



2018-19

CREATING SUSTAINABLE VALUE FOR ALL STAKE HOLDERS

BALASORE **ALLOYS LIMITED**

31st CORPORATE REPORT



Mr. Anil Sureka, Managing Director of the Company is receiving **"Brands of Odisha, Pride of India, SAMBAD Corporate Excellence Award -2019"** from the Hon'ble Chief Minister of Odisha, Shri Naveen Pattnaik under large industry category at Bhubaneswar.



Mr. V K Jodhani, President- Marketing is receiving **"Star Performer Award for the Year 2015-16"** from Shri Keshari Nath Tripathi, Hon'ble Governor of West Bengal, in the product group-Ferro Alloys, Large Enterprise - Eastern Region from EEPC at Kolkata.



BALASORE ALLOYS LIMITED

CIN: L27101OR1984PLC001354

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Dr. A K Bhattacharyya
Mr. S Mohapatra
Mr. S K Pal
Prof. S K Majumdar
Mr. K P Khandelwal
Mrs. Rupanjana De

NOMINEE DIRECTOR – SBI

Mr. K C Raut

PRESIDENT & COMPANY SECRETARY

Mr. Trilochan Sharma

AUDITORS

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

INTERNAL AUDITORS

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

COST AUDITORS

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

BANKERS

State Bank of India
Allahabad Bank

REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited
Unit : Balasore Alloys Ltd.
383 Lake Gardens, 1st Floor
Kolkata - 700 045, India.
Tel No. +91-33-4072 4051/4052/4053
Fax No. +91-33-4072 4050
E-mail: mcssta@rediffmail.com

REGISTERED OFFICE & WORKS

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

ADMINISTRATIVE OFFICE

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

MINES OFFICE

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

SECRETARIAL AUDITORS

M/s. MKB & Associates
Company Secretaries
Shantiniketan Building, Room No. 511,
5th Floor, 8 Camac Street, Kolkata - 700 017
Tel.No. +91-33-2282-1348



<u>CONTENTS</u>	<u>PAGE NO.</u>
Notice of Annual General Meeting	3
Directors' Report	23
Management Discussion & Analysis	64
Corporate Governance Report	72
Auditors' Certificate under SEBI (LODR) Regulations, 2015	93
<u>Standalone Financial Statements</u>	
Independent Auditors' Report	95
Balance Sheet	104
Statement of Profit & Loss	105
Cash Flow Statement	106
Notes to the Financial Statements	109
<u>Consolidated Financial Statements</u>	
Independent Auditors' Report	148
Balance Sheet	156
Statement of Profit & Loss	157
Cash Flow Statement	158
Notes to the Financial Statements	162
Attendance Slip	205
Proxy Form	207
E-Voting Notice	209



BALASORE ALLOYS LIMITED

CIN No. L27101OR1984PLC001354

Registered office: Balgopalpur – 756 020, Dist. Balasore, Odisha

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

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

NOTICE

NOTICE is hereby given that the Thirty-First Annual General Meeting of the Members of Balasore Alloys Limited will be held at the Registered Office of the Company at Balgopalpur - 756 020, Dist. Balasore, Odisha, on **Friday, 27th September, 2019, at 9.30 A.M.** to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated Audited Financial Statements) of the Company for the financial year ended March 31, 2019 together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anil Sureka (DIN: 00058228) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mrs. Rupanjana De (DIN: 01560140), 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, Mrs. Rupanjana De (DIN: 01560140), 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 3rd April, 2019 and who holds the office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

5. Appointment of Mrs. Rupanjana De (DIN: 01560140), as an Independent Director for a term of five years.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, the recommendations of the Nomination & Remuneration Committee and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Rupanjana De (DIN: 01560140) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from 3rd April, 2019 and whose office shall not be liable to determination by retirement of directors by rotation.”

6. Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as Director:

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



NOTICE (Contd.)

“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. Akula Nagendra Kumar (DIN: 08462253), 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 30th May, 2019 and who holds the office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as the Whole-time Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the recommendations of the Nomination & Remuneration Committee, Audit Committee and the Board of Directors and subject to such consents, approvals or permissions as may be necessary, consent of the Company be and is hereby given for appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as the Whole-time Director of the Company designated as Executive-Director for a period of three years with effect from 30th May, 2019 till 29th May, 2022 and whose period of office shall be liable to determination by retirement of directors by rotation and also on the terms and conditions and remuneration as set out in the Explanatory Statement annexed to this Notice convening the meeting and as per the Agreement dated 30th May, 2019 entered into between the Company and Mr. Akula Nagendra Kumar, a copy whereof, initialled by the Chairman of the meeting for the purpose of identification, has been submitted to this meeting, which Agreement be and is hereby specifically approved.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Board of Directors and Mr. 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.”

8. 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:

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

“RESOLVED THAT the remuneration payable to Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company during the year 2018-19 and remainder of his term till 16th April, 2020 in terms of the special resolution passed by the shareholders of the Company at 27th Annual General Meeting held on 29th September, 2015 appointing Mr. Anil Sureka as Managing Director of the Company for a period of 5 (five) years with effect from 17th April, 2015 and agreement dated 16th April, 2015 entered into between the company and Mr. Anil Sureka be paid to him as minimum remuneration notwithstanding that the company has losses or its profit are inadequate during the said year and remainder thereof, subject to compliance of conditions specified in second proviso to item (B) of Section II of Part II of Schedule V of 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 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.”

9. Payment of remuneration to Mr. Dhiren Kumar Nath (DIN: 08022082), Director-Operations for the period from April 01, 2018 to March 31, 2021:

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

NOTICE (Contd.)

“RESOLVED THAT the remuneration payable to Mr. Dhiren Kumar Nath (DIN: 08022082) Director-Operations of the Company for the period from April 01, 2018 to March 31, 2021 of his term in terms of the special resolution passed by the shareholders of the Company at 30th Annual General Meeting held on 28th September, 2018 appointing Mr. Dhiren Kumar Nath as Director-Operations of the Company for a period of 5 (five) years with effect from 14th December, 2017 and agreement dated 14th December, 2017 entered into between the company and Mr. Dhiren Kumar Nath be paid to him as minimum remuneration notwithstanding that the company has losses or its profit are inadequate during the said years, subject to compliance of conditions specified in second proviso to item (B) of Section II of Part II of Schedule V of 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. Dhiren Kumar Nath from time to time and the terms of the aforesaid Agreement shall be suitably modified to give effect to such alteration and / or variation.”

10. 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:

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

“RESOLVED THAT the remuneration payable to Mr. Nikunj Pansari (DIN: 08023216) Director-Finance & CFO of the Company for the period from April 01, 2018 to July 25, 2018 and August 11, 2018 to March 31, 2021 of his term in terms of the special resolution passed by the shareholders of the Company at 30th Annual General Meeting held on 28th September, 2018 appointing Mr. Nikunj Pansari as Director-Finance & CFO of the Company for the period from 14th December, 2017 till 25th July, 2018 and for a period of 5 years with effect from 11th August, 2018 vide agreements dated 14th December, 2017 and 11th August, 2018 entered into between the Company and Mr. Nikunj Pansari be paid to him as minimum remuneration notwithstanding that the company has losses or its profit are inadequate during the said years, subject to compliance of conditions specified in second proviso to item (B) of Section II of Part II of Schedule V of 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. Nikunj Pansari from time to time and the terms of the aforesaid Agreement shall be suitably modified to give effect to such alteration and / or variation.”

11. Ratification of remuneration of Cost Auditor of the Company for the financial year 2019-20.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the Company hereby approves the remuneration of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses to be paid to M/s Shome & Banerjee, Cost Accountants (Firm Registration No. 000001) appointed as Cost Auditor of the Company by the Board of Directors at its meeting held on 30th May, 2019, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.”

