing the adequacy of Company's disclosure in accordance with requirements of Ind AS 115.</li> </ul> <p>Our testing as described above showed that revenue has been recorded in accordance with the terms of underlying contracts and accounting policy in this area. The disclosures made relating to revenues are in agreement with Ind AS 115</p>
---	--	--

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



preparation and fair presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the accounting standards specified under section 133 of the Act; read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - g) In our opinion and to the best of our information and according to the explanations given to us, the Managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

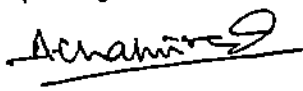




■  
■  
**CHATURVEDI & SHAH LLP**  
Chartered Accountants  
■

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note 36 to 39 to the Standalone Financial Statements;
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2020.

For Chaturvedi & Shah LLP  
Chartered Accountants  
(Firm Registration no. 101720WW/100355)

  
Amlt Chaturvedi  
Partner  
Membership No.: 103141



Mumbai  
Date: July 30, 2020  
UDIN No. 20103141AAAAPU3489

"Annexure A" to the Independent Auditors' 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)

- i) 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) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such 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, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us undisputed amounts, in respect of the Statutory dues referred above outstanding as at March 31, 2020, 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 (including Interest)	271.54	AY 2014-15
	2,366.15	AY 2015-18
	743.12	AY 2016-17
	4,775.48	AY 2017-18
	4,049.11	AY 2018-19
T.D.S	116.11	April 2019-August 2019
G.S.T.	388.31	April 2019-August 2019
Dividend Distribution Tax	143.87	FY 2017-18
Total	12,853.69	

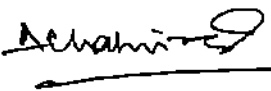
- a. The disputed statutory dues aggregating ₹ 1,311.36 Lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sr. No	Name of the Statute	Nature of Dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
1	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
			1.93	1994-98	Additional Commissioner
			437.97	2007-2013	Orissa High Court, Cuttack
2	Entry Tax Act 1999	Entry Tax	92.96	2007-13	Orissa High Court, Cuttack
			45.20	2009-12	Additional Commissioner
3	Chapter V of Finance Act, 1994	Service tax	6.80	2005-07	Orissa High Court, Cuttack
			655.58	2004-2012	Central Excise & Service Tax Appellate Tribunal
	TOTAL		1,311.36		



- 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. The Company has not borrowed any funds from financial institutions or government or by issue of debentures.
- 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/provided managerial remuneration in accordance with 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) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- 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 LLP  
Chartered Accountants  
(Firm Registration no. 101720WW100355)

  
Amit Chaturvedi  
Partner  
Membership No.: 103141

Place : Mumbai  
Date : July 30, 2020



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

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

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

We have audited the Internal Financial Control over financial reporting of Balasore Alloys Limited ("the company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year then ended.

**Management's Responsibility for 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 (the "Guidance Note") 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 with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. These 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 with reference to these standalone financial statements 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 with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, 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 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 with reference to these Standalone Financial Statements.



**Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements 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 with reference to these Standalone Financial Statements 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.

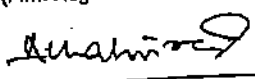
**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, 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 with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements 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, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2020, 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 ICAI.

For Chaturvedi & Shah LLP  
Chartered Accountants  
(Firm Registration no. 101720WW/100355)

  
Amit Chaturvedi  
Partner  
Membership No.: 103141



Place : Mumbai  
Date : July 30, 2020

**Balassore Alloys Limited**  
**Standalone Balance Sheet as at 31st March, 2020**

(₹ in Lacs)

	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
Non-Current Assets			
Property, Plant & Equipment	2	84,635.47	83,719.86
Intangible Assets	2	5,560.85	3,023.57
Capital Work-in-Progress	2	11,702.69	19,331.90
Financial Asset			
Investments in Subsidiaries	3	-	-
Investments in Associates	3	-	-
Investments in Other	3	1,762.31	1,760.85
Others	5	810.73	810.46
Deferred Tax Assets (net)	14	1,203.26	-
Other Assets	6	16,187.49	16,882.49
<b>Total Non-Current Assets</b>		<b>1,11,812.80</b>	<b>1,19,548.97</b>
Current Assets			
Inventories	7	15,074.05	12,448.31
Financial Assets			
Trade Receivables	8	5,814.29	5,105.34
Cash and Bank Balances	9	3,119.84	2,870.31
Loans	4	1,878.80	3,323.12
Other Financial Assets	5	8,660.01	3,447.74
Other Assets	6	18,709.86	21,092.14
<b>Total Current Assets</b>		<b>48,456.85</b>	<b>51,288.96</b>
<b>Total Assets</b>		<b>1,70,270.65</b>	<b>1,72,835.89</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	10	4,664.27	4,664.27
Other Equity	11	77,290.52	88,300.32
<b>Total Equity</b>		<b>81,954.79</b>	<b>92,964.59</b>
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	30.39	170.66
Trade Payables Due to:			
Micro and Small Enterprises	16	-	-
Other Than Micro and Small Enterprises	16	13,901.25	-
Provisions	13	2,137.13	1,908.51
Deferred Tax Liabilities (net)	14	-	2,820.03
<b>Total Non-Current Liabilities</b>		<b>16,070.77</b>	<b>4,899.23</b>
Current Liabilities			
Financial Liabilities			
Borrowings	15	19,387.43	17,042.07
Trade Payables Due to:			
Micro and Small Enterprises	16	86.87	45.55
Other Than Micro and Small Enterprises	16	21,799.84	34,518.65
Other Financial Liabilities	17	3,987.59	5,797.45
Other Liabilities	18	11,349.41	6,612.87
Provisions	11	12,611.67	11,151.06
<b>Total Current Liabilities</b>		<b>71,243.05</b>	<b>74,970.07</b>
<b>Total Equity and Liabilities</b>		<b>1,70,270.65</b>	<b>1,72,835.89</b>

Significant Accounting Policies  
Notes on Financial Statements

1  
2-48

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah LLP  
Firm Registration Number: 101720W/W100355  
Chartered Accountants

*Amrit Chaturvedi*

Amrit Chaturvedi  
Partner  
Membership No.: 103141

Place: Mumbai  
Date: 30th July, 2020



For and on behalf of the Board of Directors

Anil Sureha  
(Managing Director)  
DIN No-00038228

Nitin Panjari  
(Director - Finance)  
DIN No-00033218



*Trilochan Sharma*  
Trilochan Sharma  
(Company Secretary)  
Membership No- FCS 6024

Place: Kolkata  
Date: 30th July, 2020

**Balasure Alloys Limited**  
**Standalone Statement of Profit and Loss for the Year ended 31st March, 2020**

		(₹ in Lacs)	
	Notes	2019-20	2018-19
<b>INCOME</b>			
Revenue From Operations	19	76,746.28	1,25,805.85
Other Income	20	2,313.14	1,210.25
<b>Total Revenue (I)</b>		<b>79,059.42</b>	<b>1,27,016.10</b>
<b>EXPENSES:</b>			
Cost of Raw Materials Consumed	21	32,556.29	54,857.35
Purchase of Stock-in-Trade		-	818.10
(Increase)/ Decrease in Inventories	22	692.46	(805.36)
Power		28,104.31	34,532.73
Employee Benefit Expenses	23	5,518.85	6,524.98
Other Expenses	24	17,120.44	22,959.17
Depreciation & Amortization expenses	25	3,028.57	3,207.30
Finance Costs	26	4,958.59	4,419.83
<b>Total (II)</b>		<b>91,919.51</b>	<b>1,26,614.10</b>
<b>Profit Before Exceptional Item (III)</b>		<b>(12,860.09)</b>	<b>402.00</b>
Exceptional Items (Refer Note- 42)		2,022.35	3,681.58
<b>Profit Before Taxes (IV)</b>		<b>(14,837.74)</b>	<b>(3,281.58)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax Charge		(4,041.24)	(96.00)
Taxation Expenses of Earlier Years		-	(269.90)
<b>Total Tax Expenses (V)</b>		<b>(4,041.24)</b>	<b>(365.90)</b>
<b>Profit For the Year [(IV) - (V)]</b>		<b>(10,841.20)</b>	<b>(2,915.68)</b>
<b>Other Comprehensive Income :</b>			
1. Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of post employment benefit obligations		70.03	107.04
Income tax relating to item that will not be reclassified to Profit or Loss		(17.95)	(37.40)
<b>Total Other Comprehensive Income/ (Loss) For the Year</b>		<b>52.08</b>	<b>69.64</b>
<b>Total Comprehensive Income/Loss For the Year</b>		<b>(10,789.12)</b>	<b>(2,846.04)</b>

Earnings Per Equity Share (Nominal Value of Share ₹ 5/-)			
Basic EPS (₹)		(11.56)	(3.05)
Diluted EPS (₹)		(11.56)	(3.05)
Significant Accounting Policies	1		
Notes on Financial Statements	2-48		

The accompanying notes are forming part of the financial statements

As per our report of even date

For Chaturvedi & Shah LLP  
 Firm Registration Number: 101720W/W100355  
 Chartered Accountants

*Amit Chaturvedi*

Amit Chaturvedi  
 Partner  
 Membership no.: 103141



Place: Mumbai  
 Date: 30th July, 2020

For and on behalf of the Board of Directors

*Anil Sureka*

Anil Sureka  
 (Managing Director)  
 DIN No-00058228

*Nitin Pansari*

Nitin Pansari  
 (Director - Finance)  
 DIN No-08023216



*Trilochan Sharma*

Trilochan Sharma  
 (Company Secretary)  
 Membership No- FCS 6024

Place: Kolkata  
 Date: 30th July, 2020



**Balasore Alloys Limited**  
**Standalone Cash Flow Statement for the year ended 31st March, 2020**

(₹ In Lacs)

	Notes	2019-20	2018-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit Before Tax		(14,882.44)	(3,281.58)
Adjustment For :			
Depreciation/Amortisation Expenses		3,028.57	3,207.30
Loss/(Profit) on Sale/Discard of Property, Plant and Equipment (Net)		167.50	10.38
Unrealized Foreign Exchange Gain/Loss		137.67	2,643.48
Unspent Liabilities no Longer Required Written Back		(1,781.19)	(174.02)
Loss on Sale of Investment		-	2.35
Fair valuation of Investment		(2.46)	(2.14)
Irrecoverable Debts, Deposits & Advances Written Off		2,152.38	3,706.55
Provision for Doubtful Debts/Advances		1,525.17	-
Interest Expense		4,569.07	3,963.02
Interest Income		(485.39)	(691.89)
Operating Profit Before Working Capital Changes			
Movements in Working Capital :			
Increase/(Decrease) in Trade Payables and Other Current Liabilities		7,688.91	5,502.69
Increase/(Decrease) in Provisions		239.93	299.95
Decrease/(Increase) in Trade Receivables		(276.79)	(691.56)
Decrease/(Increase) in Inventories		2,374.26	1,593.35
Decrease/(Increase) in Loans and Advances and Other Assets		80.75	(7,825.57)
Cash Generated From/(Used In) Operations		4,556.14	8,464.10
Taxes Paid (Net)		(160.88)	(192.26)
<b>Net Cash Flow From Operating Activities (A)*</b>		<b>4,395.26</b>	<b>8,271.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment (Including CWP and Capital Advances)		(4,283.77)	(5,405.81)
Purchase of Investment		-	(20.00)
Sale of Investment		-	10.00
Proceeds from Sale of Fixed Assets		47.50	-
Maturity of/(Investment in) Fixed Deposit		(883.33)	(519.19)
Interest Received		383.03	208.12
<b>Net Cash Flow From/(Used) In Investing Activities (B)</b>		<b>(4,736.57)</b>	<b>(5,726.87)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Long-Term Borrowings		(533.40)	(750.46)
Proceeds of Long-Term Borrowings		-	88.10
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)		(143.95)	(599.94)
Net Movement in Short-term Borrowings		2,345.40	368.63
Interest Paid		(1,571.74)	(2,604.56)
<b>Net Cash Flow From/(Used) In Financing Activities (C)</b>		<b>96.31</b>	<b>(3,598.17)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>(245.00)</b>	<b>(1,053.20)</b>
Cash & Cash Equivalents as at the Beginning of the Year		621.32	1,674.50
Cash & Cash Equivalents as at the End of the Year		376.32	621.31
<b>Cash &amp; Cash Equivalents as at the End of the Year Includes</b>			
Cash-on-Hand		180.23	175.44
Balances with Banks:			
In Current Accounts		64.50	204.51
In Unpaid Dividend Account**		131.59	241.38
<b>Cash and Cash Equivalents at the End of the Year (Refer Note 9)</b>		<b>376.32</b>	<b>621.32</b>



Change in liabilities arising from financing activities:-

	1st April 2019	Cash Flow	Foreign exchange movement	31st March 2020
Borrowing - Current (Refer Note 15)	17,042.07	2,766.57	78.83	19,387.47
Borrowing - Non-Current (Refer Note 12)	787.77	(533.40)	-	254.37

	1st April 2018	Cash Flow	Foreign exchange movement	31st March 2019
Borrowing - Current (Refer Note 15)	16,673.38	380.24	(11.55)	17,042.07
Borrowing - Non-Current (Refer Note 12)	1,450.13	(562.36)	-	787.77

- \* Amount Spent in Cash towards Corporate Social Responsibility is ₹ 55.58 lakhs (Previous year ₹ 196.46 lakhs)  
 \*\* The company can utilize these balance only towards settlement of the respective unpaid dividend.

Summary of Significant Accounting Policies

1

The accompanying notes are forming part of the financial statements

As per our report of even date

For Chaturvedi & Shah LLP  
 Firm Registration Number: 101720W/W100355  
 Chartered Accountants

Amit Chaturvedi  
 Partner  
 Membership no.: 103141



Place: Mumbai  
 Date: 30th July, 2020

For and on behalf of the Board of Directors

Anil Suraski  
 (Managing Director)  
 DIN No-00058228

Nikunj Parsani  
 (Director - Finance)  
 DIN No-08023216



Trilochan Sharma  
 (Company Secretary)  
 Membership No- FCS 6024

Place: Kolkata  
 Date: 30th July, 2020

**Balsore Alloys Limited**  
Statement of Changes in Equity For the year ended 31st March 2020

(a) Equity share capital			(₹ in Lacs)
	No. of Shares	Amount	
Balance at the beginning of the reporting period i.e. 1st April 2018	9,33,25,411	4,666.27	
Changes in equity share capital	-	-	
Balance at the end of reporting period i.e. 31st March, 2019	9,33,25,411	4,666.27	
Changes in equity share capital	-	-	
Balance as at 31 March 2020	9,33,25,411	4,666.27	

(b) Other Equity							(₹ in Lacs)
Particulars	Money Received Against Share Warrants	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations	Total
AS ON 31ST MARCH 2018							
Balance at the beginning of the reporting period i.e. 1st April 2018	476.75	683.82	5,617.78	7,923.20	77,375.66	(87.03)	91,990.17
Total Comprehensive Income for the year	-	-	-	-	(2,915.68)	69.54	(2,846.04)
Dividend	-	-	-	-	(699.94)	-	(699.94)
Tax on dividend	-	-	-	-	(142.87)	-	(142.87)
On forfeiture	(476.75)	476.75	-	-	-	-	-
Balance at the end of reporting period i.e. 31st March, 2019	-	1,160.57	5,617.78	7,923.20	73,617.17	(17.39)	88,301.33

							(₹ in Lacs)
Particulars	Money Received Against Share Warrants	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations	Total
AS ON 31ST MARCH 2019							
Balance at the beginning of the reporting period i.e. 1st April 2019	-	1,160.57	5,617.78	7,923.20	73,617.17	(17.39)	88,301.33
Total Comprehensive Income for the year	-	-	-	-	(10,841.20)	52.08	(10,789.12)
Dividend	-	-	-	-	(143.95)	-	(143.95)
Tax on dividend	-	-	-	-	(76.73)	-	(76.73)
Balance at the end of reporting period i.e. 31st March, 2020	-	1,160.57	5,617.78	7,923.20	62,555.29	34.69	77,291.53

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah LLP  
Firm Registration Number: 101720W/W100355

Chartered Accountants

Amit Chaturvedi  
Partner  
Membership No. 103141  
Place: Mumbai  
Date: 30th July, 2020



Anil Sureka  
(Managing Director)  
DIN No-00058228

Nikhil Pansari  
(Director - Finance)  
DIN No-08023216



Trilochan Sharma  
(Company Secretary)  
Membership No- FCS 6024

Place: Kolkata  
Date: 30th July, 2020

## Balasure Alloys Limited

Notes to the Standalone Financial Statements for the year ended 31st March 2020

### 1A. 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 and Sukinda, Odisha

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

### 1B. Significant Accounting policies

#### (a) Basis of preparation

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) including the rules notified under the relevant provisions of the Companies Act, 2013.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  1. Certain financial instruments (including derivative instruments) measured at fair value through profit or loss
  2. Defined benefit plans - plan assets measured at fair value

#### (b) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is -

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



**Balasure Alloys Limited**

Notes to the Standalone Financial Statements for the year ended 31 March 2020

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

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

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

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

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

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

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

Leasehold land and improvements are amortised over the lease period.

Mining Lease is depreciated based on unit of production method.

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

**(d) Leases**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.



**Balasore Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

**(e) Intangible assets**

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

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

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

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

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

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

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

**(f) Finance Cost**

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

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

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

**(g) Inventories**

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



**Balasure Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

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

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

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

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

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

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

**(i) Provisions**

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

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

**Provision for decommissioning liability**

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

**(j) Employee Benefits Expense**

**Short Term Employee Benefits**

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



**Balasure Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

**Post-Employment Benefits**

**Defined Contribution Plans**

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

**Defined Benefit Plans**

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

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

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

**(k) Tax Expenses**

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

**- Current tax**

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

**- Deferred tax**

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

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

**(l) Foreign currencies transactions and translation**

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

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as





**Balasure Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

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

**(m) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when the it becomes unconditional. Generally, the credit period varies between 0-180 days from the shipment or delivery of goods or services as the case may be.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

**Contract Balances:**

**Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

**Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.



**Balasure Alloys Limited**  
**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

**Interest Income**

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

**Dividends**

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

**Export Obligations / Entitlements / Incentives**

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

**(n) Cash and cash equivalents**

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

**(o) Earnings per share**

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

**(p) Rounding of amounts**

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

**(q) Segment reporting**

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

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

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

**(r) Financial Instruments**

**(i) Financial Assets**

**A. Initial recognition and measurement**

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value



**Balasore Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement**

- a) **Financial assets carried at amortised cost (AC)**  
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) **Financial assets at fair value through other comprehensive income (FVTOCI)**  
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) **Financial assets at fair value through profit or loss (FVTPL)**  
A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Offsetting**

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

**D. Equity Investment**

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

**E. Impairment of Financial Assets**

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

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

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

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



**Balasure Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

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

**(ii) Financial Liabilities**

**A. Initial recognition and measurement**

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

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

**B. Subsequent measurement**

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

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

**(iii) Derivative Financial Instruments and Hedge Accounting**

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

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

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

**a) Cash flow hedge**

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

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



**Balasore Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

**b) Fair Value Hedge**

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

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

**(iv) Derecognition of financial instruments**

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

**(v) Offsetting**

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

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

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

**a) Decommissioning Liabilities**

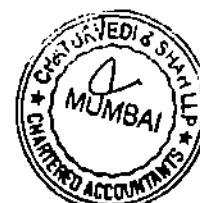
The liability for decommissioning costs are recognized when the Company has obligation to perform site restoration activity. The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions.

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

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

**c) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered



**Balalore Alloys Limited**

**Notes to the Standalone Financial Statements for the year ended 31 March 2020**

include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**d) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**e) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**f) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**g) Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.



Balasore Alloys Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2020

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

h) Leases

With effect from 1st April 2019, Ind AS 116 - "Leases" (Ind AS 116) supersedes Ind AS 17 - "Leases". The Company has adopted Ind AS 116 using the prospective approach. The Company evaluated if an arrangement qualifies to be a lease as per requirements of Ind AS 116. Identification of lease requires significant judgement. Large portion of the Company's leases are cancellable by both lessor and lessee or are arrangements which qualify as variable leases and hence are not considered for recognition of Right of Use Asset and lease liabilities. There are few lease arrangements which are cancellable only at the option of the lessee but have not been considered for recognition of Right of Use Assets and lease liabilities on grounds of materiality and exercisability.

i) Estimation uncertainty relating to the Global health pandemic on COVID -19

The impact of COVID - 19 on the business operations for the Company for the current year 2019-20 is not significant as those were continuing normally until the nationwide lockdown near the end of the year. Management has performed the assessment of the effect of COVID -19 on the recoverability of the value of assets as at the end of the year and liquidity position as well as business activities in the foreseeable future. Based on the assessment, presently there are no significant concerns regarding recoverability of the value of the assets as well as on liquidity and continuity of the business. The impact of COVID - 19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.