“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.”

By Order of the Board

Kolkata
13th August, 2019

Trilochan Sharma
President & Company Secretary



NOTICE (Contd.)

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive) for determining the entitlement of the shareholders to the dividend for the financial year 2018-19, if declared at the Annual General Meeting (AGM).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business as set out at Item No. 4 to 11 of the AGM Notice to be transacted at the meeting is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

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

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

4. Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
5. The dividend of ` 0.40 per share has been recommended by the Board of Directors for the year ended 31st March, 2019 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid to members whose names appear on the Company's Register of Members as on 21st September, 2019 and would be paid within thirty days from the date of declaration.
6. 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.
7. 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.
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. Corporate members intending to send their authorized representatives to attend and vote at the Meeting are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map showing direction to reach the venue of the 31st AGM is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner

NOTICE (Contd.)

of e-voting along with Attendance Slip, Proxy Form and Route Map showing direction to reach the venue of the 31st AGM is being sent in the permitted mode.

11. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.balasorealloys.com. The physical copies of the aforesaid documents will also be available at the Company's registered office and copies of the same shall also be available at the administrative office in Kolkata for inspection during normal business hours (1.00 P.M. to 5 P.M.) on all working days except Saturdays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: investorshelpline@balasorealloys.com

12. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Meeting and such document shall also be available for inspection at the registered office and at the administrative office of the Company in Kolkata during normal business hours (1.00 P.M. to 5.00 P.M.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

The Register of Directors and Key managerial Personnel and their Shareholdings, maintained under Section 170 of the Companies Act, 2013 (the Act) and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act read with Rules made thereunder will be available for inspection by the members at the Meeting.

13. As an austerity measure, copies of the Annual Report will not be distributed at the Meeting; members are requested to bring their copies to the meeting.

14. Members are requested to intimate to the Company, queries, if any, regarding the audited accounts at least ten days before the Meeting to enable the Management to keep the information ready at the Meeting.

15. Members / Proxies are requested to bring their Attendance Slip sent herewith, duly filled in, for attending the Meeting.

16. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, and amendments thereto and Regulations 44 of the SEBI (LODR) Regulations, 2015 the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Ltd. (CDSL).

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

17. The facility for voting through Ballot paper shall be available at the AGM and the Members attending AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM.

18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

19. The members, whose name appear in the Register of Members/list of Beneficial Owners as on 20th September, 2019, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. A person who is not a member as on the cut-off date 20th September, 2019 should treat this Notice for information purposes only.

20. The Remote e-voting period commences on Tuesday, 24th September, 2019 from 9.00 a.m. and ends on 26th September, 2019 at 5.00 p.m. During this period, Members of the Company, holding Shares either in physical form or dematerialised form, as on the cut-off date 20th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 26th September, 2019. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

21. The Board of Directors has appointed CS Raj Kumar Banthia, (Associate Membership No. 17190) as the Scrutinizer for Scrutinizing the process of remote e-voting and voting at the Meeting venue in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter,



NOTICE (Contd.)

unlock the vote cast through remote e-voting in presence of at least two witnesses not in the employment of the Company, the scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of and against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the results of remote e-voting and voting at the meeting Venue shall be declared by the Chairman of the Company or any other director duly authorised in this regard. The result along with the Scrutinizer's Report shall be placed on the Company's website (www.balasorealloys.com) and on the website of CDSL (www.cdslindia.com) immediately after the results are declared and simultaneously communicate to the Stock Exchanges. The results of e-voting shall also be displayed on the Notice Board of the Company at its Registered Office and its Administrative Office at Kolkata.

22. Members may note that, the Company shall transfer **dividends remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account** along with interest accrued, if any, to the **Investor Education and Protection Fund (IEPF)** within 30 days of the date on which the same falls due i.e. 02.11.2019 in respect of financial year 2011-2012.

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

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

Therefore, all the concerned shareholders are requested to make an application to the Company / Registrar for claiming the unpaid dividend 2011 -12 onwards at the earliest.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4 and 5

The Board of Directors of the Company vide Circular Resolution dated 2nd April, 2019, appointed Mrs. Rupanjana De (DIN: 01560140) as an Additional Director of the Company with effect from 3rd April, 2019. In terms of Section 161 of the Companies Act, 2013 (the 'Act') read with Article 169 of the Articles of Association of the Company, Mrs. Rupanjana De will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Act from a member proposing her appointment as a director at the ensuing Annual General Meeting.

The Board of Directors pursuant to recommendation of Nomination and Remuneration Committee of Board of Directors also appointed Mrs. Rupanjana De, as an Independent Director of the Company for a term of five years with effect from 3rd April, 2019 and whose office shall not be liable to retire by rotation.

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

Accordingly, the Board recommends the resolution of Mrs. Rupanjana De as an Independent Director, for the approval by the shareholders of the Company. A brief profile of Mrs. Rupanjana De proposed Independent Director, including nature of their expertise, is provided as Annexure to the Notice.

Your Directors recommends the resolution for your approval as set out at Item Nos. 4 & 5. None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mrs. Rupanjana De are concerned or interested, financially or otherwise, in these resolutions.

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

NOTICE (Contd.)**Item No. 6 and 7**

The Board of Directors of the Company, at its meeting held on 30th May, 2019, appointed Mr. Akula Nagendra Kumar (DIN: 08462253) as an Additional Director of the Company with effect from that date. In terms of Section 161 of the Companies Act, 2013 (the 'Act') read with Article 169 of the Articles of Association of the Company, Mr. Akula Nagendra Kumar will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Act from a member proposing his appointment as a director at the ensuing Annual General Meeting.

The Board of Directors in its above meeting also appointed Mr. Akula Nagendra Kumar, as the Whole-time Director of the Company designated as Executive-Director for a period of three years with effect from 30th May, 2019 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 Executive-Director in its meeting held on 30th May, 2019. For the purpose, an agreement has been entered into by the Company with the Executive-Director on 30th May, 2019. The main terms and conditions of appointment of Executive-Director, as contained in the said agreement dated 30th May, 2019 are furnished below:

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

- (i) Basic Salary ` 1,64,500/- (Rupees One lac sixty four thousand five hundred 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	-	` 19,74,000 per annum
(ii) Perquisites	-	` 40,24,120 per annum
(iii) Others	-	` 2,36,880 per annum
		` 62,35,000 per annum
- (iii) The Whole-time Director shall be entitled to leave according to the Rules of the Company in this regard.
- (iv) The Whole-time Director shall be liable to retire by rotation and his re-appointment at the AGM as a Director retiring by rotation would not constitute a break in his appointment as the Whole-time Director.
- (v) The Whole-time Director shall not be paid any Sitting Fees for attending the meetings of the Board or any Committee thereof.

The Board recommends the resolutions at Item No. 6 & 7 for your approval

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. 6 and 7.

Copy of the agreement dated 30th May, 2019 referred to the above is available for inspection at the administrative office of the Company during normal business hours (1.00 P.M. to 5 P.M.) on all working days except Saturdays.

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013**INFORMATION ABOUT THE APPOINTEE**

Mr. Akula Nagendra Kumar

Background Details:**Educational Qualification**

Technical	M. Tech. (Metallurgy) from National Institute of Technology, Warangal. B.E (Mechanical) from Andhra University, Vizag.
Management	MBA (Operations Management) from IGNOU, New Delhi



NOTICE (Contd.)

Experience

Mr. Nagendra Kumar has 33 Years of professional experience in Plant Operations including Production Operations, Commercial, Supply Chain Management, Quality, Maintenance, P&I Management, Resource Management and Project Management. He has exposure in Greenfield Projects, Corex, Blast Furnace Projects, Coke Oven, CDQ, Sinter Plant, Pellet Plant, Steel Melting Shop, Beneficiation Plant, DRI and Power Plant.

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

2018-19	2017-18	2016-17
-	-	-

3. **Recognition or Awards: N.A.**

4. **Job Profile and his Suitability**

a) Job Profile:

Mr Kumar's responsibilities include:

- To create short and long term operational and mining strategy in line with the Company's Vision, Mission and Values.
- Establish effective implementation of Enterprise Risk Management & Mitigation (Operations, Mine, Project Risks & Business Sustainability, Business Continuity, Disaster Recovery, IT and other risks).
- Create an environment for unrelenting focus on the achievement of strategic business goals & objectives and promote a culture of continuous improvement within the organization.
- Responsible for improving profitability by process improvement, optimization of cost, ore production, Chrome concentrate, Waste generation & producing value added product at economical cost.
- Resource optimization including 5M's (Manpower, Materials, Machines, Methods, and Money).
- Identify and implement improvement projects based on IRR (Internal Rate of Return). Ensure cost reduction through innovation and BE initiatives.
- Structure and Streamline effective contract and procurement to achieve overall cost effectiveness.
- Improve overall System efficiency through effective deployment of Business System including IMS, SAP & other IT driven system, Malcolm Baldrige Business Model, Six Sigma etc.
- Continuous thrive towards consistent automation of the Plant.
- Complete Adherence to Company defined SOP's / SMP's, Policies, procedures, processes etc to strengthen Corp Governance.
- Ensure Disaster Management and recovery Plan.
- Encourage and actively monitor R&D programs to ensure that the Company remains at the forefront in the industry and retains its competitive edge by offering leading-edge products and services.
- Ensure timely completion and effective implementation of all HR related activities.
- Ensure smooth and effective interface between Mine and Plant to achieve strategic objective of the Company.
- Ensure total Customer satisfaction through timely delivery of finished product of desired quality and quantity.
- Strengthen Supplier Relationship on sustainable basis.
- Compliances of all the Statutory and Regulatory requirement pertaining to plant Operation and mining and also proactively identify and comply with all the enactment, changes / amendment in the requirement related to Plant and Mine.

NOTICE (Contd.)**b) Suitability:**

- ❖ Mr Kumar is a suitable person considering his array of experience as has been explained in point no. 1.2 of this explanatory statement.

Accordingly, the Board considers Mr Akula Nagendra 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 ` 62,35,000/- 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. 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 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. Mr. Kumar does not hold any shares in the Company.

Common information as required under Schedule V of Companies Act, 2013 has been provided at the end of this Notice.

Item No. 8

Mr. Anil Sureka (DIN: 00058228) was initially appointed as Managing Director of the Company for a period of three years w.e.f. 17th April, 2012 on the terms and conditions as set out in the agreement dated 17.04.2012 entered between the Company and Mr Anil Sureka.

The Nomination & Remuneration Committee and the Board in its meeting held on 16th April, 2015 considering the significant contribution made by Mr. Anil Sureka in the growth of the Company, approved the re-appointment of Mr. Anil Sureka as the Company's Managing Director for a further period of 5 years i.e. with effect from 17th April, 2015 till 16th April, 2020 with the remuneration as specified in the agreement dated 16th April, 2015. Further, the shareholders gave their approval by way of passing a Special Resolution in the Annual General Meeting of the Company held on 29th September, 2015.

Now, due to inadequacy of profits, approval of the Members is being sought for the remuneration payable to Mr. Anil Sureka, Managing Director of the Company for the period from April 1, 2018 to April 16, 2020 pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

The said agreement dated 16th April, 2015, inter alia, contains the following terms and conditions:

- (i) Basic Salary ` 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 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 - ` 64,80,000 per annum
 - (ii) Perquisites - ` 1,09,08,415 per annum
 - (iii) Others - ` 7,77,600 per annum
 - 1,81,66,015 per annum



NOTICE (Contd.)

- (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 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. 8 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 Sureka and his relatives, are concerned or interested, financial or otherwise in the resolution set out at item no. 8.

Copy of the agreement dated 16th April, 2015 referred to the above is available for inspection at the administrative office of the Company during normal business hours (1.00 P.M. to 5 P.M.) on all working days except Saturdays.

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

INFORMATION ABOUT THE APPOINTEE

Mr. Anil Sureka

Educational Qualification

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

Experience

Mr. Anil Sureka has more than 42 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:

` in lacs

2018-19	2017-18	2016-17
170.67	185.88	164.27

3. **Recognition or Awards: N.A.**

4. **Job Profile and his Suitability**

a) Job Profile:

Mr 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

NOTICE (Contd.)

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 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 ` 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.

Common information as required under Schedule V of Companies Act, 2013 has been provided at the end of this Notice.



NOTICE (Contd.)

Item No. 9

The Board of Directors of the Company at its meeting held on 14th December, 2017 appointed Mr. Dhiren Kumar Nath (DIN: 08022082) as Director - Operations of the Company for a period of 5 years i.e. with effect from 14th December, 2017 till 13th December, 2022 with the remuneration as specified in the agreement dated 14th December, 2017. Further, the shareholders have also accorded their approval by way of passing a Special Resolution in the Annual General Meeting of the Company held on 28th September, 2018 in regard to appointment of Mr. Dhiren Kumar Nath as Director-Operations of the Company.

Now, due to inadequacy of profits approval of the Members is being sought for the remuneration payable to Mr. Dhiren Kumar Nath, Director - Operations of the Company for the period from April 1, 2018 to March 31, 2021 pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

The said agreement dated 14th December, 2017, inter alia, contains the following terms and conditions:

- (i) Basic Salary ` 91,833/- (Rupees Ninety One Thousand Eight Hundred Thirty Three only) per month. The annual increment shall be effective from 1st April each year and shall be decided by the Board on the basis of his performance.
- (ii) In addition to the above basic salary, Mr. Dhiren Kumar Nath shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-
 - (i) Basis Salary - ` 11,01,996 per annum
 - (ii) Perquisites - ` 25,65,764 per annum
 - (iii) Others - ` 1,32,240 per annum
 - ` 38,00,000 per annum
- (iii) The Director Operations shall be entitled to leave according to the Rules of the Company in this regard.
- (iv) The Director Operations shall be liable to retire by rotation and his re-appointment at the AGM as a Director retiring by rotation would not constitute a break in his appointment as Whole-time Director.
- (v) The Director Operations 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. 9 for your approval in the interest of the Company.

None of the Directors or Key Managerial Personnel of the company and/or their relatives, except Mr. Dhiren Kumar Nath and his relatives, are concerned or interested, financial or otherwise in the resolution set out at item no. 9.

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

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

INFORMATION ABOUT THE APPOINTEE

Mr. Dhiren Kumar Nath

1. Background Details:

Educational Qualification

Technical	Bachelor of Engineering (Metallurgy) from Indian Institute of Metals.
Management	MBA in Marketing from IGNOU, New Delhi.

NOTICE (Contd.)**Experience**

Mr. Dhiren Kumar Nath is having more than 37 years of rich experience in Techno Commercial and General Management functions. Mr. Nath's array of exposure percolates to areas like Operation, manufacturing, commercial matters including Management of Quality System and Modern Management Initiatives etc.

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

2018-19	2017-18 (w.e.f. 14.12.17 – 31.03.2018)	2016-17
37.88	11.15	N.A.