**Balalore Alloys Limited**  
**Notes to the Standalone financial statements for the Year ended 31st March, 2020**

**2. Fixed Assets**

Description	Gross block		As at 31st March, 2020	Depreciation/ amortisation For the year	Deductions/ Adjustments	As at 31st March, 2020	Net block As at 31st March, 2020	As at 31st March, 2019
	At 31st April, 2019	Additions						
<b>(i) Tangible assets</b>								
Own assets:								
Freehold Land	417.47	-	417.47	-	-	417.47	417.47	417.47
Buildings	12,449.41	580.33	13,029.74	449.25	-	12,580.49	7,129.79	6,990.71
Plant and Machinery	16,717.23	2,715.37	19,432.60	1,341.28	-	18,091.32	21,018.45	19,644.36
Office Equipment	449.76	5.70	455.46	29.37	-	426.09	80.18	103.83
Furniture and Fixtures	535.58	17.28	552.86	37.11	-	515.75	208.79	223.62
Vehicles	2,016.73	-	2,016.73	236.15	-	1,780.58	3,007.73	3,243.84
Computer & Peripherals	447.30	7.97	455.27	41.01	-	414.26	49.21	82.25
<b>Sub-Total</b>	<b>53,083.48</b>	<b>3,326.45</b>	<b>56,409.93</b>	<b>2,123.77</b>	<b>-</b>	<b>54,286.16</b>	<b>29,911.61</b>	<b>24,706.15</b>
<b>Right to use Assets:</b>								
Leasehold Land	82.66	-	82.66	1.24	-	81.42	67.06	68.30
Mining Lease	85,279.23	-	85,279.23	704.45	-	84,574.78	54,656.97	54,945.47
<b>Sub-Total</b>	<b>85,361.89</b>	<b>-</b>	<b>85,361.89</b>	<b>705.69</b>	<b>-</b>	<b>84,656.20</b>	<b>54,724.03</b>	<b>55,013.72</b>
<b>Total (i)</b>	<b>1,39,445.37</b>	<b>3,326.45</b>	<b>1,42,771.82</b>	<b>2,829.46</b>	<b>-</b>	<b>1,40,942.36</b>	<b>84,635.64</b>	<b>83,719.87</b>
<b>(ii) Intangible Assets*</b>								
Computer Software	1,311.51	231.20	1,542.71	223.02	-	1,319.69	404.43	406.25
Mines Development	3,531.15	2,933.79	6,464.94	292.54	-	6,172.40	5,192.31	2,611.56
Goodwill	11.27	-	11.27	2.14	-	9.13	3.61	5.75
<b>Total (ii)</b>	<b>4,853.93</b>	<b>3,164.99</b>	<b>8,018.92</b>	<b>517.70</b>	<b>-</b>	<b>7,501.22</b>	<b>5,599.85</b>	<b>3,023.57</b>
<b>Total (Total)</b>	<b>1,44,299.30</b>	<b>6,491.44</b>	<b>1,50,790.74</b>	<b>3,347.16</b>	<b>-</b>	<b>1,47,443.58</b>	<b>90,235.49</b>	<b>86,743.43</b>
<b>Previous year</b>	<b>1,39,767.66</b>	<b>3,579.08</b>	<b>1,43,346.74</b>	<b>3,207.30</b>	<b>-</b>	<b>1,40,139.44</b>	<b>86,743.43</b>	<b>86,387.76</b>
<b>Capital work-in-progress</b>							<b>11,702.89</b>	<b>13,351.90</b>

\* Other than internally generated

2.1 Capital work-in-progress include:

- (i) ₹ 1,012.75 Lacs (₹ 1,125.46 Lacs) on account of project development expenditure.
- (ii) ₹ 2,334.52 Lacs (₹ 2,218.08 Lacs) on account of cost of construction materials at site.

2.2 Project Development Expenditure (in respect of projects upto 31.03.2020, included under capital work in progress)

Particulars	2019-2020	2018-2019
Opening Balance	1,125.46	1,012.75
Add:		
Employee Benefit Expenses & other exp	1,211.09	112.71
Total	2,336.55	1,125.46
Less: Project Development Expenses capitalised during the year	1,121.80	-
Closing Balance	1,012.75	1,125.46

2.3 For Assets pledged as security - Refer note 2.2 & 15.1





**Balasure Alloys Limited**  
Notes to the Standalone financial statements for the Year ended 31st March, 2020

(₹ In Lacs)

**3. Non-Current Investments**

	Non Current			
	Unit	As at	Unit	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
<b>A. Investment measured at Amortised cost</b>				
(i) Investment in government securities		0.95		0.95
6 years National Savings Certificates (Deposited with Government Departments)				
(ii) Investment in Unquoted debentures				
9% Unsecured redeemable non-convertible debentures of ₹ 100 each fully paid-up in Krish Treaim Private Limited	1217200	1,217.20	1217200	1,217.20
<b>Total of Investment measured at Amortised cost (A = i+ii)</b>		<b>1,218.15</b>		<b>1,218.15</b>
<b>B. Investment measured at Fair value through Profit and Loss</b>				
<b>Unquoted equity shares</b>				
(i) Investment in subsidiary	47351	-	47351	-
Equity Shares of USD 100 each fully paid-up in Milton Holdings Limited				
Equity Shares of USD 1 each fully paid-up in Balasure Metals Pte Limited (Full figure ₹ 54 (₹ 54))	1	-	1	-
(ii) Investment in associate	17000	-	17000	-
Equity Shares of ₹ 10 each fully paid-up in Balasure Energy Limited				
(iii) Investment in Other	3000000	-	3000000	-
Equity shares of ₹ 10 each fully paid-up in Facor Power Limited				
(iv) Unquoted equity shares	300000	399.85	300000	400.67
Equity shares of ₹ 10 each fully paid-up in Elephanta Gases Limited				
(v) Unquoted mutual funds				
State Bank of India	350000	37.78	350000	36.57
Dual Advantage Fund - Series- XXVI	200000	21.71	200000	21.15
Dual Advantage Fund - Series- XXIV	200000	21.68	200000	21.04
Dual Advantage Fund - Series- XXVIII	200000	21.60	200000	20.84
Dual Advantage Fund - Series- XXVII	200000	21.09	200000	21.41
Dual Advantage Fund - Series- XXIII	200000	21.25	200000	20.82
Dual Advantage Fund - Series- XXV		544.96		542.50
<b>Total of Investment measured at Fair value through Profit and Loss (B = i to v)</b>		<b>1,763.11</b>		<b>1,760.65</b>
<b>Total (A + B)</b>				

	As at 31st March 2020	As at 31st March 2019
<b>3.1 Category-wise Investment - Non Current</b>		
Financial Assets measured at Amortised cost	1,218.15	1,218.15
Financial Assets measured at Fair value through Profit and Loss	544.96	542.50
<b>Total Investment - Non Current</b>	<b>1,763.11</b>	<b>1,760.65</b>

3.2 The list of subsidiaries and associate along with proportion of ownership interest and country of Incorporation are disclosed in note 1(c) of Consolidated Financial Statement



**Balasure Alloys Limited**  
**Notes to the Standalone financial statements for the Year ended 31st March, 2020**

**4. Loans**

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)	Non Current		Current	
	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
<b>Loans</b>				
Body Corporates	-	-	1,746.68	1,746.68
Body Corporates - Related Parties (Refer Note 35)	-	-	-	1,508.72
Advance to Employees	-	-	132.12	67.72
	-	-	<b>1,878.80</b>	<b>3,323.12</b>

**5. Other Financial Assets**

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)	Non Current		Current	
	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Rent Deposit	-	-	48.77	46.25
Rent Deposits to Related Parties (Refer Note 35)	611.90	583.20	-	-
Other Deposit	-	-	2.24	0.80
Other Deposits to Related Parties (Refer Note 35)	178.83	227.26	-	-
Security Deposits	-	-	3,098.03	2,448.38
Derivative Asset	-	-	-	154.78
Interest Receivable on				
Bank Deposits	-	-	33.10	28.81
Long-term Investments	-	-	197.19	98.59
Loans, Other Deposits	-	-	280.69	670.13
	<b>810.73</b>	<b>810.46</b>	<b>3,640.01</b>	<b>3,447.74</b>

**6. Other Assets**

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)	Non Current		Current	
	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
<b>Capital advances</b>				
Considered good	16,137.49	16,882.49	-	-
Considered doubtful	17.50	17.50	-	-
	16,154.99	16,899.99	-	-
Provision for doubtful advances	(17.50)	(17.50)	-	-
(A)	16,137.49	16,882.49	-	-
<b>Advances towards supply/services/Expenses</b>				
Considered good - Related Parties (Refer Note 35)	-	-	408.40	430.20
Considered good - Others	-	-	15,196.93	17,997.62
Considered doubtful - Others	-	-	2,139.81	614.64
	-	-	17,745.14	19,042.46
Provision for doubtful advances	-	-	(2,139.81)	(614.64)
(B)	-	-	15,605.33	18,427.82
<b>Others</b>				
Balances with statutory / government authorities	-	-	2,704.47	1,871.60
Export benefits receivables	-	-	195.17	452.25
Prepaid Expenses	-	-	204.89	340.47
(C)	-	-	3,104.53	2,664.32
<b>Total</b>	<b>16,137.49</b>	<b>16,882.49</b>	<b>18,709.86</b>	<b>21,092.14</b>

(A to C)



# Balasore Alloys Limited

Notes to the Standalone financial statements for the Year ended 31st March, 2020

(₹ in Lacs)		
7. Inventories	As at 31st March, 2020	As at 31st March, 2019
Raw materials and components [includes in transit and pledged ₹3,275.31 Lacs (Previous Year - ₹ 4,383.51 Lacs)]	10,638.55	12,230.73
Stores, Spares & Consumables	1,753.62	1,909.50
Finished goods	421.35	1,376.70
Stock under process	1,146.13	1,099.08
At estimated net realisable value	1,114.40	832.30
Saleable Scraps		
<b>Total</b>	<b>15,074.05</b>	<b>17,448.31</b>

7.1 Inventory given as security against borrowings Refer Note - 15.1

(₹ in Lacs)		
8. Trade Receivables (Unsecured, considered good unless stated otherwise)	As at 31st March, 2020	As at 31st March, 2019
Other receivables	5,614.29	5,105.34
Credit Impaired	14.51	14.51
Provision for credit impaired	5,628.80	5,119.85
	(14.51)	(14.51)
<b>Total</b>	<b>5,614.29</b>	<b>5,105.34</b>

8.1 Trade Receivables are netted with Bill discounting of ₹ 581.24 lacs. (Previous Year - ₹ 2,236.46 lacs)

(₹ in Lacs)		
9. Cash and Bank Balances	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents	180.23	175.44
Cash on hand		
Balances with banks:	64.50	204.51
In current accounts	2,392.93	1,377.60
In Deposit (Maturity of three months or less) #	131.59	241.38
In unpaid dividend account		
(A)	2,769.25	1,998.93
Other bank balances	765.39	897.38
Margin money deposit #		
(B)	765.39	897.38
(C)	14.80	26.00
Less : Bank Overdraft		
<b>Total (A+B-C)</b>	<b>3,519.84</b>	<b>2,870.31</b>

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



**Balasure Alloys Limited**  
**Notes to the Standalone financial statements for the Year ended 31st March, 2020**

10. Equity Share Capital	₹ in Lacs	
	As at 31st March, 2020	As at 31st March, 2019
Authorized Shares	10,000.00	10,000.00
Equity Shares of ₹ 5/- Each		
200,000,000 (Previous Year - 200,000,000)		
Issued and Subscribed Shares	4,818.46	4,818.46
Equity Shares of ₹ 5/- Each		
96,369,263 (Previous Year - 96,369,263)		
Paid-up Shares	4,666.27	4,666.27
Equity Shares of ₹ 5/- Each Fully Paid up		
93,325,411 (Previous Year - 93,325,411)		
<b>Total</b>	<b>4,666.27</b>	<b>4,666.27</b>

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

Equity Shares	As at 31st March 2020		As at 31st March 2019	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
At the beginning of the year	933.25	4,666.27	933.25	4,666.27
Issued during the year	-	-	-	-
Outstanding at the End of the Year	933.25	4,666.27	933.25	4,666.27

(b) Terms/ Rights Attached to Equity Shares

(i) The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

(ii) In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% equity shares in the company

Name of the shareholder	As at 31st March 2020		As at 31st March 2019	
	Numbers	% holding	Numbers	% holding
Goldline Tracom Private Limited	1,24,02,346	13.29%	1,24,02,346	13.29%
Jal Tarang Vanliya Pvt Ltd	80,00,000	8.57%	80,00,000	8.57%
Navoday Highrise Private Limited	69,42,674	7.44%	69,42,674	7.44%
Global Steel Holdings Asia Pte. Ltd.	66,39,983	7.11%	66,39,983	7.11%
Prasan Global Ventures Singapore Pte. Ltd.	48,95,017	5.15%	48,95,017	5.25%



# Balasore Alloys Limited

## Notes to the Standalone financial statements for the Year ended 31st March,2020

11. Other Equity	(₹ In Lacs)	
	As at 31st March,2020	As at 31st March,2019
<b>Capital Reserve</b>		
Capital Investment subsidy (a)		
As per last Balance Sheet	41.96	41.96
Amount arisen on forfeiture of equity warrants (b)		
As per last Balance Sheet	966.75	490.00
Add: Forfeited during the year	-	476.75
Closing Balance (b)	966.75	966.75
Amount arisen on forfeiture of equity shares (c)		
As per last Balance Sheet	151.86	151.86
Closing Balance (a+b+c)	1,160.57	1,160.57
<b>Securities Premium</b>		
As per last Balance Sheet	5,617.78	5,617.78
Add : On Issue of Shares	-	-
Closing Balance (d)	5,617.78	5,617.78
<b>General Reserve</b>		
As per last Balance Sheet	7,923.20	7,923.20
Add : Transfer From Profit and Loss Account	-	-
Closing Balance (e)	7,923.20	7,923.20
<b>Other Comprehensive Income</b>		
As per last Balance Sheet	(17.39)	(87.03)
Add : Movement in OCI (Net) during the year	52.08	69.64
Closing Balance (f)	34.69	(17.39)
<b>Retained Earnings</b>		
As per last Balance Sheet	73,616.16	77,375.65
Add: Profit/ (Loss) For The Year	(10,841.20)	(2,915.68)
	62,774.96	74,459.97
<b>Less: Appropriations</b>		
Transfer to General Reserve	-	-
Dividend on Equity Shares (Dividend per Share ₹ 0.40 (Previous Year ₹ 0.75))	(143.95)	(699.94)
Tax on dividend	(76.73)	(143.87)
	(220.68)	(843.81)
Closing Balance (g)	62,554.28	73,616.16
<b>Total Other Equity (a to g)</b>	<b>77,290.52</b>	<b>88,300.32</b>

### 11.1 Nature and Purpose of Reserve

#### 1. Capital Reserve

Capital Reserve is created by way of capital subsidy received from Odisha State Financial Corporation and due to forfeiture of application money received on warrants and partly paid up shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

#### 2. Securities Premium

Securities Premium Account represents the premium received on issue of equity shares. In accordance with the provisions of Section 52 of the Companies Act, 2013 the securities premium account can only be utilised for the purpose of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

#### 3. General Reserve

General Reserve forms part of retained earnings and is permitted to be distributed to shareholders as part of dividend.



**Balasure Alloys Limited**  
**Notes to the Standalone financial statements for the Year ended 31st March,2020**

12. Long-Term Borrowings		(₹ in Lacs)			
		Non Current Position		Current Maturities	
		As at 31st March,2020	As at 31st March,2019	As at 31st March,2020	As at 31st March,2019
Sourced loan at amortised cost		30.39	170.68	193.98	467.09
Deferred Payment Credits		30.39	170.68	193.98	467.09
<b>Total (i)</b>					
Unsecured Loans - at amortised cost		-	-	30.00	150.00
From Body Corporate		-	-	30.00	150.00
<b>Total (ii)</b>					
<b>Total (i+ii)</b>		<b>30.39</b>	<b>170.68</b>	<b>223.98</b>	<b>617.09</b>

**12.1 Repayment terms**

**(i) Deferred Payment Credits**

For the Year ended 31st March 2020

Rate of Interest	Non-Current				Current
	2023-24	2022-23	2021-22	Total	2020-21
8.50%	-	-	3.03	3.03	6.99
9.20%	2.05	7.68	6.99	16.72	6.36
9.50%	-	-	2.16	2.16	4.11
9.65%	-	-	3.86	3.86	8.76
11.00%	-	-	-	-	19.97
11.03%	-	-	-	-	73.64
11.07%	-	-	4.62	4.62	13.85
11.50%	-	-	-	-	39.37
11.75%	-	-	-	-	20.93
<b>Total</b>	<b>2.05</b>	<b>7.68</b>	<b>20.66</b>	<b>30.39</b>	<b>193.98</b>

**(ii) Unsecured Loans**

For the Year ended 31st March 2020

Rate of Interest	Non-Current				Current
	2023-24	2022-23	2021-22	Total	2020-21
15.00%	-	-	-	-	30.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.00</b>

**12.2 Security Terms**

**(i) Deferred Payment Credits**

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

**(ii) Loans from Body Corporate - Secured against part of promoter's shareholding.**



**Balasure Alloys Limited**  
**Notes to the Standalone financial statements for the Year ended 31st March,2020**

13. Provisions	(₹ In Lacs)			
	Non Current Provisions		Current Provisions	
	As at 31st March,2020	As at 31st March,2019	As at 31st March,2020	As at 31st March,2019
Provision for Employee Benefits: (Refer Note 28)				
Gratuity	1,288.12	1,160.41	74.28	78.51
Superannuation	-	-	130.83	108.28
Compensated Absences	605.62	543.40	60.58	67.57
	1,893.74	1,703.81	265.69	254.36
Other Provisions For -				
Taxation (Net of Advance Taxes)	-	-	12,125.37	10,754.85
Site Restoration	243.39	204.71	-	-
Tax on Dividend	-	-	220.61	143.87
	243.39	204.71	12,345.98	10,898.72
<b>Total</b>	<b>2,137.13</b>	<b>1,908.52</b>	<b>12,611.67</b>	<b>11,153.08</b>

13.1 Provision for site restoration	(₹ in Lacs)	
	As at 31st March,2020	As at 31st March,2019
At The Beginning Of The Year	204.71	166.03
Arisen During The Year	38.68	38.68
Utilized During The Year	-	-
At The End Of The Year	243.39	204.71
Non-Current Portion	243.39	204.71

14. Deferred Tax Assets/Liabilities (net)	(₹ In Lacs)	
	As at 31st March,2020	As at 31st March,2019
At Start of Year	2,820.03	2,878.63
Charge/(credit) to Statement of Profit and loss	(4,041.24)	(96.00)
Charge to Other Comprehensive Income	17.95	37.40
	(1,203.26)	2,820.03

14.1. Refer Note -30 for component of Deferred Tax.



**Balasore Alloys Limited****Notes to the Standalone financial statements for the Year ended 31st March, 2020**

15. Short-Term Borrowings	(₹ In Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
A) Secured loans - at amortised cost		
Working capital loan		
From Bank-		
Rupee loan	7,612.92	4,212.55
Foreign Currency loan	1,909.55	4,835.15
(A)	9,522.47	9,047.70
B) Unsecured loans - at amortised cost		
Loans from body corporates	3,115.00	1,620.00
(B)	3,115.00	1,620.00
Acceptances	(C) 6,750.00	6,374.37
Total	(A+B+C) 19,387.47	17,042.07

**15.1.**

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 (ceased to be director w.e.f 22th August, 2017) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010). The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal, Mrs Vartika Mittal Goenka and corporate guarantee of Shakti Chrome Limited, Olifant Resources Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu inter se.