3. **Recognition or Awards: N.A.**

4. **Job Profile and his Suitability**

a) Job Profile:

Mr Nath's responsibilities include:

- Responsible for creating short and long term operational strategy in line with company's vision and implementation of the same.
- Responsible for improving profitability by process improvement, producing value added products at economical cost and cost optimization.
- Identify & implement improvement projects based on Internal Rate of Return.
- Identify production / operational losses on a daily basis and take corrective action to eliminate losses.
- Ensuring optimum level of stock of raw materials / spares / consumables and other resources to have uninterrupted production.
- Ensure Overall Production effectiveness (OPE) / Overall Equipment Effectiveness (OEE) for achievement of all Production Targets with respect to Quantity, Quality, Cost and Delivery.
- Ensure progress on various business excellence initiatives and effective implementation of Business tools (Process improvement, TPM, Six Sigma, Lean Management, etc.) as per plan.
- Ensuring for safeguarding men, machinery, products, raw materials and other resources.
- Responsible for maintaining clean and green environment with adequate plantation and proper housekeeping.
- Ensuring customer satisfaction through timely delivery of product of desired quantity & quality.
- Responsibility to ensure compliance to all statutory and regulatory requirements pertaining to plant operations.

b) Suitability:

- ❖ Mr Nath is a suitable person considering his array of experience as has been explained in point no. 1.2 of this explanatory statement.

Accordingly, the Board considers Mr Dhiren Kumar Nath 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 ` 38,00,000/- 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. Dhiren Kumar



NOTICE (Contd.)

Nath, 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. Nath 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 Nath is employed by the Company.

Common information as required under Schedule V of Companies Act, 2013 has been provided at the end of this Notice.

Item No. 10

The Board of Directors of the Company, at its meeting held on 14th December, 2017, appointed Mr. Nikunj Pansari (DIN: 08023216) as Whole-time Director of the Company designated as Director- Finance & Chief Financial Officer (CFO) for a period of five years with effect from 14th December, 2017 subject to approval of the shareholders by way of a Special Resolution in the next Annual General Meeting of the Company.

Subsequently, Mr. Nikunj Pansari vide his letter dated 26th April, 2018 had resigned due to personal reasons from the post of Director-Finance & CFO w.e.f. close of business hours of 25th July, 2018. However, he continued his service with the Company as President-Finance.

The Board considering Mr. Nikunj Pansari's rich, vast knowledge, expertise and experience of more than eleven years and in particular his contribution to the Board in all Financial matters, the management persuaded him to rejoin the Board as a Whole-time Director.

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

Accordingly, the Board of Directors of the Company, at its meeting held on 11th August, 2018, once again appointed Mr. Nikunj Pansari as a Whole-time Director of the Company designated as Director-Finance & CFO for a period of five years with effect from 11th August, 2018. Further, the shareholders have also accorded their approval by way of passing a Special Resolution in the Annual General Meeting of the Company held on 28th September, 2018 in regard to appointment of Mr. Nikunj Pansari as Director-Finance & CFO of the Company.

Now, due to inadequacy of profits approval of the Members is being sought for the remuneration payable to Mr. Nikunj Pansari, Director-Finance & CFO of the Company for the period from 1st April 2018 to 25th July 2018 and 11th August, 2018 to 31st March, 2021 pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

The said agreement dated 11th August, 2018, inter alia, contains the following terms and conditions:

- (i) Basic Salary ` 2,69,167/- (Rupees Two Lac Sixty Nine Thousand One Hundred Sixty Seven only) per month. The annual increment shall be effective from 1st April each year and shall be decided by the Board on the basis of his performance.
- (ii) In addition to the above basic salary, Mr. Pansari shall also be entitled to perquisites and allowances in accordance with the rules of the Company and as approved by the Board of Directors. The details of his total salary are :-
 - (i) Basis Salary - ` 32,30,004 per annum
 - (ii) Perquisites - ` 48,82,396 per annum
 - (iii) Others - ` 3,87,600 per annum
 - ` 85,00,000 per annum
- (iii) The Whole-time Director shall be entitled to leave according to the Rules of the Company in this regard.

NOTICE (Contd.)

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

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

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

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

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013**INFORMATION ABOUT THE APPOINTEE**

Mr. Nikunj Pansari

Background Details:**Educational Qualification**

Professional	MBA in Finance from International Management Institute (IMI), Belgium. Post Graduate Programme in Planning and Entrepreneurship from IIPM.
Graduation	Bachelor of Commerce (Hons.)

Experience

Mr. Pansari has a long experience of about 11 years in Accounting & Audit Function, Finance, Treasury & Risk Management, Management & Cost Accounting, Legal, Statutory & Regulatory Compliances, SAP, Export & Import Functions etc.

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

		` in lacs	
2018-19 (w.e.f. 01.04.2018 to 25.07.2018)	2017-18 (w.e.f. 11.08.2018 to 31.03.2019)	2017-18 (w.e.f. 14.12.2017 to 31.03.2018)	2016-17
84.00		19.03	-

3. **Recognition or Awards: N.A.**

4. **Job Profile and his Suitability**

a) Job Profile:

Mr. Pansari's responsibilities include:

- Create short and long term financial strategy to achieve the company's vision and implementation of the same.
- Execute capital raising strategies to support company's long term expansion plan.
- Effective utilization of financial resources in operations and project.
- Foreign Currency Hedging policy and proper coverage of currency risks.
- Review of insurable risks and obtain adequate Insurance coverage for all insurable risks.
- Effective budgetary, financial, accounting and cost control systems.
- Preparation of financial statement as per applicable accounting policies and accounting standards including the statutory and tax audit.



NOTICE (Contd.)

- Establishing effective financial, costing and accounting control systems and mechanisms.
- Oversee the capital structure of the company, determining the best mix of debt, equity and internal financing.
- Raising and allocation of resources for smooth operations and strategic business objectives of the company.
- Cost reduction initiatives & Budgetary control across the organization inclusive of finance cost.
- Executive support to the Board of Directors in the provision of financial and non-financial information, both historic and forward looking to support the Board decision making.
- Responsible for compliance of all statutory and regulatory requirements with respect to accounting and finance function.

b) Suitability:

- ❖ Mr Pansari is a suitable person considering his array of experience as has been explained in point no. 1.2 of this explanatory statement.

Accordingly, the Board considers Mr Nikunj Pansari 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 ` 85,00,000/- 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. Nikunj Pansari, 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 Pansari 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 Pansari is employed by the Company.

Common information as required under Schedule V of Companies Act, 2013 has been provided at the end of this Notice.

Item No. 11

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s Shome & Banerjee, Cost Accountants as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at a remuneration of ` 2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred to conduct the audit of the cost records.

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

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

Common Information for Item No. 7, 8, 9 & 10

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

GENERAL INFORMATION

1) Nature of Industry: Manufacturing

The Company manufactures High Carbon Ferro Chrome and Low Silicon Ferro Chrome from its Plants located at Balasore and Sukinda, having six submerged Electric Arc Furnaces (Five in Balasore Plant and one in Sukinda Plant) with a combined Ferro Chrome Manufacturing capacity of 1,63,000 MTPA.

The Company utilizes Chrome ore for captive consumption to manufacture Ferro Chrome from its Chromite mines located at Sukinda valley, Jajpur, Odisha.

2) Date of commencement of Commercial Production: 11th 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) Financial Performance based on given indicators:

` in lacs

Financial Parameters	2018-19	2017-18
Sale / Income from Operation	1,25,805.85	1,21,034.30
Total Income	1,27,016.10	1,27,102.46
Total Expenditure including Prior Period Items	1,30,297.68	1,16,297.09
Profit before Tax	(3,281.58)	10,805.37
Profit after Tax	(2,915.68)	6,555.58

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

OTHER INFORMATION:

1. Reason for Loss or Inadequate Profits

The company has achieved the targets of production quantity in the last year. However, due to sluggish or volatile market across the Globe the price has fallen drastically in the last quarter of last Financial Year.