**Balasore Alloys Limited**  
Notes to the Standalone financial statements for the Year ended 31st March, 2020

16 Trade Payables	(₹ in Lacs)			
	Non Current		Current	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Micro and Small Enterprises	-	-	86.87	45.55
Other than Micro and Small Enterprises	13,903.25	-	22,799.84	34,318.65
<b>Total</b>	<b>13,903.25</b>	<b>-</b>	<b>22,886.71</b>	<b>34,364.20</b>

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

Particulars	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Principal Amount Due and Remaining Unpaid	86.87	45.55
Interest Due on Above and The Unpaid Interest	5.72	3.08
Interest Paid	-	-
Payment Made Beyond the Appointed Day During the Year	-	-
Interest Due and Payable for the Period of Delay	2.64	3.08
Interest Accrued and Remaining Unpaid	2.64	3.08
Amount of further interest remaining due and payable in succeeding years	5.72	3.08

17 Other Financial Liabilities	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of long term Debts (Refer Note 12)	223.98	617.09
Interest accrued but not due on borrowings	1.79	8.71
Interest accrued and due on borrowings	763.53	469.20
Creditors for Capital expenditure	1,040.35	1,184.09
Unpaid Dividend (Refer Note 17.1)	136.48	246.26
Claims Payable	-	1,071.82
Other (Refer Note 17.2)	1,821.46	2,201.18
<b>Total</b>	<b>3,987.59</b>	<b>5,797.85</b>

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

17.2. It includes ₹ 1,769.68 lacs (Previous Year: ₹ 2,177.56 lacs) payables against arrangement for procurement of raw materials.

18. Other liabilities	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Advance from customers	10,921.54	4,591.68
Statutory Dues	1,854.38	1,894.98
Other liabilities	593.73	126.21
<b>Total</b>	<b>13,369.65</b>	<b>6,612.87</b>



# Balasore Alloys Limited

## Notes to the Standalone financial statements for the Year ended 31st March,2020

19. Revenue From Operations	(₹ In Lacs)	
	2019-20	2018-19
Revenue from operations		
Disaggregated Revenue		
Sale of products		
Finished goods	75,147.00	1,21,755.55
Trading Sales	-	836.48
Saleable Scraps	424.46	629.00
Other operating revenue		
Export Benefits	976.78	2,269.01
Scrap Sales	198.04	315.81
Revenue from operations	<u>76,746.28</u>	<u>1,25,805.85</u>

20. Other Income	(₹ In Lacs)	
	2019-20	2018-19
Interest Income from financial assets at amortised cost		
Bank deposits	166.16	128.65
Loans	157.20	405.07
Others	162.03	158.16
Insurance Claims	10.80	225.25
Gain on Financial Assets		
Realised	-	2.13
Unrealised	2.46	0.01
Unspent liabilities no longer required written back	1,781.19	174.02
Others	33.30	116.95
Total	<u>2,313.14</u>	<u>1,210.25</u>



**Balasore Alloys Limited****Notes to the Standalone financial statements for the Year ended 31st March, 2020**

21	Cost of Raw Materials Consumed	(₹ In Lacs)	
		2019-20	2018-19
	Inventory at the beginning of the year	12,230.73	13,936.55
	Add: Purchases and other related expenses (including captive)	30,964.11	53,151.53
		43,194.84	67,088.08
	Less: Inventory at the end of the period	10,638.55	12,230.73
	Cost of raw materials consumed <b>Total</b>	<b>32,556.29</b>	<b>54,857.35</b>

a) Details of Raw Materials Consumed	(₹ In Lacs)	
	2019-20	2018-19
Chrome Ore (including own generation/briquetted)	15,866.06	30,053.21
Coal and Coke etc.	13,205.07	19,791.69
Carbon Paste	829.45	1,252.93
Quartz	454.34	729.00
Magnesite	247.35	1,133.63
Dolomite	718.39	183.08
Others	1,235.63	1,713.81
<b>Total</b>	<b>32,556.29</b>	<b>54,857.35</b>



**Balasore Alloys Limited****Notes to the Standalone financial statements for the Year ended 31st March, 2020**

22. (Increase)/ decrease in Inventories	₹ In Lacs)	
	2019-20	2018-19
Inventories (At Close)		
Stock under process	1,146.13	1,099.08
Finished goods	421.35	1,376.70
Saleable Scraps	1,121.74	845.90
	2,689.22	3,321.68
Inventories (At Commencement)		
Stock under process	1,099.08	889.27
Finished goods	1,376.70	1,105.98
Saleable Scraps	845.90	521.07
	3,321.68	2,516.32
Total	632.46	(805.36)

23. Employee Benefits Expense	₹ In Lacs)	
	2019-20	2018-19
Salaries, wages and bonus	4,636.70	5,478.56
Contribution to provident and other funds	270.35	334.45
Gratuity expense	198.07	205.74
Staff welfare expenses	413.73	506.23
Total	5,518.85	6,524.98



# Balasore Alloys Limited

Notes to the Standalone financial statements for the Year ended 31st March, 2020

24. Other Expenses	[₹ In Lacs]	
	2019-20	2018-19
Consumption of stores and spares	2,661.20	3,142.66
Contract Labour Charges	2,057.78	2,894.16
Packing and Carriage charges	2,894.10	4,815.42
Rent & Hire Charges	805.56	1,412.90
Rates and taxes	139.79	105.35
Insurance	205.71	190.94
Repairs and maintenance		
Plant and machinery	1,440.19	1,299.88
Buildings	58.65	117.43
Others	36.06	81.87
Commission on Sales (other than sole selling agent)	178.83	765.51
Travelling and conveyance	895.44	1,136.70
Charity and Donations	5.06	24.97
Communication costs	209.82	240.03
Legal and professional fees	1,729.38	1,937.20
Directors' sitting fees	48.80	51.10
Payment to Auditors:		
Audit fee	110.20	109.80
Certification Fees	15.00	15.00
Corporate Social Responsibility Expenses (Refer note 24.1)	55.58	196.46
Site Development Expenses	66.49	174.76
Loss on Foreign Exchange Fluctuation (net)	450.32	2,848.99
Bad debts / advances written off	130.23	22.98
Provision for doubtful debts and advances	1,525.17	-
Loss on sale/Discard of Property, Plant and Equipment (Net)	187.50	2.86
Miscellaneous expenses	1,213.58	1,372.20
<b>Total</b>	<b>17,120.44</b>	<b>22,959.17</b>

## 24.1- CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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 ₹ 144.68 lacs (Previous year ₹ 184.36 lacs)

b) Expenditure related to Corporate Social Responsibility Expenses is ₹ 55.58 lacs (Previous year ₹ 196.46 lacs)

Details of Amount spent towards CSR given below :

Particulars	[₹ in lacs]	
	2019-20	2018-19
Rural Development (Infrastructure Development)	26.37	24.68
Swachha Bharat Mission	0.12	52.70
Environment Protection & Development	4.02	11.77
Youth Development	0.45	2.91
Supply of Safe Drinking Water	8.10	39.64
Education Development	4.21	12.97
Health Promotion	1.59	12.58
Eradication of Hunger	4.83	0.11
Women empowerment	-	2.12
Community relation	5.89	36.98
<b>Total</b>	<b>55.58</b>	<b>196.46</b>



**Balasure Alloys Limited****Notes to the Standalone financial statements for the Year ended 31st March, 2020**

(₹ In Lacs)

25. Depreciation & Amortization Expenses	2019-20	2018-19
Depreciation of tangible assets	2,410.85	2,755.06
Amortization of Intangible assets	617.72	452.24
<b>Total</b>	<b>3,028.57</b>	<b>3,207.30</b>

26. Finance Costs	2019-20	2018-19
Interest	1,003.12	851.56
- To Banks (Net of recoveries from customers ₹ 6.04 lacs (₹ 83.53 lacs))	3,565.95	3,111.46
- To Others	310.69	419.60
Other borrowing cost	78.83	37.21
Exchange difference to the extent considered as an adjustment to borrowing costs	4,958.59	4,419.83
<b>Total</b>		



**Balasure Alloys Limited****Notes To The Standalone Financial Statements For The Year Ended 31st March 2020****27. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(All amounts ₹ in lacs unless otherwise stated)		
I. Profit attributable to Equity holders	31st March, 2020	31st March, 2019
Profit/(Loss) attributable to equity holders for basic earnings:	(10,789.12)	(2,846.04)
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	(10,789.12)	(2,846.04)

II. Weighted average number of ordinary shares	31st March, 2020	31st March, 2019
Present Weighted Average Equity Shares (In Numbers) for Basic EPS	9,33,25,411	9,33,25,411
Add: Weighted Average Potential number of Equity Shares (In Numbers)	-	-
Weighted average number of shares at 31st March, for Diluted EPS	9,33,25,411	9,33,25,411
Basic and Diluted earnings per share	31st March, 2020	31st March, 2019
	INR	INR
Basic earnings per share	(11.56)	(3.05)
Diluted earnings per share	(11.56)	(3.05)



**Balalore Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**28. Employee benefits**

**(A) Defined Contribution Plan**

The contributions to the Provident Fund, Family Pension Fund and ESIC Fund of certain employees are made to a Government administered fund and there are no further obligations beyond making such contribution.

	₹ in lacs	
	31st March, 2020	31st March, 2019
Charge to the Statement of Profit and Loss based on contributions:		
Employer's Contribution to Provident fund	218.88	234.63
Employer's Contribution to Superannuation Fund	25.60	32.57
Employer's Contribution to ESIC	10.43	14.66

**(B) Defined Benefit Plan**

**Gratuity**

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

	₹ in lacs	
	31st March, 2020	31st March, 2019
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
(i) <b>Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	1,329.57	1,260.82
Amount recognised in profit and loss		
Current service cost	107.25	111.20
Interest cost	93.83	95.00
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Financial assumptions	104.48	32.66
Experience adjustment	(170.73)	(139.70)
Demographic assumption	0.82	-
Other		
Benefits paid	(102.58)	(30.41)
Closing defined benefit obligation	1,363.14	1,329.57
(ii) <b>Change in Fair Value of Assets</b>		
Opening fair value of plan assets	90.65	113.48
Adjustment to Opening Fair Value of Plan Asset	-	-
Amount recognised in profit and loss		
Interest Income On Plan Asset	3.07	1.90
Amount recognised in other comprehensive income		
Actuarial gain / (loss)	-	-
Excess/(insufficient) return on plan asset (excluding interest income)	4.60	-
Other		
Contributions by employer	5.00	5.68
Benefits paid	(102.58)	(30.41)
Closing fair value of plan assets	0.74	90.65
(iii) <b>Plan assets comprise the following</b>		
Investments with insurer (100%)	0.74	90.65
(iv) <b>Principal actuarial assumptions used</b>		
Discount rate	6.44% (2006-08) Ultimate	7.34% (2006-08) Ultimate
Mortality rate	10%	10%
Rate of escalation in salary (per annum)		





Expected Return on Plan Assets (per annum)	6.44%	7.34%
Employee Attrition Rate		
Up to Age 40	4.2	4.2
Age 40 to 54	1.8	1.8
Age 55 to 57	2.2	2.2

**Balalore Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**Employee benefits contd...**

Employee benefits continue...

₹ In lacs

Defined Benefit Plan																			
(v) Expenses recognized in the statement of profit and loss for respective years are as follows																			
	<table> <tr> <th>31st March, 2020</th> <th>31st March, 2019</th> </tr> <tr> <th>Gratuity</th> <th>Gratuity</th> </tr> <tr> <th>(Funded plan)</th> <th>(Funded plan)</th> </tr> <tr> <td>Current service cost</td> <td>107.75</td> <td>111.20</td> </tr> <tr> <td>Interest cost on net DBO</td> <td>90.78</td> <td>93.10</td> </tr> <tr> <td>Employee Benefit Cost Of The Period</td> <td>198.51</td> <td>204.30</td> </tr> <tr> <td>Actual return on plan assets</td> <td>7.67</td> <td>1.90</td> </tr> </table>	31st March, 2020	31st March, 2019	Gratuity	Gratuity	(Funded plan)	(Funded plan)	Current service cost	107.75	111.20	Interest cost on net DBO	90.78	93.10	Employee Benefit Cost Of The Period	198.51	204.30	Actual return on plan assets	7.67	1.90
31st March, 2020	31st March, 2019																		
Gratuity	Gratuity																		
(Funded plan)	(Funded plan)																		
Current service cost	107.75	111.20																	
Interest cost on net DBO	90.78	93.10																	
Employee Benefit Cost Of The Period	198.51	204.30																	
Actual return on plan assets	7.67	1.90																	
(vi) Reconciliation of fair value of Assets and Obligations																			
	<table> <tr> <th>31st March, 2020</th> <th>31st March, 2019</th> </tr> <tr> <th>Gratuity</th> <th>Gratuity</th> </tr> <tr> <th>(Funded plan)</th> <th>(Funded plan)</th> </tr> <tr> <td>Fair value of Plan Assets</td> <td>0.74</td> <td>90.65</td> </tr> <tr> <td>Present value of Obligation</td> <td>1,363.14</td> <td>1,329.57</td> </tr> <tr> <td>Amount recognised in Balance Sheet (Surplus/(Deficit))</td> <td>(1,362.40)</td> <td>(1,238.97)</td> </tr> </table>	31st March, 2020	31st March, 2019	Gratuity	Gratuity	(Funded plan)	(Funded plan)	Fair value of Plan Assets	0.74	90.65	Present value of Obligation	1,363.14	1,329.57	Amount recognised in Balance Sheet (Surplus/(Deficit))	(1,362.40)	(1,238.97)			
31st March, 2020	31st March, 2019																		
Gratuity	Gratuity																		
(Funded plan)	(Funded plan)																		
Fair value of Plan Assets	0.74	90.65																	
Present value of Obligation	1,363.14	1,329.57																	
Amount recognised in Balance Sheet (Surplus/(Deficit))	(1,362.40)	(1,238.97)																	

**vii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Gratuity		₹ In lacs	
	31st March, 2020		31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(114.67)	132.72	(110.72)	128.28
Employee turnover (50% movement)	(9.21)	3.26	(2.17)	2.81
Salary Escalation (1% Movement)	176.86	(112.16)	123.76	(109.14)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

**Investment Risk** - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest Risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

**Longevity Risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk** - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**viii. Expected future cash flows**

Particulars	₹ In lacs				
	1st Year	2 to 5 Years	6 to 10 years	More than 10 Years	Total
Defined benefit obligations (Gratuity)	76.63	382.77	793.05	1,507.22	2,759.67
Total	76.63	382.77	793.05	1,507.22	2,759.67

**Other long-term employee benefits:**

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The liability towards compensated absences for the year ended 31st March 2020 based on actuarial valuation using the projected accrued benefit method is ₹ 660.20 lakhs (Previous Year: ₹ 610.97 lakhs).



# Balalore Alloys Limited

## Notes To The Standalone Financial Statements For The Year Ended 31st March 2020

### 29. Operating leases

The Company's leasing arrangements are generally from 1 month to 72 months. In respect of above arrangement, lease rentals payable are recognised in the statement of profit and loss for the year and included under Rent and Hire charges

(i) Expected future minimum commitments during the non-cancellable period under the lease agreement are as follows

₹ In lacs		
Particulars	2020-21	2021-22
Rental Payment Schedule	24.89	-

(ii) Amount recognised in profit & loss account

₹ In lacs		
Particulars	2019-20	2018-19
Rent & Hire Charges	805.56	1,412.90

### 30. Deferred Tax Disclosure

#### (a) Movement in deferred tax balances

₹ In lacs					
	Balance 1st April, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability) As at 31st March, 2020
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(4,364.20)	823.77	-	-	(3,540.43)
Timing difference due to disallowance under section 43D of the Income Tax Act, 1961	213.50	66.79	(17.95)	-	262.34
Other disallowance under Income Tax Act, 1961	1,330.67	3,150.68	-	-	4,481.35
Tax assets (Liabilities)	(2,820.03)	4,041.24	(17.95)	-	1,203.26

#### (a) Movement in deferred tax balances

₹ In lacs					
	Balance 1st April, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability) As at 31st March, 2019
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(4,157.40)	(206.80)	-	-	(4,364.20)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	403.30	(152.40)	(37.40)	-	213.50
Other disallowance under Income Tax Act, 1961	875.47	455.20	-	-	1,330.67
Tax assets (Liabilities)	(2,878.63)	96.00	(37.40)	-	(2,820.03)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



**Balstore Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**31. Tax Reconciliation**

(a) Income tax recognised in the Statement of Profit & Loss

Particular	₹ in lacs	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Tax	(4,041.24)	(95.00)
Deferred Tax	-	(269.90)
Prior year Tax	(4,041.24)	(365.90)
Total tax expense recognised in the current year		

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:-

Particular	₹ in lacs	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	(14,882.44)	(3,281.58)
Tax using the Company's domestic tax rate (Current year 25.625% and Previous Year 34.608%)	(3,813.71)	(1,146.72)
Tax effect of:		
Fair value of investment	-	-
Expenses deductible for tax purposes (Restricted to above)	2,072.38	(834.55)
Expenses not deductible for tax purposes	1,791.39	1,780.08
Other	(0.06)	1.21
Current Tax Provision	-	-

**32. Financial Instruments – Fair values and risk management**

**I. A. Accounting classification and fair values**

The following table shows the carrying amount(s) and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	₹ in lacs						
	At 31st March, 2020				Fair value		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Non current Financial assets</b>							
Investment in Equity Instrument	399.85	-	-	399.85	-	-	399.85
Investment in Mutual Funds	145.11	-	-	145.11	145.11	-	-
Investment in Government Securities	-	-	0.95	0.95	-	-	-
Investment in Debentures	-	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	-	631.90	631.90	-	-	-
Other Deposit	-	-	178.83	178.83	-	-	-
<b>Current Financial assets</b>							
Trade Receivables	-	-	5,614.29	5,614.29	-	-	-
Cash and Bank Balances	-	-	3,519.84	3,519.84	-	-	-
Loans	-	-	1,878.80	1,878.80	-	-	-
Other Current Asset	-	-	3,660.01	3,660.01	-	-	-
<b>Total Financial Assets</b>	<b>544.96</b>	<b>-</b>	<b>16,701.82</b>	<b>17,246.78</b>	<b>145.11</b>	<b>-</b>	<b>399.85</b>
<b>Non Current Financial liabilities</b>							
Deferred Payment Credits	-	-	30.39	30.39	-	-	-
Trade Payable	-	-	13,903.25	13,903.25	-	-	-
<b>Current Financial liabilities</b>							
Working capital loan	-	-	9,522.47	9,522.47	-	-	-
Acceptances	-	-	6,750.00	6,750.00	-	-	-
Trade Payable	-	-	22,886.72	22,886.72	-	-	-
Other Financial liabilities	-	-	7,102.59	7,102.59	-	-	-
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>60,195.42</b>	<b>60,195.42</b>	<b>-</b>	<b>-</b>	<b>-</b>



Balalore Alloys Limited  
Notes To The Standalone Financial Statements For The Year Ended 31st March 2020

Financial Instruments – Fair values and risk management (contd...)

₹ in lacs

	At 31st March, 2019			Fair value		
	Fair value through profit and loss	Carrying amount Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets			400.67	-	-	400.67
Investment in Equity Instrument	400.67	-	400.67	141.83	-	-
Investment in Mutual Funds	141.83	-	141.83	-	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	583.20	583.20	-	-	-
Other Deposit	-	227.26	227.26	-	-	-
Current Financial assets			5,105.34	-	-	-
Trade Receivables	-	5,105.34	5,105.34	-	-	-
Cash and Bank Balances	-	2,870.31	2,870.31	-	-	-
Loans	-	3,323.12	3,323.12	-	-	-
Other Current Asset	-	1,292.96	1,292.96	-	-	-
Derivative Asset	-	154.78	154.78	-	-	-
Total Financial Assets	542.50	16,775.11	17,317.61	141.83	-	400.67
Non Current Financial liabilities			170.68	-	-	-
Deferred Payment Credits	-	170.68	170.68	-	-	-
Current Financial liabilities			9,047.70	-	-	-
Working capital loan	-	6,374.37	6,374.37	-	-	-
Acceptances	-	34,364.20	34,364.20	-	-	-
Trade Payable	-	7,417.85	7,417.85	-	-	-
Other financial liabilities	-	-	-	-	-	-
Total Financial liabilities	-	57,374.79	57,374.79	-	-	-



**Balalore Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd.–)**

**B. Measurement of fair values**

Ind AS 113, 'Fair Value Measurement - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Following methods and assumptions are used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.

Fair value of the non-current borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

**Transfers between levels**

There have been no transfers between levels during the reporting period.

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

**Financial Instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs
Forward contracts & Options	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract	Foreign Exchange Spot and Forward Rates, Yield curve of respective currencies, currency basis spreads etc..
Unquoted equity shares	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not applicable

**Level 3 fair values**

**Reconciliation of Level 3 fair values**

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

	₹ in lacs	
Particulars	2019-20	2018-19
Opening Balance	400.67	404.60
Net change in fair value (unrealised)	(0.82)	(3.93)
Closing Balance	399.85	400.67
Line item in which gain/loss is recognized	Other Income - Gain on Financial Assets - 10.82 Unrealised	Other Income - Gain on Financial Assets - (3.93) Unrealised

**Sensitivity analysis**

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk



**Balalore Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd...)**

**1. Counterparty and concentration of Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, investments, loans, other financial assets, and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit.

Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The Company has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 17,246.78 lacs and ₹ 17,317.61 as at 31st March, 2020 and 31st March, 2019 respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31st March, 2020, that defaults in payment obligations will occur.

Of the year end trade receivable balance the following, though overdue, are expected to be realized in the normal course of business and hence, are not considered impaired as at March 31, 2020 and March 31, 2019:

Particulars	₹ In lacs	
	As at 31st March, 2020	As at 31st March, 2019
- More than six months	4,439.38	2,374.68
- Less than six months	1,174.90	2,730.66
Total	5,614.28	5,105.34

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experience does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.



**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

## II. Liquidity risk

### Exposure to liquidity risk

31st March, 2020	Contractual cash flows					₹ In lacs
	Carrying amount	Total Contractual cash Flow	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long Term Loans*	224.36	240.08	207.53	32.55	-	-
Short Term Loans	20,182.79	20,182.79	20,182.79	-	-	-
Total non-derivative liabilities	20,407.15	20,422.87	20,390.32	32.55	-	-
Derivative financial liabilities	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

31st March, 2019	Contractual cash flows					₹ In lacs
	Carrying amount	Total Contractual cash Flow	0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long Term Loans*	637.77	695.81	513.91	179.81	2.09	-
Short Term Loans	17,669.48	17,669.48	17,669.48	-	-	-
<b>Total non-derivative liabilities</b>	<b>18,307.25</b>	<b>18,365.29</b>	<b>18,183.39</b>	<b>179.81</b>	<b>2.09</b>	<b>-</b>
Derivative financial liabilities	-	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Includes current maturities



**Balasure Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd...)**

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

**Currency risk**

The Company is exposed to currency risk on account of its Trade receivables, Trade & other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31st March, 2020 & 31st March, 2019 are as below

		31st March, 2020			In lacs	
		USD	JPY	GBP	MMK	Others
<b>Financial liabilities</b>						
Short term borrowings	(A)	25.06	-	-	-	-
Trade and other payables		2.37	0.61	1.12	-	-
Less: Forward currency contract		-	-	-	-	-
Net Trade Payable	(B)	2.37	0.61	1.12	-	-
Total	(C)=(A+B)	27.43	0.61	1.12	-	-
<b>Financial assets</b>						
<b>Current Assets</b>						
Trade receivables		57.98	-	-	-	-
Less: Forward currency contract		-	-	-	-	-
Net Trade receivables	(D)	57.98	-	-	-	-
Cash & Cash equivalents	(E)	0.06	-	-	102.33	0.01
Total	(F)=(D+E)	58.04	-	-	102.33	0.01
Net exposure	(C-F)	(30.61)	0.61	1.12	(102.33)	(0.01)

		31st March, 2019		In lacs	
		USD	GBP	Others	
<b>Financial liabilities</b>					
Short term borrowings	(A)	69.14	-	-	-
Trade and other payables		27.39	1.40	-	0.01
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	27.39	1.40	-	0.01
Total	(C)=(A+B)	96.53	1.40	-	0.01
<b>Financial assets</b>					
<b>Current Assets</b>					
Trade receivables		53.74	-	-	-
Less: Forward currency contract		120.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Cash & Cash equivalents	(E)	0.30	-	-	0.01
Total	(F)=(D+E)	0.30	-	-	0.01
Net exposure	(C-F)	96.23	1.40	-	0.00





The following significant exchange rates have been applied during the year:-

	Average rate in ₹		Year-end spot rate in ₹	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
USD	71.51	67.17	74.64	69.93
JPY	0.67	-	0.70	-
GBP	90.99	91.14	91.55	91.96
MMK	0.05	-	0.05	-

USD is United States Dollar which is used in USA.

JPY is Japanese Yen which is used in Japan.

GBP is Great Britain Pound which is used in UK.

MMK is Burmese Kyat which is used in Myanmar.

Other currencies includes RMB (Renminbi) which is used in China & Euro.

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at 31st March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
	Strengthening	Weakening
Effect in INR		
31st March, 2020		
3% movement	0.92	(0.92)
USD	(0.02)	0.02
JPY	(0.03)	0.03
GBP	3.07	(3.07)
MMK	(0.00)	0.00
Others	3.94	(3.94)
Total		
Effect in INR		
31st March, 2019		
3% movement	(2.89)	2.89
USD	(0.04)	0.04
GBP	(0.00)	0.00
Others	(2.93)	2.93
Total		



**Balasure Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd...)**

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

Company's interest rate risk arises from borrowings. Borrowings taken at fixed rates & floating rate exposes the Company to fair value interest rate risk and cash flow interest rate risk respectively. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	₹ In lacs	
	31st March, 2020	31st March, 2019
Fixed-rate Instruments	3,369.37	2,407.77
Financial liabilities	3,369.37	2,407.77
Variable-rate Instruments	16,272.47	15,422.07
Financial liabilities	16,272.47	15,422.07
<b>Total</b>	<b>19,641.84</b>	<b>17,829.84</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	₹ In lacs	
	Profit or loss	
	100 bp increase	100 bp decrease
INR		
31st March, 2020		
Variable-rate instruments	(162.72)	162.72
Cash flow sensitivity (net)	(162.72)	162.72
31st March, 2019		
Variable-rate instruments	(154.22)	154.22
Cash flow sensitivity (net)	(154.22)	154.22



**Balasore Alloys Limited****Notes To The Standalone Financial Statements For The Year Ended 31st March 2020****33. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve (if any).

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March, 2020 was as follows.

	₹ In lacs	
	As at 31st March, 2020	As at 31st March, 2019
Total liabilities	20,407.16	18,307.26
Less : Cash and cash equivalent	3,519.84	2,870.31
Adjusted net debt	16,887.32	15,436.95
Total equity	81,956.79	92,956.59
Adjusted equity	81,956.79	92,956.59
Adjusted net debt to adjusted equity ratio	0.21	0.17

**34. Segment Reporting****A. General Information**

Factors used to identify the entity's reportable segments including

For management purposes the Company has only one reportable segment as follows:

- Manufacturing/Mining of Ferro Alloys

The Executive Committee of the Company acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

**B. Geographic Information**

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries.

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Domestic Revenues	12,820.22	25,910.16
Overseas Revenues (Including Export Benefits)	63,926.07	99,895.69

**C. Information about major customers**

Revenue from major customers of the Company was ₹ 24,604.06 lacs is 32.47% of total sales (₹ 55,555.34 lacs is 44.97 % of total sales)

**D. Broad Category of Sales**

Company deals mainly in Ferro Chrome.



**Balasure Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**35. RELATED PARTY DISCLOSURE AS PER IND-AS - 24**

**A. List of Related Parties over which control exists**

**(i) Subsidiaries**

Milton Holding Limited  
Balasure Metals Pte.Limited  
Balasure Alloys Nigeria Ltd. (upto- 08.03.2019)

**B. Name of the associates with whom transactions were carried out during the year**

**(i) Associate**

Balasure Energy Limited

**C. Name of the key management personnel and their relatives with whom transactions were carried out during the year.**

**(i) Key Management Personnel**

Mr. Pramod Mittal (Chairman Upto 22.08.2017)  
Mr. Anil Sureka (Managing Director)  
Mr. Nikunj Pantari (Whole time Director) (wef- 14.12.2017 to 25.07.2018) (wef- 11.08.2018)  
Mrs. Mita Jha (Whole time Director) (wef- 27.07.2017 to 24.04.2018)  
Mr. Dhiren K Nath (Whole time Director) (upto- 16-09-2019)  
Mr. A Nagender Kumar (Whole time Director) (wef- 30-05-2019)

**(ii) Enterprises over which Key Management Personnel and their Relatives are able to exercise significant influence \***

Navdisha Real Estate Pvt.Ltd.  
Gonterman-Pipers(India)Ltd.  
Shakti Chrome Ltd.  
Olfant Resources Limited (Formerly known as Ispat Minerals Limited)  
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



**Balssore Alloys Limited**

**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**D. Transactions during the year:-**

Particulars	Transaction values during the year ended 31st March		Balances outstanding as at 31st March	
	2020	2019	2020	2019
Interest Income				
Gontermann Pipers(India)Ltd.	-	254.93	-	187.47
Interest Income written off*				
Gontermann Pipers(India)Ltd.	187.47	-	-	-
Sale of goods and services				
Gontermann Pipers(India)Ltd.	-	-	-	61.09
Okant Resources Limited	18.27	-	18.27	-
Trade Receivable written off*				
Gontermann Pipers(India)Ltd.	61.09	-	-	-
Rent & Municipal Tax				
Navdisha Real Estate Private Limited	115.54	110.40	(91.66)	132.81
Advance Refunded				
Navdisha Real Estate Private Limited	91.09	-	-	-
Managerial Remuneration				
Mr and Suresha	154.87	170.87	-	-
Mr Nilunj Panwar	25.27	84.00	-	-
Mr Dhiren K Nath	23.78	37.88	-	-
Mrs Nisha Jha	-	21.76	-	-
Mr A Nagender Kumar	45.61	-	-	-
Interest Expense				
Isbat Corp Pvt.Ltd.	150.00	150.00	580.69	445.32
Loans given				
Mr Nilunj Panwar	1.35	-	1.35	-
Gontermann Pipers(India)Ltd.	-	411.03	-	1,508.72
Loans Written Off*				
Gontermann Pipers(India)Ltd.	1,508.72	-	-	-
Advance given				
Okant Resources Limited	55.15	31.00	241.74	186.59
Shakti Chrome Ltd	55.87	110.79	168.68	110.79
Loan Repaid				
Mr Nilunj Panwar	-	8.00	-	-
Mrs Nisha Jha	-	1.71	-	-
Deposit Given				
Navdisha Real Estate Private Limited	-	-	851.50	851.50
Money forfeited against share warrant				
Global Steel Holding Asia Pte.Ltd	-	0.94	-	-
Prasan Global Ventures Singapore Pte.Ltd.	-	270.14	-	-
Direct Trading & Investments Singapore Pte.Ltd.	-	205.67	-	-
Loan from Body Corporate				
Isbat Corp Pvt.Ltd.	-	-	1,000.00	1,000.00
Guarantee Given				
Shakti Chrome Ltd.	-	-	163.07	217.90
Okant Resources Limited	-	-	90.30	120.67
Okant Resources Limited	-	-	101.00	-
Guarantee Taken				
Mr.Pramod Mittal	-	-	Refer Note 35.1	
Mrs Vamika Mittal Goenka	-	-		
Shakti Chrome Ltd.	-	-	Refer Note 35.2	
Okant Resources Limited	-	-		
Balssore Energy Limited	-	-		

\* Refer Note 40

35.1 All working capital loan are guaranteed by personal guarantee of mentioned personnel.

35.2 All working capital loan is guaranteed by corporate guarantee of mentioned entities

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.



**Balalore Alloys Limited**  
**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

(All amounts in ₹ lacs unless otherwise stated)		
34 CONTINGENT LIABILITIES AND COMMITMENTS	As at 31st March, 2020	As at 31st March, 2019
i) Contingent Liabilities (not provided for in respect of)		
a) Sales tax matters under appeal (Amount paid under appeal ₹ 25.17 lacs (31st March 2019- ₹ 25.17 lacs)*)	465.43	465.43
b) Entry tax matters (Amount paid under appeal ₹ 9.28 lacs (31st March 2019- ₹ 1.22 lacs)*)	97.06	99.06
c) Excise / Service tax matters (Amount paid under appeal ₹ 57.84 lacs (31st March 2019- ₹ 50.11 lacs)*)	1,249.40	1,243.88
d) Un-expired Bank Guarantees	3,819.58	3,876.83
e) Bills discounted with Banks	581.24	2,236.46
f) Guarantee given to financial institutions on behalf of others	354.57	338.57
*In respect of above cases based on favourable decisions in similar cases and discussion with legal counsels the management is of the opinion that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
ii) Other Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,972.22	1,287.50
b) Unpaid registration fees and stamp duty of New Mining Lease Deed.	1,834.51	1,834.51

37 The Income Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand up to the said assessment years is Nil.

38 A revised demand notice dated 11th April, 2018 has been issued by Deputy Director of Mines, Jajpur road, Odisha amounting to ₹ 32,803.28 lacs being the price thereof towards compensation of excess production beyond the approved limit under environment clearance during the period 2001-02 to 2007-08. The demand notices has been issued under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR Act).

The company filed a Revision Application before the Mines Tribunal, Delhi on 2nd May, 2018 in regard to the above revised demand notice praying for stay of the operation and/or execution of the notice and not to take any coercive action as the demand is without any basis and there is no legislative and/or statutory sanction for the same as the Section 21(5) of the MMDR Act is applicable only in respect of unauthorized raising and disposal of minerals, which is not in the case of the company.

The Revision application was heard on 10th May 2018 and the Tribunal passed an order staying the Demand Notice. Thereafter also the matter has been heard from time to time. The Revision Application is still pending before the Mines Tribunal for final conclusion and disposal.

39 The State Trading Corporation of India ("STC") on 13th May, 2015 through the Ministry of Commerce and Industry has recorded a statement on the floor of the Rajya Sabha that a sum of ₹ 5,855 lacs is recoverable from the Company as on 31st March, 2015. The alleged demand is very much disputed by the Company and is the subject matter for ascertainment by the Hon'ble Arbitral Tribunal consisting of two Hon'ble Retired Judges of Hon'ble Supreme Court and one Hon'ble Retired Judge of Hon'ble Calcutta High Court. Pursuant to order dated 23rd March 2017 by Hon'ble Arbitral Tribunal which is passed without prejudice to the rights and contentions of the parties and subject to further adjustment about the final amount to be paid (if any), the Company by way of abundant caution and prudence, has accounted for such alleged disputed amount without admitting the same in the financial year 2016-17. Pending final adjudication, the company has paid ₹ 5855 lacs towards such disputed dues as at 31st March, 2019.

Final hearing by Hon'ble Arbitral Tribunal was concluded on 7th and 8th December 2019 and Order reserved. The Arbitral Tribunal directed both the parties to file their written submission before 31.01.2020. Company and STC both have filed their written submission. Final Award awaited.

40 In past company had given inter corporate loan and sold goods to Gontermann-Pelers (India) Ltd ("GPII"), against which ₹ 1,939.26 lacs [including interest of ₹ 430.53 lacs] towards loan and ₹ 83.09 lacs towards sales remained outstanding as on December 31, 2019. During the previous year GPII has been admitted under Insolvency and Bankruptcy Code 2016 by National Company Law Tribunal and the company has filed its claim to the Interim Resolution Professional (IRP) and which has also been admitted by IRP. Extent of amount that would be realized will depend upon outcome of resolution proceedings which at present is not unascertainable. On account of the uncertainty in realization, company based on prudence has written off the loan balance (including interest) and receivable is shown as an exceptional item and reversed the interest income accounted of ₹ 204.61 lacs up till December 31, 2019.

41 Company started incurring cost for development of underground mines at Sukunda to secure the raw materials for its ferro chrome plants. As at March 31, 2020 company has incurred cost of ₹ 10,075.79 lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,503.08 lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project, of which substantial vendors have confirmed that materials will be supplied as and when required by the company.

Looking into current affairs and situation of the Company and in order to secure the minerals to have uninterrupted production, company has reworked its Underground Mining Plan as compared to earlier plan and now decided to start decline at 45mRL which is cost effective and less time consuming and can be funded through mix of internal accruals, equity/quasi equity from promoter group and other financial tie-ups.

Since majority of expenditure has been incurred towards pre-development activities and substantial advances have been given to vendors for supplying of equipment, Management is confident that they would succeed in same and will be able to extract Chrome Ore through Underground mechanism before fully exhausting Chrome Ore from Open Cast/Boundary Pillar Mining Method in coming years.

Considering the above factors no adjustments to the carrying value of capital work in progress and advances relating to project is considered.



**Balalore Alloys Limited**

**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

42 Advances under Other Assets include ₹ 6,786.13 lacs which are outstanding for more than a year on account of supply against materials and services. These vendors have substantially confirmed the balances outstanding as at March 31, 2020 and further based on various discussions with vendors, management is confident of getting the supplies or refund in near future. Considering the above factors no adjustments to the carrying value of advances is considered.

43 Trade Receivable includes ₹ 2,689.51 lacs which are outstanding for more than one year from its due date. These customers have confirmed the balances outstanding as at March 31, 2020 and further based on various discussions with the customers, management is confident of recovering these dues in near future. Considering the above factors no adjustments to the carrying value of receivables is considered.

44 Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities.

In view of such lockdowns, operations at the Company's ferro chrome plant at Balasore, Odisha have been scaled down from the end week of March 2020.

The lockdown has adversely impacted the Company's sales volume and realizations. During the year, such impact was limited only to the later part of March 2020. However, with the continuance of such lockdown during the first quarter of the financial year 2021, the Company's operation remained adversely impacted. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. As per the Company's current assessment, no significant impact on carrying amounts of fixed assets, inventories, trade receivables, investments and other financial assets is expected, and it continues to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

45 The Company has incurred losses during the year and its current liabilities exceed current assets that may create uncertainties. Due to same cash flow mismatch has arisen which further led to non-payment of statutory liabilities, salaries overdue, working capital deficiencies and subsequent to year end shut down of plant operations due to disconnection of power.

However, various initiatives undertaken by the Company in relation to saving cost, optimize revenue opportunities and realization from its non-core assets is expected to result in improved operating performance.

Further, Company's continued thrust to improve operational efficiency and unconditional support from its Promoters' Group by way of infusion of funds into Company are expected to result in sustainable cash flows to address uncertainties. Accordingly, the financial statements continue to be prepared on a going concern basis.

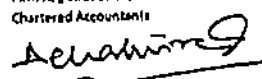
46 Details of loans given, investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013:

- i) Loans given by the company to body corporate as at 31st March, 2020 (Refer Note 4).
- ii) All the said loans and advances are given for business purposes.
- iii) Investments made by the company as at 31st March, 2020 (Refer Note 3).
- iv) Guarantee given by the company as at 31st March, 2020 (Refer Note 36).

47 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.

48 Approval of Financial Statement  
The financial statements were approved for issue by the board of directors on July 30, 2020

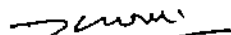
For Chartered & Shah LLP  
Firm Registration Number: 301720W/W100335  
Chartered Accountants

  
Amit Chaturvedi  
Partner  
Membership No.: 103341




Place: Mumbai  
Date: 30-07-2020

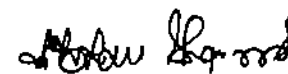
For and on behalf of the Board of Directors



Anil Sureka  
(Managing Director)  
DIN No-00058228

  
Anshu Pantari  
(Director - Finance)  
DIN No-08023216



  
Trilochan Sharma  
(Company Secretary)  
Membership No- FCS 6024

Place: Kolkata  
Date: 30-07-2020

**INDEPENDENT AUDITOR'S REPORT**

To the Members of BALASORE ALLOYS LIMITED

Report on the Audit of Consolidated Financial Statements

**Opinion**

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, 2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

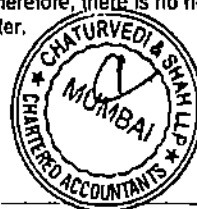
In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the associate, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("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, its associate as at March 31, 2020, their consolidated losses including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

**Emphasis of Matter**

- (a) We draw attention to Note No 41 of the Consolidated Financial Statements regarding slow implementation of underground mining project at Sukinda. As represented by the management, since substantial pre-development activities have been completed and considering the revision in method of underground mining which shall be funded by mix of Internal accruals, promoters contribution and financial tie-ups and will be completed in due course. Hence, no adjustments have been carried out for carrying value of capital work in progress of ₹ 10,075.79 lacs and the advances to vendors of ₹ 15,503.08 lacs at this stage.
- (b) We draw attention to Note No 42 of the Consolidated Financial Statements regarding certain advances of ₹ 6,786.13 lacs which are outstanding for more than one year on account of supply against materials and services. For the reasons stated in said note management is confident of getting the supplies or refund and therefore, there is no need to make any adjustment at this stage.
- (c) We draw attention to Note No 43 of the Consolidated Financial Statements regarding trade receivable of ₹ 2,689.51 lacs which are outstanding for more than one year from its due date. For the reasons stated in said note management is confident of realizing the amount and therefore, there is no need to make any adjustment at this stage. Our report is not modified in respect of this matter.