The operation at mines has been affected severely during rainy season and acute space constraints for Overburden dumping, inundation and water surge in the bottom pit of the captive mine located at Kaliapani, Sukinda, Odisha. As a result of which Mines could not fulfil the entire requirement of Chrome ore for both the plants located at Balasore and Sukinda. Therefore, the company has to purchase chrome ore from the market at a higher price which has substantially increased the cost of production and shrinking the contribution margin.

The Bottom line of the company remain under pressure due to increase in input cost of raw-materials majorly chrome ore and an exceptional item amounting to `36.84 Crores.

2. Steps taken or proposed to be taken for improvement

i) Steps taken:

Management has taken various steps primarily in following areas for a sustained Business Operation:

1) Excavation of blocked Chrome ore from open cast benches by using Drift & Fill Method of mining:

The Mine is being operated through Open Cast methodology and due to space constraint and other unavoidable circumstances, the desired quantity is not being produced and therefore, the Company is compel to buy the Chrome Ore from outside.



NOTICE (Contd.)

The company has given contract to 'Flynt Mining LLP' for excavation of Chrome Ore using Drift & Fill method which will excavate through bench and will not generate any overburden.

As a result of which, it can sustain the production target and fulfil the requirement of both the Plants and the Company will have less procurement of chrome ore from the outside. Consequently, the cost of production will be reduced.

a) Reduction in Cost of Production:

Various Cost Reduction Projects has been initiated to maximize the profit and reduce the cost.

b) Market Breakthrough:

The Company has been successfully making exports to quality conscious countries in Europe, Asia and Latin America. Global competitiveness, international quality of our products and superior logistical capabilities has enabled the Company to establish its presence in 31 countries across the globe. The company is further exploring the new markets / niche markets.

c) Improvement in Productivity and Product Quality:

Company's continued thrust on the key Business Excellence initiatives namely Malcom Baldrige Business Excellence framework, TPM, Lean Six Sigma and Integrated Management System shall contribute in improving productivity and optimizing operational costs.

d) Additional Revenue Generation:

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.

By Order of the Board

Place: Kolkata
Date: 13th August, 2019

Trilochan Sharma
President & Company Secretary

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT OR FIXATION OF THEIR REMUNERATION AT THE 31ST ANNUAL GENERAL MEETING.

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

Name of Director	RUPANJANA DE	AKULA NAGENDRA KUMAR	ANIL SUREKA	DHIREN KUMAR NATH	NIKUNJ PANSARI
Director Identification Number (DIN)	01560140	08462253	00058228	08022082	08023216
Date of Birth/ Age	04-07-1975	20-08-1964	19-11-1955	01-06-1961	31-12-1985
Date of First Appointment of Board	03-04-2019	30-05-2019	17-11-2011	14-12-2017	14-12-2017
Qualifications	Mrs.Rupanjana De is a fellow member of the Institute of Company Secretaries of India (ICSI) and having post graduate qualifications in Law and Economics.	M. Tech. (Metallurgy) from National Institute of Technology, Warangal, MBA (Operations Management) from IGNOU, New Delhi and B.E (Mechanical) from Andhra University, Vizag.	B.Com (Hons.) & Associate Company Secretary.	Bachelor of Engineering (Metallurgy) from Indian Institute of Metals, MBA in Marketing from IGNOU, New Delhi.	B. Com (Hons.), MBA in Finance from International Management Institute, Belgium. Post Graduate Programme in Planning and Entrepreneurship from Indian Institute of Planning and Management (IIPM).
Expertise in specific functional areas	Mrs. Rupanjana De is having more than 18 years of Industrial experience in Company Law, Legal Compliance, Management, Corporate Governance, Corporate Social Responsibility and Quality Control with an International exposure. She is an avid writer and authored five books and a number of articles on Corporate Governance, Company Law, Insurance Products, CSR and Renewable Energy Technology both in Indian Publications and International journals.	Mr. Akula Nagendra Kumar has 33 Years of professional experience in Plant Operations including Production Operations, Commercial, Supply Chain Management, Quality, Maintenance, P&I Management, Resource Management and Project Management. He has exposure in Greenfield Projects, Corex, Blast Furnace Projects, Coke Oven, CDQ, Sinter Plant, Pellet Plant, Steel Melting Shop, Beneficiation Plant, DRI and Power Plant.	Mr. Anil Sureka had been a guiding force for the Company by handling various assignments with distinction. He has over 42 years of corporate experience in reputed organizations. His array of exposure percolates to areas like Finance, Project Planning & Execution, Costing & Cost Control, Commercial matters including contract, Secretarial & legal aspects, Supply Chain Management, Marketing, Modern Management Initiatives, Human Resource and Administration etc.	Mr. Dhiren Kumar Nath is having more than 37 years of rich experience in Techno Commercial and General Management functions. Mr. Nath's array of exposure percolates to areas like Operation, manufacturing, commercial matters including Management of Quality System and Modern Management Initiatives etc.	Mr. Pansari has a long experience of about 11 years in Accounting & Audit Function, Finance, Treasury & Risk Management, Management & Cost Accounting, Legal, Statutory & Regulatory Compliances, SAP, Export & Import Functions etc.
Meetings of the Board attended during the year	N.A.	N.A.	5	5	4
Terms and conditions of Appointment/ Reappointment	As provided in the Explanatory Statement of this notice at item nos. 4 & 5.	As provided in the Explanatory Statement of this notice at item nos. 6 & 7.	As provided in the Explanatory Statement of this notice at item no. 8.	As provided in the Explanatory Statement of this notice at item no. 9.	As provided in the Explanatory Statement of this notice at item no. 10.

NOTICE (Contd.)

Name of Director	RUPANJANA DE	AKULA NAGENDRA KUMAR	ANIL SUREKA	DHIREN KUMAR NATH	NIKUNJ PANSARI
Details of remuneration sought to be paid / last drawn	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 reimbursement of expenses for attending the meetings of the Board of Directors and its Committees.	Please refer to item nos. 6 & 7 of the explanatory statement of this notice.	Please refer to item no. 8 of the explanatory statement of this notice.	Please refer to item no. 9 of the explanatory statement of this notice.	Please refer to item no. 10 of the explanatory statement of this notice.
Names of Listed Companies in which Directorship held	Assam Carbon Products Ltd. Visa Steel Ltd. Manaksia Aluminium Company Ltd.	Nil	Nil	Nil	Nil
Chairman/Member of the committees of the Board of other Listed Companies in which he / she is a Director	<u>Visa Steel Ltd.</u> Audit Committee - Chairman Stakeholders Relationship Committee - Member Nomination & Remuneration Committee - Member CSR Committee - Member <u>Assam Carbon Products Ltd.</u> CSR Committee - Chairman Audit Committee - Member Nomination & Remuneration Committee - Member <u>Manaksia Aluminium Company Ltd.</u> Audit Committee - Member Nomination & Remuneration Committee - Member	Nil	Nil	Nil	Nil
Details of shareholding (Both own or held by/ for other persons on a beneficial basis), if any, in the Company.	Nil	Nil	Nil	Nil	100
Disclosure in terms of Regulation 36(3) (c) of the SEBI (LODR) Regulations, 2015: Disclosure of relationships between directors inter-se	None	None	None	None	None

NOTICE (Contd.)