- (d) We draw attention to Note 44 of the Consolidated Financial Statements which explains the uncertainties and management's assessment of the financial impact due to lockdown/restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions.

Our Opinion is not modified in respect of above matters.

#### Material Uncertainty related to Going Concern

We draw attention to Note 45 of the Consolidated Financial Statements which indicates that the Company's incurred operating losses as of March 31, 2020 and the Company's current liabilities exceeded its current assets. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not modified in respect of this matter.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements as at and for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and, in forming our opinion thereon; we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Except for the matter described in the Emphasis of Matter, we have determined following key audit matters to communicate in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Sr.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1	<p><b>Contingent Liabilities:</b> (Refer Note 36 to 39 of Consolidated Financial Statements)</p> <p>There are number of legal, regulatory and tax cases against the company. High level of judgements is required in estimating the level of provisioning required. There is an inherent risk that all legal exposures are not identified and considered for disclosure and provisioning for financial reporting purpose on a timely basis making it a significant matter for our audit</p>	<p>Our audit procedures in relation to management's identification/judgements/estimation of contingent liabilities includes the following :</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of and assessing the design, implementation and operating effectiveness of Company's key controls around the recording and assessment of contingent liabilities;</li> <li>Meeting company's legal team to understand the ongoing and potential legal/tax matters impacting the company.</li> <li>Read the Board minutes for an update on the status of significant legal cases and assess whether any constructive obligation had arisen in individual cases based on available records.</li> <li>Understanding relevant historical judgments set in</li> </ul>



		<p>the similar cases as well as reading legal opinions from external lawyers/experts, when obtained by the management;</p> <ul style="list-style-type: none"> <li>Performed the substantive procedures on the underlying calculations for the provisions recorded for completeness and accuracy.</li> <li>Reviewing the accounting and disclosure of legal exposures.</li> </ul> <p>Our testing as described above showed that management's judgments/estimation/assessment in relation to the contingent liabilities are reasonable and does not require additional provisioning. The disclosures made with respect to the contingent liabilities are adequate.</p>
2	<p><b>Revenue Recognition (Refer note 19 and Para 18(m) of the significant accounting policies of Consolidated Financial Statements)</b></p> <p>Revenue is recognised when the control of the underlying products has been transferred to customer along with the satisfaction of the company's performance obligation under a contract with customer.</p> <p>The company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before completion of the performance obligation.</p> <p>There is a significant risk of misstatement due to risk related to inappropriate recognition of the revenue and hence was determined to be a key audit matter</p>	<p>Our audit procedures to assess the appropriateness of revenue recognised included the following:</p> <p>Our audit procedures, considering the significant risk of misstatement related to revenue recognition, included amongst other:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of an assessing the design, implementation and operating effectiveness of the Company's key Internal controls over the revenue recognition process.</li> <li>Examination of significant contracts entered into close to year end to ensure revenue recognition is made in correct period.</li> <li>Testing a sample of contracts from various revenue streams by agreeing information back to contracts and proof of delivery as appropriate and ensure revenue recognition policy is in accordance with principles of Ind AS 115.</li> <li>Assessing the adequacy of Company's disclosure in accordance with requirements of Ind AS 115.</li> </ul> <p>Our testing as described above showed that revenue has been recorded in accordance with the terms of underlying contracts and accounting policy in this area. The disclosures made relating to revenues are in agreement with Ind AS 115</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated



financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



#### Other Matters

We did not audit the financial statements of two subsidiaries whose financial statement reflects total assets of ₹ 0.15 lacs as at March 31, 2020, total revenues of ₹ Nil lacs, total net loss after tax of ₹ 60.48 lacs and total comprehensive loss of ₹ 60.48 lacs and net cash outflows of ₹ 1.68 lacs for the year ended on that date respectively, as considered in Consolidated Financial Statements. These unaudited financial statements have been furnished to us by the Management. 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 such unaudited financial statements certified by the management.

The consolidated financial statements include the Group's share of net loss of ₹ Nil Lacs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of one associate, whose financial statement has not been audited by us. This financial statement has been audited by other auditor whose report has been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the associate, is based solely on report of other auditor.

Our opinion above 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 work done and the reports of the other auditor and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

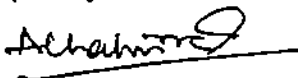
1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of associate, as notes in 'Other Matter' paragraph we report, to the extent applicable, that:
  - a) We/the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate incorporated in India, none of the directors of the Holding Company and its associate incorporated in India is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its associate incorporated in India, refer to our separate report in "Annexure A" to this report.



CHATURVEDI & SHAH LLP  
Chartered Accountants

- g) In our opinion and to the best of our information and according to the explanations given to us, the Managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- h) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate, as noted in "Other Matters" paragraph :
- i) The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated Financial Position of the Group and its associate as referred to in Note 36 to 39 of the Consolidated Financial Statements ;
  - ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India during the year ended March 31, 2020.

For Chaturvedi & Shah LLP  
Chartered Accountants  
(Firm Registration no. 101720WW/100355)



Amit Chaturvedi  
Partner  
Membership No.: 103141



Place : Mumbai  
Date : July 30, 2020  
UDIN No. 20103141AAAAPV6659

**"Annexure A" to Independent Auditors' Report on the Consolidated Financial Statements of Balasore Alloys Limited**

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

**Report on the Internal Financial Controls under Clause (l) 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 Balasore Alloys Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Balasore Alloys Limited (hereinafter referred to as the "Holding Company"), its associate company incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 and its associate company incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 internal financial controls system over financial reporting with reference to these consolidated financial statements.



**Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 With Reference To These Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Other Matters paragraph, the Holding Company, its associate company incorporated in India, have maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

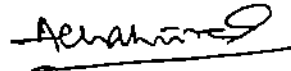




**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statements of associate company incorporated in India, is based on the corresponding reports of the auditor of such associate company incorporated in India.

For Chaturvedi & Shah LLP  
Chartered Accountants  
(Firm Registration no. 101720WW100355)



Amit Chaturvedi  
Partner  
Membership No.: 103141



Place : Mumbai  
Date : July 30, 2020

Balasure Alloys Limited  
Consolidated Balance Sheet as at 31st March, 2020

(₹ in Lacs)

	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
Non-Current Assets			
Property, Plant & Equipment	2	84,875.67	81,719.86
Intangible Assets	2	5,560.85	3,021.57
Capital Work-in-Progress	2	11,702.69	13,351.90
Financial Asset			
Investments in Associates	3	-	-
Investments in Other	3	1,763.11	1,760.65
Others	5	810.73	810.46
Deferred Tax Assets (net)	13	1,203.26	-
Other Assets	6	16,137.49	16,882.49
Total Non-Current Assets		1,21,813.80	1,19,548.93
Current Assets			
Inventories	7	15,074.05	17,448.31
Financial Assets			
Trade Receivables	8	5,614.29	5,105.34
Cash and Bank Balances	9	3,519.98	2,872.11
Loans	4	1,878.80	3,323.13
Other Financial Assets	5	7,660.02	3,447.74
Other Assets	6	18,709.86	21,667.57
Total Current Assets		48,457.00	53,864.19
Total Assets		1,70,270.80	1,73,413.12
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	10	4,666.27	4,666.27
Other Equity	11	77,137.80	88,716.93
Total Equity		81,804.17	93,383.20
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	30.29	170.68
Trade Payables Due to:			
Micro and Small Enterprises	16	-	-
Other Than Micro and Small Enterprises	16	13,903.25	-
Provisions	13	2,177.13	3,908.52
Deferred Tax Liabilities (net)	14	-	2,820.01
Total Non-Current Liabilities		16,070.77	4,899.21
Current Liabilities			
Financial Liabilities			
Borrowings	15	19,387.47	12,042.07
Trade Payables Due to:			
Micro and Small Enterprises	16	86.87	45.55
Other Than Micro and Small Enterprises	16	27,857.64	34,368.14
Other Financial Liabilities	17	3,987.59	5,797.85
Other Liabilities	18	13,464.81	7,224.00
Provisions	13	17,511.67	11,153.08
Total Current Liabilities		72,395.86	75,630.69
Total Equity and Liabilities		1,70,270.80	1,73,413.12

Significant Accounting Policies  
Notes on Financial Statements

1  
2-49

The accompanying notes are forming part of the financial statements

As per our report of even date

For Chaturvedi & Shah LLP  
Firm Registration Number: 101720W/W100333  
Chartered Accountants

Amit Chaturvedi  
Partner  
Membership No.: 103141

Place: Mumbai  
Date: 30th July, 2020



For and on behalf of the Board of Directors

Anil Sureka  
(Managing Director)  
DIN No-00658228

Nikhil Pantari  
(Director - Finance)  
DIN No-08023216



Trilochan Sharma  
(Company Secretary)  
Membership No- FCS 6014

Place: Kollata  
Date: 30th July, 2020

**Balasore Alloys Limited**  
**Consolidated Statement of Profit and Loss for the Year ended 31st March, 2020**

			(₹ in Lacs)
	Notes	2019-20	2018-19
<b>INCOME</b>			
Revenue From Operations	19	76,746.28	1,26,143.66
Other Income	20	2,313.14	1,211.45
<b>Total Revenue (I)</b>		<b>79,059.42</b>	<b>1,27,355.11</b>
<b>EXPENSES:</b>			
Cost of Raw Materials Consumed	21	32,556.29	54,857.35
Purchase of Stock-In-Trade		-	818.10
(Increase)/ Decrease in Inventories	22	632.46	(616.39)
Power		28,104.31	34,632.73
Employee Benefit Expenses	23	5,518.85	6,574.98
Other Expenses	24	17,180.88	23,067.87
Depreciation & Amortization expenses	25	3,028.57	3,207.30
Finance Costs	26	4,958.63	4,420.03
<b>Total (II)</b>		<b>91,979.99</b>	<b>1,26,911.98</b>
<b>Profit Before Exceptional Item (III)</b>		<b>(12,920.57)</b>	<b>443.14</b>
Exceptional Items (Refer Note- 42)		2,022.35	3,683.58
<b>Profit Before Taxes (IV)</b>		<b>(14,942.92)</b>	<b>(3,240.44)</b>
<b>Tax Expenses</b>			
Current Tax		(4,041.24)	(96.00)
Deferred Tax Charge		-	(269.90)
Taxation Expenses of Earlier Years		(4,041.24)	(365.90)
<b>Total Tax Expenses (V)</b>		<b>(8,082.48)</b>	<b>(631.80)</b>
<b>Profit for the Year [(IV) - (V)]</b>		<b>(10,901.68)</b>	<b>(2,878.54)</b>
<b>Other Comprehensive Income :</b>			
I. Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of post employment benefit obligations		70.03	107.04
Income tax relating to item that will not be reclassified to Profit or Loss		(17.95)	(37.40)
<b>Total Other Comprehensive Income/ (Loss) For the Year</b>		<b>52.08</b>	<b>69.64</b>
<b>Total Comprehensive Income/Loss For the Year</b>		<b>(10,849.60)</b>	<b>(2,808.90)</b>

Earnings Per Equity Share (Nominal Value of Share ₹ 5/-)

Basic EPS (₹) (11.63) (3.01)

Diluted EPS (₹) (11.63) (3.01)

Significant Accounting Policies

Notes on Financial Statements 2-49

The accompanying notes are forming part of the financial statements

As per our report of even date

For Chaturvedi & Shah LLP  
 Firm Registration Number: 101720W/W100355  
 Chartered Accountants

Amit Chaturvedi  
 Partner  
 Membership no.: 10314



Place: Mumbai  
 Date: 30th July, 2020

For and on behalf of the Board of Directors

*(Signature)* *(Signature)*

Anil Sureka  
 (Managing Director)  
 DIN No-00058228

Nikunj Bansari  
 (Director - Finance)  
 DIN No-08023216



*(Signature)*  
 Trilochan Sharma  
 (Company Secretary)  
 Membership No- FCS 6024

Place: Kolkata  
 Date: 30th July, 2020

Balasure Alloys Limited  
Consolidated Cash Flow Statement for the year ended 31st March, 2020

(₹ In Lacs)

	Notes	2019-20	2018-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Profit Before Tax		(14,942.92)	(3,240.44)
Adjustment For:			
Depreciation/Amortisation Expenses		3,028.57	3,207.30
Loss/(Profit) on Sale/Discard of Property, Plant and Equipment (Net)		187.50	10.38
Unrealized Foreign Exchange Gain/Loss		137.67	2,645.48
Unspent Liabilities no Longer Required Written Back		(1,781.19)	(177.73)
Loss on Sale of Investment		-	2.13
Fair valuation of Investment		(2.46)	(0.42)
Irrecoverable Debts, Deposits & Advances Written Off		2,200.03	3,706.55
Provision for Doubtful Debts/Advances		1,515.17	-
Interest Expense		4,569.07	3,963.02
Interest Income		(485.19)	(691.89)
Operating Profit Before Working Capital Changes			
Movements in Working Capital:			
Increase/(Decrease) in Trade Payables and Other Current Liabilities		7,381.06	5,174.64
Increase/(Decrease) in Provisions		219.93	299.95
Decrease/(Increase) in Trade Receivables		(276.79)	(691.56)
Decrease/(Increase) in Inventories		2,374.38	1,776.00
Decrease/(Increase) in Loans and Advances and Other Assets		608.72	(7,514.39)
Cash Generated From/(Used in) Operations		4,561.23	8,469.03
Taxes Paid (Net)		(160.88)	(192.26)
Net Cash Flow From Operating Activities (A)		4,402.35	8,276.77
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment (Including CWP and Capital Advances)		(4,283.77)	(5,405.81)
Purchase of Investment		-	(20.00)
Sale of Investment		-	10.00
Proceeds From Sale of Fixed Assets		47.50	-
Maturity of/(Investment in) Fixed Deposit		(883.39)	(519.18)
Interest Received		383.69	208.12
Net Cash Flow From/(Used) in Investing Activities (B)		(4,736.57)	(5,726.87)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Long-Term Borrowings		(533.40)	(750.46)
Proceeds of Long-Term Borrowings		-	88.10
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)		(143.95)	(699.94)
Net Movement in Short-term Borrowings		2,345.40	368.69
Interest Paid		(1,371.74)	(2,604.56)
Net Cash Flow From/(Used) in Financing Activities (C)		96.31	(3,598.17)
Exchange Difference on Transaction of Foreign Subsidiaries (D)		(8.75)	5.03
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C + D)		(246.66)	(1,043.24)
Cash & Cash Equivalents as at the Beginning of the Year		623.32	1,666.36
Cash & Cash Equivalents as at the End of the Year		376.46	623.12
<b>Cash &amp; Cash Equivalents as at the End of the Year includes</b>			
Cash-on-Hand		180.30	175.51
Balances with Banks:			
In Current Accounts		64.57	206.24
In Unpaid Dividend Account**		131.59	241.38
Cash and Cash Equivalents at the End of the Year (Refer Note 9)		376.46	623.12



Change in liabilities arising from financing activities:

	1st April 2019	Cash Flow	Foreign exchange movement	31st March 2020
Borrowing - Current (Refer Note 15)	17,047.07	2,266.57	78.83	19,187.47
Borrowing - Non-Current (Refer Note 12)	787.77	(533.40)	-	254.37

	1st April 2018	Cash Flow	Foreign exchange movement	31st March 2019
Borrowing - Current (Refer Note 15)	16,673.38	380.24	(11.55)	17,042.07
Borrowing - Non-Current (Refer Note 12)	1,450.13	(662.36)	-	787.77

\* Amount Spent in Cash towards Corporate Social Responsibility is ₹ 55.58 lakhs (Previous year ₹ 196.46 lakhs)

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

Summary of Significant Accounting Policies

1

The accompanying notes are forming part of the financial statements

As per our report of even date

For Chaturvedi & Shah LLP  
Firm Registration Number: 1017204/W/100355  
Chartered Accountants

*Amis Chaturvedi*

Amis Chaturvedi  
Partner  
Membership no : 103141



Place: Mumbai  
Date: 30th July, 2020

For and on behalf of the Board of Directors

*Anil Sureka*

Anil Sureka  
(Managing Director)  
DIN No-00058328

*Nikhil Bansari*

Nikhil Bansari  
(Director - Finance)  
DIN No-08023216



*Trilochan Sharma*

Trilochan Sharma  
(Company Secretary)  
Membership No- FCS 6024

Place: Kolkata  
Date: 30th July, 2020

Balsore Alloys Limited  
Statement of Changes in Equity for the year ended 31st March 2020

(a) Equity share capital (₹ in Lacs)		
	No. of Shares	Amount
Balance at the beginning of the reporting period i.e. 1st April 2018	9,33,25,411	4,666.27
Changes in equity share capital	-	-
Balance at the end of reporting period i.e. 31st March, 2019	9,33,25,411	4,666.27
Changes in equity share capital	-	-
Balance as at 31 March 2020	9,33,25,411	4,666.27

(b) Other Equity (₹ in Lacs)							
Particulars	Money Received Against Share Warrants	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Foreign Currency Translation Reserve	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations
AS ON 31ST MARCH 2018							
Balance at the beginning of the reporting period i.e. 1st April 2018	476.75	681.82	5,617.78	7,923.20	77,108.73	(62.13)	(67.03)
Total Comprehensive Income for the year	-	-	-	-	(2,874.54)	-	69.64
Dividend	-	-	-	-	(699.94)	-	-
Tax on dividend	-	-	-	-	(143.87)	-	-
On forfeiture	(476.75)	476.75	-	-	-	-	-
Addition/(Deduction) for the year	-	-	-	-	-	5.03	-
Balance at the end of reporting period i.e. 31st March, 2019	-	1,160.57	5,617.78	7,923.20	73,589.87	(57.10)	(17.39)

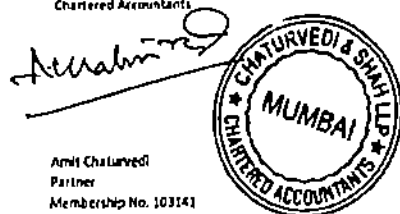
(c) Other Equity (₹ in Lacs)							
Particulars	Money Received Against Share Warrants	Capital Reserve	Securities Premium	General Reserve	Retained earnings	Foreign Currency Translation Reserve	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations
AS ON 31ST MARCH 2019							
Balance at the beginning of the reporting period i.e. 1st April 2019	-	1,160.57	5,617.78	7,923.20	73,589.87	(57.10)	(17.39)
Total Comprehensive Income for the year	-	-	-	-	(10,901.68)	-	57.06
Dividend	-	-	-	-	(143.95)	-	-
Tax on dividend	-	-	-	-	(76.73)	-	-
Addition/(Deduction) for the year	-	-	-	-	-	(8.75)	-
Balance at the end of reporting period i.e. 31st March, 2020	-	1,160.57	5,617.78	7,923.20	62,467.51	(65.85)	34.69

The accompanying notes form an integral part of financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah LLP  
Firm Registration Number: 101720/W/100355  
Chartered Accountants



Amit Chaturvedi  
Partner  
Membership No. 103141  
Place: Mumbai  
Date: 10th July, 2020

Anil Sureka  
(Managing Director)  
DIN No-00050218



Place: Kolkata  
Date: 30th July, 2020

Nitin Pantari  
(Director - Finance)  
DIN No-08023216

Trilochan Sharma  
(Company Secretary)  
Membership No: FCS 6024

## Balasure Alloys Limited

Notes to the Consolidated Financial Statements for the year ended 31st March 2020

### 1A. 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 and Sukinda, Odisha

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

### 1B. Significant Accounting policies

#### A. Basis of preparation

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) including the rules notified under the relevant provisions of the Companies Act, 2013.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  1. Certain financial instruments (including derivative instruments) measured at fair value through profit or loss
  2. Defined benefit plans - plan assets measured at fair value

#### B. Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is -

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



## Balasure Alloys Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2020

### C. Principles of Consolidation

The consolidated financial statements relate to Balasure Alloys Limited ('the Company') and its following subsidiary companies and associate :

Name of the Companies	Relationship	Country of Incorporation	Proportion of Ownership / Interest	
			31st March, 2020	31st March, 2019
Milton Holding Limited	Subsidiary	Mauritius	100 %	100 %
Balasure Metals Pte Limited	Subsidiary	Singapore	100%	100%
Balasure Alloys Nigeria Ltd (upto 08.03.2019)	Subsidiary	Nigeria	-	99%
Balasure Energy Limited	Associate	India	34%	34%

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve through OCI.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.