BALASORE ALLOYS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 31st Annual Report and the Company's audited accounts for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended 31st March, 2019 is summarized below:

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Total Income (net of excise duty)	1,27,016.10	1,27,102.44	1,27,357.62	1,27,102.46
Profit/(Loss) Before Interest, Depreciation & Tax (PBITD)	8,029.13	21,113.80	8,070.48	17,963.73
Finance Charges	4,419.83	4,615.16	4,420.03	4,616.38
Depreciation	3,207.30	3,031.47	3,207.30	3,031.47
Exceptional Items	3,683.58	2,661.81	3,683.58	2,661.81
Provision for Income Tax (Including for earlier years)	(365.90)	4,249.78	(365.90)	4,249.78
Share of Loss of Associate Company	-	-	-	-
Net Profit After Tax (PAT)	(2,915.68)	6,555.58	(2,874.54)	3,404.31
Other Comprehensive Income	69.64	(20.09)	69.64	(20.09)
Total Comprehensive Income For the Year	(2,846.04)	6,535.49	(2,804.90)	3,384.22
Profit brought forward from Previous Years	77,375.65	71,255.44	77,308.22	74,339.29
Profit Carried to Balance Sheet	73,616.16	77,375.65	73,589.87	77,308.24

STATE OF AFFAIRS OF YOUR COMPANY

Your Company's total income decreased by 0.07% from ` 1,27,102.44 lacs in 2017-18 to ` 1,27,016.10 lacs in 2018-19. PBITD decreased by 61.97% from ` 21,113.78 lacs in 2017-18 to ` 8,029.13 lacs in 2018-19. The Profit (PAT) for the Year decreased by 144.48% from ` 6,555.58 lacs in 2017-18 to ` (2,915.68) lacs in 2018-19. Total Comprehensive Income for the year decreased by 143.55% at ` (2,846.04) Lacs as against ` 6,535.49 Lacs in 2017-18. Consequently, the earnings per share stood at ` (3.05) (basic) and ` (3.05) (diluted) for 2018-19 against ` 7.35 (basic) and ` 6.70 (diluted) for 2017-18.

DIVIDEND

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

In spite of the loss incurred by the Company during the financial year ended 31st March, 2019, the Board of Directors have recommended a 8% dividend on equity shares i.e., Re. 0.40 per equity share of face value of ` 5/- each subject to the approval of the Shareholders at the 31st Annual General Meeting of the Company.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve during the financial year ended on March 31, 2019.

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2019 was ` 4,666.27 lacs. There has been no change in the Authorised or Paid-up Share Capital of the Company during the year.

OPERATIONS

Fiscal 2018-19 witnessed yet another important milestone in your Company's journey as we registered our highest ferro-alloy production at 1,47,756 MT against 1,47,324 MT in 2017-18 a 0.29% increase.



DIRECTORS' REPORT (Cont.)

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

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

- ☐ In-plant, initiatives for reducing energy and fuel consumption.
- ☐ Sale of 1,56,121 MT of slag which facilitated in conserving granite stone otherwise used in construction activities.

MINES

Government of Odisha had granted of mining lease for chromite over a land of 35.60 hecets 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."

As on the date of this report, final hearing is awaited in the Supreme Court of India.

EXPORT

Your Company exported 1,13,605 MT valued at ` 99,895.70 Lacs in 2018-19 against 1,17,373 MT valued at ` 99,114.73 Lacs during 2017-18. Exports constituted 78.65 % of your Company's turnover in 2018-19.

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.

The team's efforts in implementing these global techniques yielded heartening results. Productivity and product quality improved, asset utilization improved while wastages declined. Besides, disciplined preventive maintenance facilitated in improving equipment health. During the financial year, your Company continued to have latest certifications of ISO 9001:2015, ISO 14001:2015, ISO 55001:2014, achieved new certifications of ISO 27001:2013 and SA8000:2014. The Company is recertified to OHSAS 18001:2007 and ISO 50001:2011. Mines also achieved recertification of ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and continued to have certification of SA8000:2014. To add to this,

DIRECTORS' REPORT (Cont.)

Sukinda plant also got certified to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. With this the company has successfully implemented the Integrated Management System (IMS) which integrates all business processes across the value chain in addition to integrating the process involved in Management Initiatives and all forms of ISO Management System.

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

INDUSTRY OUTLOOK

Ferrochrome is an essential raw material for stainless steel production for its anti-corrosion property. Almost 80% of world's ferrochrome production is consumed by the stainless steel sector thus making it the biggest growth driver for this industry.

The global stainless steel production reached 51.35 Mn.T during 2018 consuming 13.07 Mn.T of ferrochrome with Asian market being the largest consumer led by China. The Chinese market alone consumed about 7.79 Mn.T of ferrochrome during 2018.

Though the market is currently subdued, Industry experts project a 4% growth yoy in ferrochrome consumption globally.

BUSINESS STRATEGY

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

The Company is continuously exploring opportunities for growth and expansion Organically and Inorganically. Organically, the company is undertaking development of its underground mining in kaliapani Chromite Mines at Sukinda, Odisha.

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.

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

In addition to mining through open cast system, the company has also planned to excavate the blocked chrome ore in the open cast benches by Drift & Fill method which will be 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.



DIRECTORS' REPORT (Cont.)

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

During the year under review there is no Loans 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 & 34 respectively of the Financial Statements of the Company for the year ended on 31st March, 2019.

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 there under were in the ordinary course of business and at arm's length basis. Your Company does not have a material unlisted subsidiary as stipulated under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, your Company did not have any Related Party Transaction which required prior approval of the Shareholders.

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

PUBLIC DEPOSITS

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

AUDITORS & AUDITORS' REPORT

Pursuant to provision of Sections 139 and 142 and other applicable provisions, if any, of the Act and Rules made thereunder and based on the recommendations of the Audit Committee and Board, M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration No. 101720W / W100355), Statutory Auditors of the Company have been re-appointed by the members at the 30th Annual General Meeting held on 28th 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.

DIRECTORS' REPORT (Cont.)

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost record and Audit) Rules, 2014 and based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on May 30, 2019, 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 2019-20 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 ensuing Annual General Meeting of the Company.

The Cost Audit Report for the Financial Year ended on March 31, 2018 was filed with Central Government in specified forms within the due date by the Cost Auditors of the Company. The Report of the Cost Auditors for the Financial Year ended on March 31, 2019 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 May 30, 2019, 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 2019-20 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 for conducting the Secretarial Audit of the Company for 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, 2019 is annexed to this Report as **Annexure- 2**. The Secretarial Audit Report contains the following qualification as:

- “out of the entire shareholding of the Promoters 4,660 equity shares (0.005% of the total share capital of the Company) are not held in dematerialized form as required under Regulation 31(2) of the Listing Regulations, 2015.”
The shareholders may kindly note that 4,660 Shares of the Promoters are lying as collateral securities with Bank. The same shall be dematerialized in due course in consultation with the Bank.
- “the Company had not complied with the provisions of Section 123(4) in respect of dividend relating to Financial Year 2017-18. There has also been delay in transfer of funds and payment of dividend to the promoter shareholders.”
The shareholders may kindly note that, in view of ongoing proceedings by the Enforcement Directorate in the Promoter companies, the payment of Dividend to the Promoter shareholders was withheld and was paid after obtaining appropriate expert advice in the matter.
- “during the financial year ended 31st March, 2019, the company has not appointed a Women Director upon resignation of Ms. Mita Jha with effect from 24.04.2018 thus violating provisions of Section 149(1) of Companies Act, 2013 and Regulation 17(1) of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.”
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. 3rd April, 2019.

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



DIRECTORS' REPORT (Cont.)

DIRECTORS & KEY MANAGERIAL PERSONNEL:

I. DIRECTORS:

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and Code of Conduct for Directors and Senior Management Personnel.

(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 include interactive sessions with Committee Members, Business and Functional Heads, visit to the manufacturing site, etc. On the matters of specialized nature, the Company engages outside experts / consultants for presentation and discussion with the Board members. The Details of familiarisation Programme imparted by the Company to its Independent directors is displayed at its website i.e. www.balasorealloys.com

(c) 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. Ms Mita Jha has been a Director of the Company till 24th April, 2018. Thereafter, Mrs. Rupanjana De was appointed as an Independent Woman Director of the Company w.e.f. 03rd April, 2019.

(d) APPOINTMENT OF DIRECTORS:

Based on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors in its Meeting held on 11th August, 2018 appointed Mr. Nikunj Pansari as Director Finance & CFO of the Company. Further, 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.

(e) RESIGNATION OF DIRECTORS:

During the year under review, Ms. Mita Jha resigned from the office of Executive Director - HR w.e.f., 24th April, 2018, Dr. Samuel O. Nwabuokei resigned from the office of Director w.e.f. 12th September, 2018 and Mr. Nikunj Pansari resigned from the post of Director-Finance & CFO w.e.f. 25th July, 2018, who was again appointed as Director-Finance & CFO w.e.f. 11th August, 2018. The Board placed on record its sincere appreciation for the valuable guidance and contribution made by Ms. Mita Jha in the deliberation of the Board during her tenure as Director on the Board of the Company.

(f) RETIREMENT BY ROTATION:

As per the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Anil Sureka (DIN: 00058228) retires by rotation, and being eligible, offers himself for re-appointment. In view of his considerable experience and contribution to the Company, your Directors recommend his re-appointment.

DIRECTORS' REPORT (Cont.)

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).

II. KEY MANAGERIAL PERSONNEL

As on the date of this report, Mr. Anil Sureka, Managing Director, Mr. Dhiren K. Nath, Director-Operations, 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, 2019, Five Board Meetings were held, the detail of the meetings and the number of meetings attended by each director of the Company are separately given in the Corporate Governance Report. The intervening gap between the two Board Meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

MEETINGS OF INDEPENDENT DIRECTORS

Pursuant to Section 149, Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company for the financial year 2018-19 was held on Thursday, 14th February, 2019. In this meeting, the Directors evaluated the performance of Board and its Committee as a whole, Directors, Non-Executive Directors and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

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

PARTICULARS OF EMPLOYEES

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards, have been followed and there are no material departures from the same;



DIRECTORS' REPORT (Cont.)

- (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 LLP, Chartered Accountants, Statutory Auditor of the Company confirming compliance with the conditions of corporate governance as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015, is attached to the Report on corporate governance. This Certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

CEO/CFO CERTIFICATION

Pursuant to Regulation 17 of the SEBI (LODR) Regulations, 2015 pertaining to corporate governance norms, Mr. Anil Sureka, Managing Director of the Company and Mr. Nikunj Pansari, Director-Finance & CFO of the Company have certified inter-alia, about review of financial statements and establishing & maintaining internal control to the financial reporting for the year ended on 31st March, 2019. The said certificate forms an integral part of annual report.

PERFORMANCE EVALUATION

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

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

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

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

DIRECTORS' REPORT (Cont.)

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

COMMITTEES OF BOARD

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

POLICIES AND CODES

REMUNERATION POLICY

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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



DIRECTORS' REPORT (Cont.)

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

DIRECTORS' REPORT (Cont.)

The Report on CSR activities or initiatives for the financial year 2018-19 as required under the Companies (Corporate Social Responsibility) Rules, 2014 has been attached as **Annexure - 7** to this Report.

POLICY ON MATERIALITY & DEALING WITH RELATED PARTY TRANSACTIONS

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

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

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

POLICY ON PRESERVATION AND ARCHIVING OF THE DOCUMENTS

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

POLICY TO DETERMINE THE MATERIAL EVENTS

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

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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

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

<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 weblink:

<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 weblink:

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



DIRECTORS' REPORT (Cont.)

OTHER REQUIREMENTS:

EXTRACT OF THE ANNUAL RETURN

Extract of the Annual Return as on the financial year ended on 31st March, 2019 in Form MGT 9 is annexed hereto as **Annexure - '5'** and forms a part of this report. The Company shall place a copy of the Annual Return on the website of the Company at the weblink:

<https://www.balasorealloys.com/Annual-General-Meeting>

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

The Enforcement Directorate had passed a Provisional Attachment Order on December 15, 2017 against M/s. Balasore Alloys Ltd. (BAL) in respect of its plant, machinery, building and land for the value of ` 24,489.07 lacs on the alleged ground that Sri Pramod Kumar Mittal and Global Steel Holdings Ltd. (GSHL) allegedly held 30.35% of the shares of BAL through various Indian / Foreign promoter and investment companies.

On February 5, 2018, the Adjudicating Authority (PMLA) issued a show cause to BAL as to why the aforesaid Provisional Attachment Order should not be confirmed. BAL filed an Appeal before the Appellate Tribunal (PMLA) on May 17, 2018 challenging the said Show Cause Notice dated February 5, 2018.

The Appellate Tribunal (PMLA) passed a final order on March 7, 2019 and quashed the said Provisional Attachment Order dated December 15, 2017. In view of the above order passed by the Appellate Tribunal (PMLA), the Adjudicating Authority (PMLA) also passed a final order on March 20, 2019 quashing the said Provisional Attachment Order dated December 15, 2017.

PERSONNEL

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

AWARD AND RECOGNITION

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

Some of the awards received during the financial year 2018-19 are as mentioned below:

1. The Company has won the "Brands of Odisha, Pride of India." SAMBAD Corporate Excellence Award -2019 under large industry category. The trophy was bestowed upon our Managing Director by Hon'ble CM, Odisha on 19th Jan'19 at Bhubaneswar.
2. The Company has been honored with the prestigious "NALCO Utkal Gaurav Madhusudan Das Quality Award 2019" for TQM in the category of "LARGE ENTERPRISE".
3. The Company has been awarded by CII (Confederation of Indian Industry) with "Excellence Award in Energy Conservation" in the 9th ENCON" award ceremony organized by CII eastern region for initiating and implementing different energy saving measures/ techniques in our plant.
4. The Company has been awarded 2nd prize by CII (Confederation of Indian Industry) in 31st Convention on QC Circle - CII Eastern Region held at Kolkata on 27th February 2019.
5. The Company was awarded "Kalinga safety award (Silver) - 2017 in Nov 2018 at Bhubaneswar in the category

DIRECTORS' REPORT (Cont.)

- of Large-scale enterprises (Major Industries).
6. The Company was awarded as the “Star Performer” Award for the year 2015-16 in the product group - Ferro alloys, Large Enterprise by EEPC Eastern Region, branch of EEPC India, trade and investment promotion organisation sponsored by the Ministry of Commerce & Industry, Government of India.
 7. 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.
 8. Odisha Half Yearly & Annual Mines Safety week Celebration 2018-19:
 - a. Third Prize - Welfare Amenities for Contractual Worker.
 - b. Third Prize - Emergency Preparedness category.
 - c. Second Prize – Swachhata category.
 - d. Third Prize - First Aid Competition.
 - e. Second Prize – Maintenance category of Mines.
 - f. Second Prize - Safety & Compliance category of Mines.

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

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

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

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

Accordingly, unclaimed or unpaid Dividend for the financial year 2010-11 aggregating to ` 11,48,032/- (` Eleven Lacs Forty Eight Thousand and Thirty-two only) has already been transferred to Investor Education and Protection Fund (IEPF) on 27th November, 2018 and all requisite formalities were duly complied including filing of form IEPF-1 with Ministry of Corporate Affairs (MCA).