**Balasore Alloys Limited**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

- (g) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (h) Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- (i) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

**D. Other Significant Accounting Policies**

**A. Property, plant and equipment/ Capital Work In Progress**

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

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

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

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

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

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

Leasehold land and improvements are amortised over the lease period.

Mining Lease is depreciated based on unit of production method.

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

**B. Leases**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.



## Balasure Alloys Limited

### Notes to the Consolidated Financial Statements for the year ended 31 March 2020

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

#### C. Intangible assets

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

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

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

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

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

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

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

#### D. Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the



## Balasore Alloys Limited

### Notes to the Consolidated Financial Statements for the year ended 31 March 2020

cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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

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

#### E. Inventories

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

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

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

#### F. Impairment of non-financial assets - property, plant and equipment and intangible assets

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

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

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

#### G. Provisions

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

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



## Balasore Alloys Limited

Notes to the Consolidated Financial Statements for the year ended 31 March 2020

### Provision for decommissioning liability

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

### H. Employee Benefits Expense

#### Short Term Employee Benefits

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

#### Post-Employment Benefits

##### Defined Contribution Plans

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

##### Defined Benefit Plans

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

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

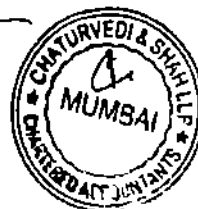
Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### I. Tax Expenses

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

#### - Current tax

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



**Balalore Alloys Limited**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

**- Deferred tax**

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

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

**J. Foreign currencies transactions and translation**

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

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

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

**K. Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when the it becomes unconditional. Generally, the credit period varies between 0-180 days from the shipment or delivery of goods or services as the case may be.



**Balalore Alloys Limited**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

**Contract Balances:**

**Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

**Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Interest Income**

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

**Dividends**

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

**Export Obligations / Entitlements / Incentives**

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

**L. Cash and cash equivalents**

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

**M. Earnings per share**

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

**N. Rounding of amounts**

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



**Balasure Alloys Limited**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

**O. Segment reporting**

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

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

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

**P. Financial instruments**

**(I) Financial Assets**

**A. Initial recognition and measurement**

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

**B. Subsequent measurement**

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

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

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

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

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

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

**C. Offsetting**

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

**D. Equity Investment**

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



**Balasore Alloys Limited**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

**E. Impairment of Financial Assets**

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

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

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

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

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

**(ii) Financial Liabilities**

**A. Initial recognition and measurement**

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

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

**B. Subsequent measurement**

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

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

**(iii) Derivative financial Instruments and Hedge Accounting**

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

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

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





**Balasure Alloys Limited**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2020**

**a) Cash flow hedge**

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

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

**b) Fair Value Hedge**

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

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

**(iv) Derecognition of financial instruments**

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

**(v) Offsetting**

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

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

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



**Balasure Alloys Limited**

Notes to the Consolidated Financial Statements for the year ended 31 March 2020

**a) Decommissioning Liabilities**

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

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

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

**c) Recoverability of trade receivable**

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

**d) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**e) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**f) Impairment of financial assets**

The Impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the Impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

h) Leases

With effect from 1st April 2019, Ind AS 116 - "Leases" (Ind AS 116) supersedes Ind AS 17 - "Leases". The Company has adopted Ind AS 116 using the prospective approach. The Company evaluated if an arrangement qualifies to be a lease as per requirements of Ind AS 116. Identification of lease requires significant judgement. Large portion of the Company's leases are cancellable by both lessor and lessee or are arrangements which qualify as variable leases and hence are not considered for recognition of Right of Use Asset and lease liabilities. There are few lease arrangements which are cancellable only at the option of the lessee but have not been considered for recognition of Right of Use Assets and lease liabilities on grounds of materiality and exercisability.

i) Estimation uncertainty relating to the Global health pandemic on COVID -19

The Impact of COVID - 19 on the business operations for the Company for the current year 2019-20 is not significant as those were continuing normally until the nationwide lockdown near the end of the year. Management has performed the assessment of the effect of COVID -19 on the recoverability of the value of assets as at the end of the year and liquidity position as well as business activities in the foreseeable future. Based on the assessment, presently there are no significant concerns regarding recoverability of the value of the assets as well as on liquidity and continuity of the business. The impact of COVID - 19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.



## 2. Fixed Assets

**Other than internally generated**

2.1 Capital Work-in-progress include.

1) ₹ 1,01,275 lacs (₹ 1,125 abtacs) on account of project development expenditure

01/11/2017 10:00:00 AM

(1) The Board may, at its discretion, suspend or terminate the participation of any member who fails to comply with the provisions of the bylaws.

Particulars	2019-2020	2018-2019
Opening Balance	1,123.46	1,012.75
Add:		
Employee Benefit Expenses	1,211.09	112.21
Total	2,334.55	1,123.46
Less: Property Development Expenses capitalised during the year	2,313.80	-
Closure Balance	1,012.75	1,123.46

2.3 For Assets pledged as security - Refer note 12.2 & 15.1



**Balalore Alloys Limited**  
**Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

		(₹ in Lacs)	
3. Non-Current Investments		Non Current	
		Unit As at 31st March, 2020	Unit As at 31st March, 2019
<b>A. Investment measured at Amortised cost</b>			
(i) Investment in government securities		0.95	0.95
6 years National Savings Certificates (Deposited with Government Departments)			
(ii) Investment in Unquoted debentures			
9% Unsecured redeemable non-convertible debentures of ₹ 100 each fully paid-up in Krish Treasim Private Limited	1217200	1,217.20	1,217.20
<b>Total of investment measured at Amortised cost (A = (i) + (ii))</b>		<b>1,218.15</b>	<b>1,218.15</b>
<b>B. Investment measured at Fair value through Profit and Loss</b>			
Unquoted equity shares			
(i) Investment in associate			
Equity Shares of ₹ 10 each fully paid-up in Balalore Energy Limited	17000	-	17000
(ii) Investment in Other			
Equity shares of ₹ 10 each fully paid-up in Facor Power Limited	3000000	-	3000000
(iii) Unquoted equity shares			
Equity shares of ₹ 10 each fully paid-up in Elephanta Gases Limited	300000	399.65	300000
(iv) Unquoted mutual funds			
State Bank of India			
Dual Advantage Fund - Series- XXVI	350000	37.78	350000
Dual Advantage Fund - Series- XXXV	200000	21.71	200000
Dual Advantage Fund - Series- XXXVIII	200000	21.68	200000
Dual Advantage Fund - Series- XXXVII	200000	21.60	200000
Dual Advantage Fund - Series- XXXII	200000	21.09	200000
Dual Advantage Fund - Series- XXV	200000	21.25	200000
<b>Total of investment measured at Fair value through Profit and Loss (B = i to iv)</b>		<b>544.96</b>	<b>542.50</b>
<b>Total (A + B)</b>		<b>1,763.11</b>	<b>1,760.65</b>
<b>3.1 Category-wise Investment - Non Current</b>		<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Financial Assets measured at Amortised cost		1,218.15	1,218.15
Financial Assets measured at Fair value through Profit and Loss		544.96	542.50
<b>Total Investment - Non Current</b>		<b>1,763.11</b>	<b>1,760.65</b>



**Balalore Alloys Limited**  
**Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

4. Loans		(₹ in Lacs)			
(Unsecured, considered good unless stated otherwise)	Non Current		Current		As at 31st March, 2019
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Loans			1,746.68		1,746.68
Body Corporates					1,508.72
Body Corporates - Related Parties (Refer Note 35)			132.12		67.72
Advance to Employees			1,878.80		3,323.12
5. Other Financial Assets		(₹ in Lacs)			
(Unsecured, considered good unless stated otherwise)	Non Current		Current		As at 31st March, 2019
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Rent Deposit			48.77		46.25
Rent Deposits to Related Parties (Refer Note 35)	631.90	583.20	2.24		0.80
Other Deposit	178.83	227.26			
Other Deposits to Related Parties (Refer Note 35)			3,098.03		2,448.38
Security Deposits					154.79
Derivative Asset					
Interest Receivable on			33.10		28.81
Bank Deposits			197.19		98.59
Long-term investments			280.69		670.13
Loans, Other Deposits	810.73	810.46	3,660.02		3,447.74
6. Other Assets		(₹ in Lacs)			
(Unsecured, considered good unless stated otherwise)	Non Current		Current		As at 31st March, 2019
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Capital advances	16,137.49	15,882.49			
Considered good	17.50	17.50			
Considered doubtful	16,154.99	16,899.99			
	(17.50)	(17.50)			
Provision for doubtful advances	(A) 16,137.49	16,882.49			
Advances towards supply/services/Expenses			408.40		430.20
Considered good - Related Parties (Refer Note 35)			15,196.93		18,573.05
Considered good - Others			2,139.81		614.64
Considered doubtful - Others			17,745.14		19,617.89
			(2,139.81)		(614.64)
Provision for doubtful advances	(B)		15,605.33		19,003.25
Others			2,704.47		1,871.60
Balances with statutory / government authorities			195.17		452.25
Export benefits receivables			204.89		340.47
Prepaid Expenses			3,104.51		2,664.32
(C)					
Total	(A to C) 16,137.49	16,882.49	18,709.86		21,667.57



# Balasure Alloys Limited

## Notes to the Consolidated financial statements for the Year ended 31st March,2020

(₹ In Lacs)		
7. Inventories	As at 31st March,2020	As at 31st March,2019
Raw materials and components [Includes in transit and pledged ₹3,275.31 Lacs (Previous Year - ₹ 4,383.51 Lacs)]	10,638.55	12,230.73
Stores, Spares & Consumables	1,753.62	1,909.50
Finished goods	421.35	1,376.70
Stock under process	1,146.13	1,099.08
At estimated net realisable value	1,114.40	832.30
Saleable Scraps		
<b>Total</b>	<b>15,074.05</b>	<b>17,448.31</b>

7.1 Inventory given as security against borrowings Refer Note - 15.1

(₹ In Lacs)		
8. Trade Receivables (Unsecured, considered good unless stated otherwise)	As at 31st March,2020	As at 31st March,2019
Other receivables	5,614.29	5,105.34
Credit Impaired	14.51	14.51
Provision for credit impaired	5,628.80	5,119.85
	(14.51)	(14.51)
<b>Total</b>	<b>5,614.29</b>	<b>5,105.34</b>

8.1 Trade Receivables are netted with Bill discounting of ₹ 581.24 lacs .(Previous Year - ₹ 2,236.46 lacs)

(₹ In Lacs)		
9. Cash and Bank Balances	As at 31st March,2020	As at 31st March,2019
Cash and cash equivalents	180.30	175.51
Cash on hand		
Balances with banks:	64.57	206.24
In current accounts	2,392.93	1,377.60
In Deposit (Maturity of three months or less) #	131.59	241.38
In unpaid dividend account	2,769.39	2,000.73
(A)		
Other bank balances	765.39	897.38
Margin money deposit #	765.39	897.38
(B)		
(C)	14.80	26.00
Less : Bank Overdraft		
<b>Total (A+B-C)</b>	<b>3,519.98</b>	<b>2,872.11</b>

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



**Balalore Alloys Limited**

**Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

10. Equity Share Capital	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Authorized Shares	10,000.00	10,000.00
Equity Shares of ₹ 5/- Each		
200,000,000 (Previous Year - 200,000,000)		
Issued and Subscribed Shares	4,818.46	4,818.46
Equity Shares of ₹ 5/- Each		
96,369,263 (Previous Year - 96,369,263)		
Paid-up Shares	4,666.27	4,666.27
Equity Shares of ₹ 5/- Each Fully Paid up		
93,325,411 (Previous Year - 93,325,411)		
<b>Total</b>	<b>4,666.27</b>	<b>4,666.27</b>

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

Equity Shares	As at 31st March 2020		As at 31st March 2019	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
At the beginning of the year	933.25	4,666.27	933.25	4,666.27
Issued during the year	-	-	-	-
Outstanding at the End of the Year	933.25	4,666.27	933.25	4,666.27

(b) Terms/ Rights Attached to Equity Shares

(i) The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

(ii) In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% equity shares in the company

Name of the shareholder	As at 31st March 2020		As at 31st March 2019	
	Numbers	% holding	Numbers	% holding
Goldline Tratom Private Limited	1,24,02,346	13.29%	1,24,02,346	13.29%
Jai Tarang Vaniya Pvt Ltd	80,00,000	8.57%	80,00,000	8.57%
Navoday Highrise Private Limited	69,42,674	7.44%	69,42,674	7.44%
Global Steel Holdings Asia Pte. Ltd.	66,39,983	7.11%	66,39,983	7.11%
Prasan Global Ventures Singapore Pte. Ltd.	48,95,017	5.25%	48,95,017	5.25%





**Balasure Alloys Limited**  
**Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

11. Other Equity	(₹ In Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Capital Reserve</b>		
Capital Investment subsidy (a)	41.96	41.96
As per last Balance Sheet		
Amount arisen on forfeiture of equity warrants (b)	966.75	490.00
As per last Balance Sheet		476.75
Add: Forfeited during the year	966.75	966.75
<b>Closing Balance (b)</b>		
Amount arisen on forfeiture of equity shares (c)	151.86	151.86
As per last Balance Sheet	1,160.57	1,160.57
<b>Closing Balance (a+b+c)</b>		
<b>Securities Premium</b>		
As per last Balance Sheet	5,617.78	5,617.78
Add: On issue of Shares	5,617.78	5,617.78
<b>Closing Balance (d)</b>		
<b>General Reserve</b>		
As per last Balance Sheet	7,923.20	7,923.20
Add: Transfer From Profit and Loss Account	7,923.20	7,923.20
<b>Closing Balance (e)</b>		
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(57.10)	(62.13)
Addition/(Deduction) for the year	(8.75)	5.03
<b>Closing Balance (f)</b>	(65.85)	(57.10)
<b>Other Comprehensive Income</b>		
As per last Balance Sheet	(17.39)	(87.03)
Add: Movement in OCI (Net) during the year	52.08	69.64
<b>Closing Balance (g)</b>	34.69	(17.39)
<b>Retained Earnings</b>		
As per last Balance Sheet	73,589.87	77,308.22
Add: Profit/(Loss) For The Year	(20,901.68)	(2,874.54)
	62,688.19	74,433.68
<b>Less: Appropriations</b>		
Transfer to General Reserve	-	-
Dividend on Equity Shares [Dividend per Share ₹ 0.40 (Previous Year ₹ 0.75)]	(143.95)	(699.94)
Tax on dividend	(76.73)	(143.87)
	(220.68)	(843.81)
<b>Closing Balance (h)</b>	62,467.51	73,589.87
<b>Total Other Equity (a to h)</b>	77,137.90	88,216.93

**11.1 Nature and Purpose of Reserve**

**1. Capital Reserve**

Capital Reserve is created by way of capital subsidy received from Odisha State Financial Corporation and due to forfeiture of application money received on warrants and partly paid up shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

**2. Securities Premium**

Securities Premium Account represents the premium received on issue of equity shares. In accordance with the provisions of Section 52 of the Companies Act, 2013 the securities premium account can only be utilised for the purpose of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

**3. General Reserve**

General Reserve forms part of retained earnings and is permitted to be distributed to shareholders as part of dividend.



# Balasure Alloys Limited

Notes to the Consolidated financial statements for the Year ended 31st March,2020

(₹ in Lacs)

## 12. Long-Term Borrowings

	Non Current Position		Current Maturities	
	As at	As at	As at	As at
	31st March,2020	31st March,2019	31st March,2020	31st March,2019
Sourced loan at amortised cost			193.98	467.09
Deferred Payment Credits	30.39	170.68	193.98	467.09
Total (i)	30.39	170.68		
Unsecured loans - at amortised cost			30.00	150.00
From Body Corporate	-	-	30.00	150.00
Total (ii)	-	-	30.00	150.00
Total (i+ii)	30.39	170.68	223.98	617.09

### 12.1 Repayment terms

#### (i) Deferred Payment Credits

For the Year ended 31st March 2020

(₹ in Lacs)

Rate of Interest	Non-Current			Current
	2023-24	2022-23	2021-22	2020-21
8.50%	-	-	3.03	6.99
9.20%	2.05	7.68	6.99	6.36
9.50%	-	-	2.16	4.11
9.65%	-	-	3.86	8.76
11.00%	-	-	-	19.97
11.03%	-	-	-	73.64
11.07%	-	-	4.62	13.85
11.50%	-	-	-	39.37
11.75%	-	-	-	20.93
Total	2.05	7.68	20.66	193.98

#### (ii) Unsecured loans

For the Year ended 31st March 2020

(₹ in Lacs)

Rate of Interest	Non-Current			Current
	2023-24	2022-23	2021-22	2020-21
15.00%	-	-	-	30.00
Total	-	-	-	30.00

### 12.2 Security Terms

#### (i) Deferred Payment Credits

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

(ii) Loans from Body Corporate - Secured against part of promoter's shareholding.



**Balalore Alloys Limited**

Notes to the Consolidated financial statements for the Year ended 31st March, 2020

13. Provisions	(₹ in Lacs)			
	Non Current Provisions		Current Provisions	
	As at	As at	As at	As at
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Provision for Employee Benefits: (Refer Note 28)				
Gratuity	1,288.12	1,160.41	74.28	78.51
Superannuation	-	-	130.83	108.28
Compensated Absences	605.62	543.40	60.58	67.57
	1,893.74	1,703.81	265.69	254.36
Other Provisions For -				
Taxation (Net of Advance Taxes)	-	-	12,125.37	10,754.85
Site Restoration	243.39	204.71	220.61	143.87
Tax on Dividend	-	-	-	-
	243.39	204.71	12,345.98	10,898.72
<b>Total</b>	<b>2,137.13</b>	<b>1,908.52</b>	<b>12,611.67</b>	<b>11,153.08</b>

13.1 Provision for site restoration	(₹ in Lacs)	
	As at	As at
	31st March, 2020	31st March, 2019
At The Beginning Of The Year	204.71	166.03
Arisen During The Year	38.68	38.68
Utilized During The Year	-	-
At The End Of The Year	243.39	204.71
Non-Current Portion	243.39	204.71

14. Deferred Tax Assets/Liabilities (net)	(₹ in Lacs)	
	As at	As at
	31st March, 2020	31st March, 2019
At Start of Year	2,820.03	2,878.63
Charge/(credit) to Statement of Profit and Loss	(4,041.24)	(96.00)
Charge to Other Comprehensive Income	17.95	37.40
	<b>(1,203.26)</b>	<b>2,820.03</b>

14.1. Refer Note -30 for component of Deferred Tax.



**Balasure Alloys Limited****Notes to the Consolidated financial statements for the Year ended 31st March,2020**

		(₹ In Lacs)	
15.	Short-Term Borrowings	As at 31st March,2020	As at 31st March,2019
A) Secured loans - at amortised cost			
Working capital loan			
From Bank-			
Rupee loan		7,612.92	4,212.55
Foreign Currency loan		1,909.55	4,835.15
(A)		9,522.47	9,047.70
B) Unsecured loans - at amortised cost			
Loans from body corporates			
(B)		3,115.00	1,620.00
(B)		3,115.00	1,620.00
Acceptances		(C) 6,750.00	6,374.37
(A+B+C)		19,387.47	17,042.07
Total			

**15.1.**

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 (ceased to be director w.e.f 22th August, 2017) and Mr V K Mittal (ceased to be director w.e.f 28th July, 2010). The above loans are further guaranteed by personal guarantee of Mr Pramod Mittal, Mrs Vartika Mittal Goenka and corporate guarantee of Shakti Chrome Limited, Olifant Resources Limited & Balasure Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu Inter se.



**Balasure Alloys Limited**

**Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

16 Trade Payables	(₹ in Lacs)			
	Non Current Provisions		Current Provisions	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Micro and Small Enterprises	-	-	86.87	45.55
Other than Micro and Small Enterprises	13,903.25	-	22,857.64	34,368.14
<b>Total</b>	<b>13,903.25</b>	<b>-</b>	<b>22,944.51</b>	<b>34,413.69</b>

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

Particulars	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Principal Amount Due and Remaining Unpaid	86.87	45.55
Interest Due on Above and The Unpaid Interest	5.72	3.08
Interest Paid	-	-
Payment Made Beyond the Appointed Day During the Year	2.64	3.08
Interest Due and Payable for the Period of Delay	2.64	3.08
Interest Accrued and Remaining Unpaid	5.72	3.08
Amount of further interest remaining due and payable in succeeding years	-	-

17 Other Financial Liabilities	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of long term Debts (Refer Note 12)	223.98	617.09
Interest accrued but not due on borrowings	1.79	8.21
Interest accrued and due on borrowings	763.53	469.20
Creditors for Capital expenditure	1,040.35	1,184.09
Unpaid Dividend (Refer Note 17.1)	136.48	246.26
Claims Payable	-	1,071.82
Other (Refer Note 17.2)	1,821.46	2,201.18
<b>Total</b>	<b>3,987.59</b>	<b>5,797.85</b>

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

17.2. It includes ₹ 1,769.68 lacs (Previous Year- ₹ 2,177.56 lacs) payables against arrangement for procurement of raw materials.

18. Other Liabilities	(₹ in Lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Advance from customers	11,009.38	5,202.81
Statutory Dues	1,854.38	1,894.98
Other liabilities	600.86	126.21
<b>Total</b>	<b>13,464.62</b>	<b>7,224.00</b>



# Balasure Alloys Limited

## Notes to the Consolidated financial statements for the Year ended 31st March, 2020

		(₹ in Lacs)	
19.	Revenue From Operations	2019-20	2018-19
<hr/>			
	Revenue from operations		
	Disaggregated Revenue		
	Sale of products		
	Finished goods	75,147.00	1,22,093.36
	Trading Sales	-	836.48
	Saleable Scraps	424.46	629.00
	Other operating revenue		
	Export Benefits	976.78	2,269.01
	Scrap Sales	198.04	315.81
	Revenue from operations	<u>76,746.28</u>	<u>1,26,143.66</u>

		(₹ In Lacs)	
20.	Other Income	2019-20	2018-19
<hr/>			
	Interest income from financial assets at amortised cost		
	Bank deposits	166.16	128.65
	Loans	157.20	405.07
	Others	162.03	158.16
	Insurance Claims	10.80	225.25
	Gain on Financial Assets		
	Realised	-	2.13
	Unrealised	2.46	0.01
	Unspent liabilities no longer required written back	1,781.19	177.73
	Others	33.30	114.44
	Total	<u>2,313.14</u>	<u>1,211.45</u>



**Balasure Alloys Limited****Notes to the Consolidated financial statements for the Year ended 31st March,2020**

		(₹ in Lacs)	
21	Cost of Raw Materials Consumed	2019-20	2018-19
	Inventory at the beginning of the year	12,230.73	13,936.55
	Add: Purchases and other related expenses (including captive)	30,964.11	53,151.53
		43,194.84	67,088.08
	Less: Inventory at the end of the period	10,638.55	12,230.73
	Cost of raw materials consumed <b>Total</b>	<u>32,556.29</u>	<u>54,857.35</u>

		(₹ in Lacs)	
a) Details of Raw Materials Consumed		2019-20	2018-19
Chrome Ore (Including own generation/briquetted)		15,866.06	30,053.21
Coal and Coke etc.		13,205.07	19,791.69
Carbon Paste		829.45	1,252.93
Quartz		454.34	729.00
Magnesite		247.35	1,133.63
Dolomite		718.39	183.08
Others		1,235.63	1,713.81
	<b>Total</b>	<u>32,556.29</u>	<u>54,857.35</u>



**Balasore Alloys Limited**

**Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

		(₹ in Lacs)	
22.	(Increase)/ decrease in Inventories	2019-20	2018-19
Inventories (At Close)		1,146.13	1,099.08
Stock under process		421.35	1,376.70
Finished goods		1,115.22	839.38
Saleable Scraps		2,682.70	3,315.16
Inventories (At Commencement)		1,099.08	889.27
Stock under process		1,376.70	1,288.43
Finished goods		839.38	521.07
Saleable Scraps		3,315.16	2,698.77
	<b>Total</b>	<b>632.46</b>	<b>(616.39)</b>

		(₹ in Lacs)	
23.	Employee Benefits Expense	2019-20	2018-19
Salaries, wages and bonus		4,636.70	5,478.56
Contribution to provident and other funds		270.35	334.45
Gratuity expense		198.07	205.74
Staff welfare expenses		413.73	506.23
	<b>Total</b>	<b>5,518.85</b>	<b>6,524.98</b>





# Balasore Alloys Limited

Notes to the Consolidated financial statements for the Year ended 31st March, 2020

24. Other Expenses	₹ In Lacs	
	2019-20	2018-19
Consumption of stores and spares	2,661.20	3,165.54
Contract Labour Charges	2,057.78	2,894.16
Packing and Carriage charges	2,894.10	4,890.90
Rent & Hire Charges	805.56	1,412.90
Rates and taxes	139.79	105.35
Insurance	205.71	190.94
Repairs and maintenance	1,440.19	1,299.88
Plant and machinery	58.65	117.43
Buildings	36.06	81.87
Others	178.83	765.51
Commission on Sales (other than sole selling agent)	895.44	1,136.70
Travelling and conveyance	5.06	24.97
Charity and Donations	209.82	240.25
Communication costs	1,731.46	1,938.25
Legal and professional fees	51.16	52.59
Directors' sitting fees		
Payment to Auditors:	115.89	114.16
Audit fee	15.00	15.00
Certification Fees	55.58	196.46
Corporate Social Responsibility Expenses (Refer note 24.1)	66.49	174.76
Site Development Expenses	450.32	2,848.99
Loss on Foreign Exchange Fluctuation (net)	177.68	22.98
Bad debts / advances written off	1,525.17	-
Provision for doubtful debts and advances	187.50	2.86
Loss on sale/Discard of Property, Plant and Equipment (Net)	1,216.44	1,375.42
Miscellaneous expenses	17,180.88	23,067.87
<b>Total</b>		

## 24.1- CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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 ₹ 144.68 lacs (Previous year ₹ 184.36 lacs)

b) Expenditure related to Corporate Social Responsibility Expenses is ₹ 55.58 lacs (Previous year ₹ 196.46 lacs)

Details of Amount spent towards CSR given below :

Particulars	₹ in lacs	
	2019-20	2018-19
Rural Development (Infrastructure Development)	26.37	24.68
Swachha Bharat Mission	0.12	52.70
Environment Protection & Development	4.02	11.77
Youth Development	0.45	2.91
Supply of Safe Drinking Water	8.10	39.64
Education Development	4.21	12.97
Health Promotion	1.59	12.58
Eradication of Hunger	4.83	0.11
Women empowerment	-	2.12
Community relation	5.89	36.98
<b>Total</b>	<b>55.58</b>	<b>196.46</b>



**Balasure Alloys Limited****Notes to the Consolidated financial statements for the Year ended 31st March, 2020**

		(₹ in Lacs)	
25.	Depreciation & Amortization Expenses	2019-20	2018-19

Depreciation of tangible assets	2,410.85	2,755.06
Amortization of intangible assets	617.72	452.24
Total	3,028.57	3,207.30

		(₹ in Lacs)	
26.	Finance Costs	2019-20	2018-19

Interest	1,003.12	851.56
- To Banks [Net of recoveries from customers ₹ 6.04 lacs (₹ 83.53 lacs)]	3,565.95	3,111.46
- To Others	310.73	419.80
Other borrowing cost	78.83	37.21
Exchange difference to the extent considered as an adjustment to borrowing costs	4,958.63	4,420.03
Total		



**Balalore Alloys Limited**

**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**27. Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(All amounts ₹ in lacs unless otherwise stated)		
I. Profit attributable to Equity holders	31st March, 2020	31st March, 2019
Profit/(Loss) attributable to equity holders for basic earnings:	(10,849.60)	(2,804.90)
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	(10,849.60)	(2,804.90)

II. Weighted average number of ordinary shares	31st March, 2020	31st March, 2019
Present Weighted Average Equity Shares (In Numbers) for Basic EPS	9,33,25,411	9,33,25,411
Add: Weighted Average Potential number of Equity Shares (In Numbers)	-	-
Weighted average number of shares at 31st March, for Diluted EPS	9,33,25,411	9,33,25,411
Basic and Diluted earnings per share		
	31st March, 2020	31st March, 2019
	INR	INR
	(11.63)	(3.01)
Basic earnings per share	(11.63)	(3.01)
Diluted earnings per share		



**Balsons Alloys Limited**  
**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**18. Employee benefits**

**(A) Defined Contribution Plan**

The contributions to the Provident Fund, Family Pension Fund and ESIC Fund of certain employees are made to a Government administered fund and there are no further obligations beyond making such contribution.

	₹ in Lacs	
	31st March, 2020	31st March, 2019
Charge to the Statement of Profit and Loss based on contributions		
Employer's Contribution to Provident Fund	318.88	334.81
Employer's Contribution to Superannuation Fund	25.60	37.57
Employer's Contribution to ESIC	10.43	14.66

**(B) Defined Benefit Plan**

**Gratuity**  
 In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.  
 Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.  
 The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.  
 Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date.

	₹ in Lacs	
	31st March, 2020	31st March, 2019
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
(i) <b>Changes in Defined Benefit Obligation</b>		
Opening defined benefit obligation	1,329.57	1,260.82
Amount recognised in profit and loss		
Current service cost	107.75	111.20
Interest cost	93.83	95.00
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Financial assumptions	104.48	37.64
Experience adjustment	1170.79	(139.70)
Demographic assumption	0.82	-
Other		
Benefits paid	(102.58)	(130.41)
Closing defined benefit obligation	1,343.34	1,278.57
(ii) <b>Changes in Fair Value of Assets</b>		
Opening fair value of plan assets	90.65	113.48
Adjustment to Opening Fair Value of Plan Asset	-	-
Amount recognised in profit and loss		
Interest income On Plan Asset	3.07	1.90
Amount recognised in other comprehensive income		
Actuarial gain / (loss)	-	-
Excess/(insufficient) return on plan asset (excluding interest income)	4.60	-
Other		
Contributions by employer	5.00	5.64
Benefits paid	(102.58)	(130.41)
Closing fair value of plan assets	0.74	90.65
(iii) <b>Plan assets comprising the following</b>		
Investments with insurer (100%)	0.74	90.65
(iv) <b>Principal actuarial assumptions used</b>		
Discount rate	6.44%	7.34%
Mortality rate	(2006-08) Ultimate	(2006-08) Ultimate
Rate of escalation in salary (per annum)	10%	10%
Expected Return on Plan Assets (per annum)	6.44%	7.34%
Employee Attrition Rate		
Upto Age 49	4.2	4.2
Age 50 to 54	1.8	1.8
Age 55 to 57	2.2	2.2



# Balalore Alloys Limited

## Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020

### 29. Operating leases

The Company's leasing arrangements are generally from 1 month to 72 months. In respect of above arrangement, lease rentals payable are recognised in the statement of profit and loss for the year and included under Rent and Hire charges

(i) Expected future minimum commitments during the non-cancellable period under the lease agreement are as follows

Particulars	₹ In lacs	
	2020-21	2021-22
Rental Payment Schedule	24.89	-

(ii) Amount recognised in profit & loss account

Particulars	₹ In lacs	
	2019-20	2018-19
Rent & Hire Charges	805.56	1,412.90

### 30. Deferred Tax Disclosure

#### (a) Movement in deferred tax balances

	Balance 1st April, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability) As at 31st March, 2020
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					(3,540.43)
Property, plant and equipment	(4,364.20)	823.77	-	-	262.34
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	213.50	66.79	(17.95)	-	4,481.35
Other disallowance under Income Tax Act, 1961	1,330.67	3,150.68	-	-	1,203.26
Tax assets (Liabilities)	(2,820.03)	4,041.24	(17.95)	-	

#### (a) Movement in deferred tax balances

	Balance 1st April, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability) As at 31st March, 2019
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					(4,364.20)
Property, plant and equipment	(4,157.40)	(206.80)	-	-	213.50
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	403.30	(152.40)	(37.40)	-	1,330.67
Other disallowance under Income Tax Act, 1961	875.47	455.20	-	-	(2,820.03)
Tax assets (Liabilities)	(2,878.63)	96.00	(37.40)	-	

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for Income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



**Balassore Alloys Limited**  
**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**31. Tax Reconciliation**

(a) Income tax recognised in the Statement of Profit & Loss

Particular	₹ in lacs	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Tax	(4,041.24)	(96.00)
Deferred Tax	-	(269.90)
Prior year Tax	(8,041.24)	(365.90)
Total tax expense recognised in the current year		

(b) The Income tax expenses for the year can be reconciled to the accounting profit as follows:-

Particular	₹ in lacs	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	(14,942.92)	(3,240.44)
Tax using the Company's domestic tax rate (Current year 25.625% and Previous Year 34.608%)	(3,829.21)	(1,132.34)
Tax effect of:		
Fair value of investment	-	(14.38)
Income Tax impact loss on subsidiary company	2,037.60	(634.55)
Expenses deductible for tax purposes (Restricted to above)	1,701.39	1,700.00
Expenses not deductible for tax purposes	(0.00)	1.21
Other	-	-
Current Tax Provision	-	-

**32. Financial Instruments – Fair values and risk management**

**1. A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	₹ in lacs						
	At 31st March, 2020				Fair value		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Non current financial assets</b>							
Investment in Equity Instrument	399.85	-	-	399.85	-	-	399.85
Investment in Mutual Funds	145.11	-	-	145.11	145.11	-	-
Investment in Government Securities	-	-	0.95	0.95	-	-	-
Investment in Debentures	-	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	-	831.90	831.90	-	-	-
Other Deposit	-	-	178.83	178.83	-	-	-
<b>Current financial assets</b>							
Trade Receivables	-	-	5,614.29	5,614.29	-	-	-
Cash and Bank Balances	-	-	3,519.98	3,519.98	-	-	-
Loans	-	-	1,878.80	1,878.80	-	-	-
Other Current Asset	-	-	3,660.02	3,660.02	-	-	-
Derivative Asset	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>544.96</b>	<b>-</b>	<b>16,701.98</b>	<b>17,246.94</b>	<b>145.11</b>	<b>-</b>	<b>399.85</b>
<b>Non Current financial liabilities</b>							
Deferred Payment Credit	-	-	30.19	30.19	-	-	-
Trade Payable	-	-	13,903.23	13,903.23	-	-	-
<b>Current financial liabilities</b>							
Working capital loan	-	-	9,522.47	9,522.47	-	-	-
Acceptances	-	-	6,750.00	6,750.00	-	-	-
Trade Payable	-	-	22,944.51	22,944.51	-	-	-
Other financial liabilities	-	-	7,102.59	7,102.59	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>60,253.22</b>	<b>60,253.22</b>	<b>-</b>	<b>-</b>	<b>-</b>



Balalore Alloys Limited

Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020

Financial Instruments – Fair values and risk management (contd...)

₹ in lacs

	At 31st March, 2019			Fair value		
	Fair value through profit and loss	Carrying amount Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Non current Financial assets</b>						
Investment in Equity Instrument	400.67	-	400.67	-	-	400.67
Investment in Mutual Funds	141.83	-	141.83	141.83	-	-
Investment in Government Securities	-	0.95	0.95	-	-	-
Investment in Debentures	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	583.20	583.20	-	-	-
Other Deposit	-	227.26	227.26	-	-	-
<b>Current Financial assets</b>						
Trade Receivables	-	5,105.34	5,105.34	-	-	-
Cash and Bank Balances	-	2,872.11	2,872.11	-	-	-
Loans	-	3,323.12	3,323.12	-	-	-
Other Current Asset	-	3,292.96	3,292.96	-	-	-
Derivative Asset	-	154.78	154.78	-	-	-
<b>Total Financial Assets</b>	<b>542.50</b>	<b>16,776.92</b>	<b>17,319.42</b>	<b>141.83</b>	<b>-</b>	<b>400.67</b>
<b>Non Current Financial liabilities</b>						
Deferred Payment Credits	-	170.68	170.68	-	-	-
<b>Current Financial liabilities</b>						
Working capital loan	-	9,047.70	9,047.70	-	-	-
Acceptances	-	6,374.37	6,374.37	-	-	-
Trade Payable	-	34,413.69	34,413.69	-	-	-
Other financial liabilities	-	7,417.85	7,417.85	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>57,424.29</b>	<b>57,424.29</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Balasore Alloys Limited

## Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020

### Financial Instruments – Fair values and risk management (contd...)

#### B. Measurement of fair values

Ind AS 113, 'Fair Value Measurement - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Following methods and assumptions are used to estimate the fair values:

a) Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.

b) Fair value of the non-current borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

#### Transfers between Levels

There have been no transfers between levels during the reporting periods.

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial Instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Forward contracts & Options	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract.	Foreign Exchange Spot and Forward Rates, Yield curve of respective currencies, currency basis spreads etc..
Unquoted equity shares	Adjusted NAV (Net Asset Value) method. Adjusted NAV method involves determination of fair values of asset/liability/business based on its book value with appropriate relevant adjustments.	Not applicable

#### Level 3 fair values

##### Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

₹ in lacs		
Particulars	2019-20	2018-19
Opening Balance	400.67	404.60
Net change in fair value (unrealized)	(0.82)	(3.93)
Closing Balance	399.85	400.67
Line item in which gain/loss is recognised	Other Income - Gain on Financial Assets - (0.82) Unrealised	Other Income - Gain on Financial Assets - (3.93) Unrealised

#### Sensitivity analysis

Adjusted NAV method is used for the purpose of calculating fair value of unquoted equity shares. In the adjusted NAV methodology there are no significant unobservable inputs used, hence the sensitivity analysis would not be applicable.

#### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk





**Balasore Alloys Limited**

**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd...)**

**I. Counterparty and concentration of Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, investments, loans, other financial assets, and derivative financial instruments.

Credit risk on receivables is limited as almost all credit sales are against letters of credit.

Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The Company has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 17,246.94 lacs and ₹ 17,319.42 as at 31st March, 2020 and 31st March, 2019 respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at 31st March, 2020, that defaults in payment obligations will occur.

Of the year end trade receivable balance the following, though overdue, are expected to be realized in the normal course of business and hence, are not considered impaired as at March 31, 2020 and March 31, 2019:

Particulars	₹ In lacs	
	As at 31st March, 2020	As at 31st March, 2019
- More than six months	4,439.38	2,374.68
- Less than six months	1,174.90	2,730.66
Total	5,614.28	5,105.34

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experience does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.



**Balasure Alloys Limited**

**Notes To The Standalone Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd..)**

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31st March, 2020	Carrying amount	Total Contractual cash Flow	Contractual cash flows			
			0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long Term Loans*	224.36	240.07	207.53	32.55	-	-
Short Term Loans	20,182.79	20,182.79	20,182.79	-	-	-
Total non-derivative liabilities	20,407.15	20,422.87	20,390.32	32.55	-	-
Derivative financial liabilities	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

31st March, 2019	Carrying amount	Total Contractual cash Flow	Contractual cash flows			
			0-1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Long Term Loans*	637.77	695.81	513.91	179.81	2.09	-
Short Term Loans	17,669.48	17,669.48	17,669.48	-	-	-
Total non-derivative liabilities	18,307.25	18,365.29	18,183.39	179.81	2.09	-
Derivative financial liabilities	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

\*Includes current maturities



**Balstore Alloys Limited**  
**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**Financial Instruments – Fair values and risk management (contd...)**

**11. Market risk**  
 Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

**Currency risk**

The Company is exposed to currency risk on account of its Trade receivables, Trade & other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31st March, 2020 & 31st March, 2019 are as below

		31st March, 2020				In lacs
		USD	INR	GBP	MMX	Others
<b>Financial liabilities</b>						
Short term borrowings	(A)	25.06	-	-	-	-
Trade and other payables		2.17	0.61	1.12	-	-
Less: Forward currency contract		-	-	-	-	-
Net Trade Payable	(B)	2.17	0.61	1.12	-	-
Total	(C) = (A+B)	27.23	0.61	1.12	-	-
<b>Financial assets</b>						
Current Assets						
Trade receivables		57.98	-	-	-	-
Less: Forward currency contract		-	-	-	-	-
Net Trade receivables	(D)	57.98	-	-	-	-
Cash & Cash equivalents	(E)	0.06	-	-	102.33	0.01
Total	(F) = (D+E)	58.04	-	-	102.33	0.01
Net exposure	(C-F)	(30.81)	0.61	1.12	(102.33)	(0.01)

		31st March, 2019			In lacs
		USD	GBP		Others
<b>Financial liabilities</b>					
Short term borrowings	(A)	69.14	-	-	-
Trade and other payables		27.39	1.40	-	0.01
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	27.39	1.40	-	0.01
Total	(C) = (A+B)	96.53	1.40	-	0.01
<b>Financial assets</b>					
Current Assets					
Trade receivables		53.74	-	-	-
Less: Forward currency contract		120.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Cash & Cash equivalents	(E)	0.30	-	-	0.01
Total	(F) = (D+E)	0.30	-	-	0.01
Net exposure	(C-F)	96.23	1.40	-	0.00



The following significant exchange rates have been applied during the year:-

	Average rate in ₹		Year-end spot rate in ₹	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
USD	71.51	67.17	74.64	69.93
JPY	0.67	-	0.70	-
GBP	90.99	91.14	91.55	91.96
MMK	0.05	-	0.05	-

USD is United States Dollar which is used in USA.

JPY is Japanese Yen which is used in Japan.

GBP is Great Britain Pound which is used in UK.

MMK is Burmese Kyat which is used in Myanmar.

Other currencies includes RMB (Renminbi) which is used in China & Euro.

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against the foreign currencies at 31st March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	₹ in lacs	
	Profit or loss	
	Strengthening	Weakening
Effect in INR		
31st March, 2020		
3% movement	0.92	(0.92)
USD	(0.07)	0.02
JPY	(0.03)	0.03
GBP	3.07	(3.07)
MMK	(0.00)	0.00
Others	3.94	(3.94)
Total		
Effect in INR		
31st March, 2019		
3% movement	(2.89)	2.89
USD	(0.04)	0.04
GBP	(0.00)	0.00
Others	(2.93)	2.93
Total		



# Balasore Alloys Limited

## Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020

### Financial Instruments – Fair values and risk management (contd...)

#### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings taken at fixed rates & floating rate exposes the Company to fair value interest rate risk and cash flow interest rate risk respectively. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	₹ In lacs	
	31st March, 2020	31st March, 2019
Fixed-rate Instruments	3,369.37	2,407.77
Financial liabilities	3,369.37	2,407.77
Variable-rate Instruments	16,272.47	15,422.07
Financial liabilities	16,272.47	15,422.07
<b>Total</b>	<b>19,641.84</b>	<b>17,829.84</b>

#### Fair value sensitivity analysis for fixed-rate Instruments

The company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

#### Cash flow sensitivity analysis for variable-rate Instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	₹ In lacs	
	Profit or loss	
	100 bp increase	100 bp decrease
31st March, 2020		
Variable-rate Instruments	(162.72)	162.72
Cash flow sensitivity (net)	(162.72)	162.72
31st March, 2019		
Variable-rate instruments	(154.22)	154.22
Cash flow sensitivity (net)	(154.22)	154.22



**Balasure Alloys Limited****Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020****33. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve (if any)

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio at 31st March, 2020 was as follows.

	₹ In lacs	
	As at 31st March, 2020	As at 31st March, 2019
Total liabilities	20,407.16	18,307.26
Less : Cash and cash equivalent	3,519.98	2,872.11
Adjusted net debt	16,887.18	15,435.15
Total equity	81,804.17	92,883.20
Adjusted equity	81,804.17	92,883.20
Adjusted net debt to adjusted equity ratio	0.21	0.17

**34. Segment Reporting****A. General Information**

Factors used to identify the entity's reportable segments including

For management purposes the Company has only one reportable segment as follows:

- Manufacturing/Mining of Ferro Alloys

The Executive Committee of the Company acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments.

**B. Geographic Information**

The geographic information analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries.

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Domestic Revenues	12,820.22	25,910.16
Overseas Revenues (including Export Benefits)	63,926.07	1,00,233.50

**C. Information about major customers**

Revenue from major customers of the Company was ₹ 24,604.06 lacs is 32.47% of total sales (₹ 55,555.34 lacs is 44.84 % of total sales)

**D. Broad Category of Sales**

Company deals mainly in Ferro Chrome.



**Balasure Alloys Limited**  
**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**35. RELATED PARTY DISCLOSURE AS PER IND-AS - 24**

**A. Name of the key management personnel and their relatives with whom transactions were carried out during the year.**

**(i) Key Management Personnel**

Mr. Pramod Mittal (Chairman Upto 22.08.2017)  
Mr. Anil Sureka (Managing Director)  
Mr. Nikunj Pansari (Whole time Director) (wef- 14.12.2017 to 25.07.2018) (wef- 11.08.2018)  
Mrs. Mita Jha (Whole time Director) (wef- 27.07.2017 to 24.04.2018)  
Mr. Dhiren K Nath (Whole time Director) (upto- 16-09-2019)  
Mr. A. Nagender Kumar (Whole time Director) (wef- 30-05-2019)

**(ii) Enterprises over which Key Management Personnel and their Relatives are able to exercise significant influence \***

Navdisha Real Estate Pvt. Ltd.  
Gontermann Pipers (India) Ltd.  
Shakti Chrome Ltd.  
Olfant Resources Limited (Formerly known as Ispat Minerals Limited)  
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



Balsore Alloys Limited  
Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020

D. Transactions during the year:-

Particulars	Transaction values during the year ended 31st March		Balances outstanding as at 31st March	
	2020	2019	2020	2019
Interest Income				
Goswami Pipers (India) Ltd	-	254.93	-	387.47
Interest Income written off*				
Goswami Pipers (India) Ltd.	387.47	-	-	-
Sale of good and services				
Goswami Pipers (India) Ltd	-	-	-	83.09
Omanti Resources Limited	18.27	-	18.27	-
Trade Receivable written off*				
Goswami Pipers (India) Ltd.	83.09	-	-	-
Rent & Municipal Tax				
Nandha Real Estate Private Limited	115.54	116.40	(95.56)	192.83
Advance Refunded				
Nandha Real Estate Private Limited	93.09	-	-	-
Managerial Remuneration				
Mr. Anil Suresh	154.87	170.87	-	-
Mr. Nandhu Panari	75.27	84.00	-	-
Mr. Dhruv K. Nath	23.78	17.88	-	-
Mrs. Mita Jha	-	21.76	-	-
Mr. A. Nagaraj Kumar	45.61	-	-	-
Interest Expense				
Isat Corp Pvt. Ltd.	150.00	150.00	510.69	441.32
Loans given				
Mr. Nandhu Panari	1.35	-	1.35	-
Goswami Pipers (India) Ltd.	-	411.03	-	1,508.72
Loans Written Off*				
Goswami Pipers (India) Ltd.	1,508.72	-	-	-
Advance given				
Omanti Resources Limited	55.15	31.00	241.14	186.59
Shakti Chrome Ltd.	55.87	110.79	156.66	110.79
Loan Repaid				
Mr. Nandhu Panari	-	8.00	-	-
Mrs. Mita Jha	-	1.73	-	-
Deposit Given				
Nandha Real Estate Private Limited	-	-	851.50	851.50
Money forfeited against share warrant				
Global Steel Holding Asia Pte. Ltd.	-	0.94	-	-
Prasan Global Ventures Singapore Pte. Ltd.	-	270.14	-	-
Omanti Trading & Investments Singapore Pte. Ltd.	-	205.87	-	-
Loan from Body Corporate				
Isat Corp Pvt. Ltd.	-	-	1,000.00	1,000.00
Guarantee Given				
Shakti Chrome Ltd.	-	-	163.07	217.90
Omanti Resources Limited	-	-	90.10	120.67
Omanti Resources Limited	-	-	101.00	-
Guarantee Taken				
Mr. Premod Mittal	-	-	Refer Note 35.1	
Mrs. Varsha Mittal Goenka	-	-		
Shakti Chrome Ltd.	-	-	Refer Note 35.2	
Omanti Resources Limited	-	-		
Balsore Energy Limited	-	-	-	-

\* Refer Note 40

35.1 All working capital loan are guaranteed by personal guarantee of mentioned personnel

35.2 All working capital loan is guaranteed by corporate guarantee of mentioned entities

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.





**Balasure Alloys Limited**  
**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

36 CONTINGENT LIABILITIES AND COMMITMENTS		(All amounts in ₹ lacs unless otherwise stated)	
		As at 31st March, 2020	As at 31st March, 2019
i)	Contingent Liabilities (not provided for in respect of)		
a)	Sales tax matters under appeal (Amount paid under appeal ₹ 25.17 lacs (31st March 2019- ₹ 25.17 lacs)*)	465.43	465.43
b)	Entry tax matters (Amount paid under appeal ₹ 9.26 lacs (31st March 2019- ₹ 1.22 lacs)*)	97.06	99.06
c)	Excise / Service tax matters (Amount paid under appeal ₹ 57.84 lacs (31st March 2019- ₹ 50.11 lacs)*)	1,249.40	1,243.88
d)	Un-expired Bank Guarantees	3,819.58	3,876.85
e)	Bills discounted with Banks	581.24	2,236.46
f)	Guarantee given to financial institutions on behalf of others	163.07	338.57
*In respect of above cases based on favourable decisions in similar cases and discussion with legal counsels the management is of the opinion that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.			
ii)	Other Commitments		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,972.22	1,287.50
b)	Unpaid registration fees and stamp duty of New Mining Lease Deed.	1,834.51	1,834.51

37 The Income-Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand up to the said assessment years is Nil.

38 A revised demand notice dated 11th April, 2018 has been issued by Deputy Director of Mines, Jaipur road, Odisha amounting to ₹ 32,803.28 Lacs being the price thereof towards compensation of excess production beyond the approved limit under environment clearance during the period 2001-02 to 2007-08. The demand notices has been issued under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR Act).

The company filed a Revision Application before the Mines Tribunal, Delhi on 2nd May, 2018 in regard to the above revised demand notice praying for stay of the operation and/or execution of the notice and not to take any coercive action as the demand is without any basis and there is no legislative and/or statutory sanction for the same as the Section 21(5) of the MMDR Act is applicable only in respect of unauthorized raising and disposal of minerals, which is not in the case of the company.

The Revision application was heard on 10th May 2018 and the Tribunal passed an order staying the Demand Notice. Thereafter also the matter has been heard from time to time. The Revision Application is still pending before the Mines Tribunal for final conclusion and disposal.

39 The State Trading Corporation of India ("STC") on 13th May, 2015 through the Ministry of Commerce and Industry has recorded a statement on the floor of the Rajya Sabha that a sum of ₹ 5,855 Lacs is recoverable from the Company as on 31st March, 2015. The alleged demand is very much disputed by the Company and is the subject matter for ascertainment by the Hon'ble Arbitral Tribunal consisting of two Hon'ble Retired Judges of Hon'ble Supreme Court and one Hon'ble Retired Judge of Hon'ble Calcutta High Court Pursuant to order dated 23rd March 2017 by Hon'ble Arbitral Tribunal which is passed without prejudice to the rights and contentions of the parties and subject to further adjustment about the final amount to be paid (if any). The Company by way of abundant caution and prudence, has accounted for such alleged disputed amount without admitting the same in the financial year 2016-17. Pending final adjudication, the company has paid ₹ 5855 lacs towards such disputed dues as at 31st March, 2019.

Final hearing by Hon'ble Arbitral Tribunal was concluded on 7th and 8th December 2019 and Order reserved. The Arbitral Tribunal directed both the parties to file their written submission before 31.01.2020. Company and STC both have filed their written submission. Final Award awaited.

40 In past company had given Inter corporate loan and sold goods to Gontermann-Peipers (India) Ltd ("GPIL"), against which ₹ 1,939.26 lacs (including interest of ₹ 430.53 lacs) towards loan and ₹ 83.09 lacs towards sales remained outstanding as on December 31, 2019. During the previous year GPIL has been admitted under Insolvency and Bankruptcy Code 2016 by National Company Law Tribunal and the company has filed its claim to the Interim Resolution Professional (IRP) and which has also been admitted by IRP. Extent of amount that would be realized will depend upon outcome of resolution proceedings which at present is not unascertainable. On Account of the uncertainty in realization, company based on prudence has written off the loan balance (including interest) and receivable is shown as an exceptional item and reversed the interest income accounted of ₹ 204.61 lacs up till December 31, 2019.

41 Company started incurring cost for development of underground mines at Sukinda to secure the raw materials for its ferro chrome plants. As at March 31, 2020 company has incurred cost of ₹ 10,075.79 lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,503.08 lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project, of which substantial vendors have confirmed that materials will be supplied as and when required by the company.

Looking into current affairs and situation of the Company and in order to secure the minerals to have uninterrupted production, company has reworked its Underground Mining Plan as compared to earlier plan and now decided to start decline at +45mRL which is cost effective and less time consuming and can be funded through mix of internal accruals, equity/quasi equity from promoter group and other financial tie-ups.

Since majority of expenditure has been incurred towards pre-development activities and substantial advances have been given to vendors for supplying of equipment, Management is confident that they would succeed in same and will be able to extract Chrome Ore through Underground mechanism before fully exhausting Chrome Ore from Open Cast/Boundary Pillar Mining Method in coming years.

Considering the above factors no adjustments to the carrying value of capital work in progress and advances relating to project is considered.



**Balasure Alloys Limited**

**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

- 42 Advances under Other Assets include ₹ 6,786.13 lacs which are outstanding for more than a year on account of supply against materials and services. These vendors have substantially confirmed the balances outstanding as at March 31, 2020 and further based on various discussions with vendors, management is confident of getting the supplies or refund in near future. Considering the above factors no adjustments to the carrying value of advances is considered.

- 43 Trade Receivable includes ₹ 2,689.51 lacs which are outstanding for more than one year from its due date. These customers has confirmed the balances outstanding as at March 31, 2020 and further based on various discussion with the customers, management is confident of recovering these dues in near future. Considering the above factors no adjustments to the carrying value of receivables is considered.

- 44 Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities.

In view of such lockdowns, operations at the Company's ferro chrome plant at Balasure, Odhisa have been scaled down from the end week of March 2020.

The lockdown has adversely impacted the Company's sales volume and realizations. During the year, such impact was limited only to the later part of March 2020. However, with the continuance of such lockdown during the first quarter of the financial year 2021, the Company's operation remained adversely impacted. The Company continues to closely monitor the situation and take appropriate action in due compliance with the applicable regulations. As per the Company current assessment, no significant impact on carrying amounts of Fixed Assets, Inventories, trade receivables, Investments and other financial assets is expected, and it continues to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

- 45 The Company has incurred losses during the year and its current liabilities exceed current assets that may create uncertainties. Due to same cash flow mismatch has arisen which further led to non-payment of statutory liabilities, salaries overdue, working capital deficiencies and subsequent to year end shut down of plant operations due to disconnection of power.

However, various initiatives undertaken by the Company in relation to saving cost, optimize revenue opportunities and realization from its non-core assets is expected to result in improved operating performance.

Further, Company's continued thrust to improve operational efficiency and unconditional support from its Promoters' Group by way of infusion of funds into Company are expected to result in sustainable cash flows to address uncertainties. Accordingly, the financial statements continue to be prepared on a going concern basis.

- 46 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, 2020 (Refer Note 4).
- II) All the said loans and advances are given for business purposes.
- III) Investments made by the company as at 31st March, 2020 (Refer Note 3).
- IV) Guarantee given by the company as at 31st March, 2020 (Refer Note 36).

- 47 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.

- 48 Approval of Financial Statement

The financial statements were approved for issue by the board of directors on July 30, 2020



**Balasure Alloys Limited**

**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

49. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary/Associates

Name Of the Enterprise	Net Assets i.e. Total assets minus total liabilities		Share Of Profit or Loss	
	As % of Consolidated net assets	Amount (₹ in lacs)	As % of Consolidated net assets	Amount (₹ in lacs)
Parent				
Balasure Alloys Limited	100.19	81,956.79	99.44	(10,789.12)
Subsidiaries				
Milton Holding Limited	(0.04)	(28.92)	0.04	(4.03)
Balasure Metals Pte. Limited	(0.15)	(123.70)	0.52	(56.45)
Associates (Investments as per the equity method)				
Balasure Energy Limited				

For and on behalf of the Board of Directors

For Chaturvedi & Shah LLP  
Firm Registration Number: 101720W/W100355  
Chartered Accountants

*Amit Chaturvedi*  
Amit Chaturvedi  
Partner  
Membership No.: 303141

*Adil Sureka*  
Adil Sureka  
(Managing Director)  
DIN No-00058278

*Nikhil Pantari*  
Nikhil Pantari  
(Director - Finance)  
DIN No-08073216

*Trilochan Sharma*  
Trilochan Sharma  
(Company Secretary)  
Membership No- FCS 6024



Place: Kolkata  
Date: 30.07.2020

Place: Mumbai  
Date: 30-07-2020

**Balazore Alloys Limited**  
**Notes To The Consolidated Financial Statements For The Year Ended 31st March 2020**

**ANNEXURE A**

**Subsidiary Companies of Balazore Alloys Limited**

Sr.No.	Name of the Subsidiary Company	Subsidiary Merits Pvt Ltd***
1	The financial year of the Subsidiary Company ended on	31st March 2020
2	Exchange Rate	USD = INR 74.64
3	Equity Share Capital (Issued, Subscribed & Paid Up)	2,194.81
4	Reserves & Surplus (incl. Debit balance in Profit & Loss Account)	(123.70)
5	Total Assets	0.07
6	Total Liabilities	173.77
7	Investments	-
8	Turnover	-
9	Profit/(Loss) Before Tax	(54.45)
10	Provision for Taxation	-
11	Profit/(Loss) after Taxation	(54.45)
12	Other Comprehensive Income	-
13	Total Comprehensive Income For The Year	(54.45)
14	% of Shareholding	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 31.03.2020: USD = INR 69.55

On 31.03.2019: USD = INR 74.64

\*\*\* Financial Information based on unaudited Financials of Subsidiary Company

The above statement also indicates performance and financial position of each of the subsidiary

**Part "B" Associate**

**Statement pursuant to Section 129(3) of the companies Act, 2013 related to Associate Company**

Name Of Associate	Last Audited Balance Sheet	No. of Associates held by the company on this year end	Extent of Holding %	Net worth attributable to share holding as per last audited Balance Sheet ₹ in Lakhs	Considered in Consolidation ₹ in Lakhs	Profit/Loss for the year Not Considered in Consolidation	Departure of how there is significant Influence	Reason why the Associate is not consolidated
Balazore Energy Ltd	31.03.2020	17000	1.70	3445	-	(0.43)	None	None

Note: A. There is a significant influence due to (1%) 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



## 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 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Thursday, 30<sup>th</sup> March, 2023, at the Registered Office of the Company at Balgopalpur – 756 020, Dist. Balasore, Odisha, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	#	
Ordinary Business		For	Against
1	Adoption of the Audited Financial Statement of the Company for the year ended on 31 <sup>st</sup> March, 2020, together with the Reports of the Directors and Auditors thereon.		
Special Business			
2	Appointment of Statutory auditor to fill casual vacancy		
3	Appointment of Statutory Auditors for the term of 5(five) years		
4	Re-appointment of Mr. Anil Kumar Sureka (DIN:00058228) as the Managing Director of the Company		
5	Ratification of remuneration of Cost Auditor for FY 2020-21		
6	Ratification of remuneration of Cost Auditor for FY 2021-22		
7	Ratification of remuneration of Cost Auditor for FY 2022-23		
8	Appointment of Mr. Pravakar Mohanty(DIN:01756900) as Independent Director		
9	Appointment of Mr. Ramen Ray Mandal(DIN:00700908) as Independent Director		
10	Appointment of Ms. Shweta Jain (DIN:10045546) as Independent Women Director		
11	Appointment of Mr. Paramesh Bhattacharya (DIN: 09221495) as Independent Director of the company		
12	Appointment of Mr. Rajib Das(DIN:09132223) as Director		
13	Appointment of Mr. Saivenkat Chitishureshababu Chigurupali (DIN: 09131190) as Director		
14	Appointment of Mr. Saivenkat Chitishureshababu Chigurupali(DIN: 09131190) as Whole time Director designated as Director-Operations		
15	Revision in remuneration of Mr. Mr. Saivenka tChitishureshababu Chigurupali(DIN: 09131190)		
16	Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253) as Managing-Director		

Signed this ..... day of ....., 2023.

Signature of Shareholder(s) .....

Signature of Proxy Holder(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 32<sup>nd</sup> 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.