Further, the company is requesting to all the concerned shareholders to claim the unclaimed or unpaid dividends from 2011-12 onwards, before the same shall transfer to the IEPF. The schedule of Due dates for transfer of Unclaimed Dividend to IEPF are as follows:

Financial Year	Date of AGM	Seven years from the date of transfer to Unpaid/Unclaimed Dividend Account.*	Due date of transfer of Unpaid / Unclaimed Dividend to IEPF
2011-12	26.09.2012	02.11.2019	03.11.19 to 02.12.19
2012-13	18.09.2013	24.10.2020	25.10.20 to 24.11.20
2013-14	25.09.2014	31.10.2021	01.11.21 to 30.11.21
2014-15	29.09.2015	03.11.2022	04.11.22 to 03.12.22
2015-16	28.09.2016	02.11.2023	03.11.23 to 02.12.23
2016-17	23.09.2017	29.10.2024	30.10.24 to 29.11.24
2017-18	28.09.2018	02.11.2025	03.11.25 to 02.12.25

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



DIRECTORS' REPORT (Cont.)

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

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

Accordingly, 741653 [Seven Lacs Forty one Thousand Six Hundred Fifty Three] Equity Shares, in relation to the financial year 2010-11, has already been transferred to Investor Education and Protection Fund (IEPF) in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more. Further, all requisite formalities in this regard were duly complied with including filing of form IEPF-4 with Ministry of Corporate Affairs (MCA).

Further, the company is requesting again to the concerned shareholders to claim the dividends from 2011-12 onwards, before the shares referred above are transferred to the Demat account of the IEPF Authority. The schedule of Due dates for transfer of concerned Shares to the Demat Account of the IEPF Authority are as follows:

Financial Year	Date of AGM	Seven years from the date of transfer to Unpaid / Unclaimed Dividend Account.*	Due date of transfer of Unpaid / Unclaimed Dividend to IEPF
2011-12	26.09.2012	02.11.2019	03.11.19 to 02.12.19
2012-13	18.09.2013	24.10.2020	25.10.20 to 24.11.20
2013-14	25.09.2014	31.10.2021	01.11.21 to 30.11.21
2014-15	29.09.2015	03.11.2022	04.11.22 to 03.12.22
2015-16	28.09.2016	02.11.2023	03.11.23 to 02.12.23
2016-17	23.09.2017	29.10.2024	30.10.24 to 29.11.24
2017-18	28.09.2018	02.11.2025	03.11.25 to 02.12.25

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

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

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

Details of the Nodal Officer:

Mr. Trilochan Sharma,
President & Company Secretary
Balasore Alloys Limited
"Park Plaza", 1st Floor, 71 Park Street, Kolkata 700 016
Contact No. : 033 4029 7000
Email Id: trilochan.sharma@balasorealloys.com

CREDIT RATING

During the year under review, Credit Analysis & Research Limited (CARE) has affirmed Credit Rating CARE BB+ (Double B Plus) for the Long term Bank Facilities and CARE A4+ (A Four Plus) for the Short term Bank Facilities of your Company. The outlook on the Long Term and Short term Rating has been assigned to 'Stable'.

DIRECTORS' REPORT (Cont.)**APPRECIATION**

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

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 30th May, 2019

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

**DIRECTORS' REPORT (Cont.)****Annexure - 1****Form AOC-1**

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

Part "A": Subsidiaries

(` in Lacs)

Sl. No.	Particulars	Name of the subsidiaries	
		Milton Holdings Ltd.	Balasore Metals Pte. Ltd.
1.	Date since when subsidiary was acquired	17.06.2008	15.12.2011
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1USD = INR 69.55	1USD = INR 69.55
4.	Share capital (Issued, Subscribed & Paid Up)	2,194.83	0.00*
5.	Reserves & surplus (incl. debit balance in Profit & Loss Account).	(2,217.85)	(60.36)
6.	Total assets	0.07	47.89
7.	Total Liabilities	23.09	108.25
8.	Investments	-	-
9.	Turnover	-	337.81
10.	Profit / Loss before taxation	(0.17)	(41.34)
11.	Provision for taxation	-	-
12.	Profit after taxation	(0.17)	(41.34)
13.	Proposed Dividend	-	-
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 :-** Balasore Alloys Nigeria Ltd.

For and on behalf of the Board of Directors

For Chaturvedi & Shah LLP

F.R.N. No. : 101720W / W100355

Chartered Accountants

Amit Chaturvedi

Partner

Membership no.: 103141

Anil Sureka

(Managing Director)

DIN No.- 00058228

Nikunj Pansari

(Director-Finance & CFO)

DIN No.- 08023216

Place: Kolkata

Date: 30th May, 2019

Trilochan Sharma

(Company Secretary)

Membership No. FCS 6024

DIRECTORS' REPORT (Cont.)**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 st March, 2019
2	Date on which the Associate or Joint Venture was associated or acquired	15 th May, 2008
3	Shares of Associate held by the company on the year end	
	- No. of Shares	17000
	- Amount of Investment in Associates (` in Lacs)	1.70
	- Extend of Holding %	34%
4	Description of how there is significant influence in Associates	There is significant influence due to holding 34% Share Capital.
5	Reason why the associate is not consolidated	Associate has been considered in Consolidation.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (` in Lacs)	0
7	Profit / Loss for the year	
	i. Considered in Consolidation (` in Lacs)	-
	ii. Not Considered in Consolidation*	(0.50)

* 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 and on behalf of the Board of Directors

For Chaturvedi & Shah LLP

F.R.N. No.: 101720W / W100355

Chartered Accountants

Amit Chaturvedi

Partner

Membership no.: 103141

Anil Sureka

(Managing Director)

DIN No.- 00058228

Nikunj Pansari

(Director-Finance & CFO)

DIN No.- 08023216

Place: Kolkata

Date: 30th May, 2019

Trilochan Sharma

(Company Secretary)

Membership No. FCS 6024



DIRECTORS' REPORT (Cont.)

Annexure - 2

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

To
The Members,
BALASORE ALLOYS LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities & 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

DIRECTORS' REPORT (Cont.)

- 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) *out of the entire shareholding of the promoters, 4660 equity shares (0.005% of the total share capital of the Company) are not held in dematerialized form as required under Regulation 31(2) of Listing Regulations, 2015.*
- b) *the Company had not complied with the provisions of Section 123(4) in respect of dividend relating to Financial Year 2017-18. There has also been delay in transfer of funds and payment of dividend to the promoter shareholders.*
- c) *during the financial year ended 31st March, 2019, the company has not appointed a Women Director upon resignation of Mrs. Mita Jha with effect from 24.04.2018 thus violating provisions of Section 149(1) of Companies Act, 2013 and Regulation 17(1) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, pursuant to recommendation of Nomination & Remuneration Committee, the Board appointed Mrs. Rupanjana De as a Director under the category - Independent Woman Director w.e.f 3rd April, 2019.*

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 there is no specific events/actions which have any major bearing on the Company's affairs.

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

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
(Partner)

ACS no. 11470

COP no. 7596

FRN: P2010WB042700

Date: 30.05.2019

Place: Kolkata



DIRECTORS' REPORT (Cont.)

Annexure – A

To
The Members,
BALASORE ALLOYS LIMITED

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

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

For **MKB & Associates**
Company Secretaries

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

Date: 30.05.2019
Place: Kolkata

DIRECTORS' REPORT (Cont.)

Annexure - 3

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:
- Managing Director: 49.43 times
- Director-Finance: 23.13 times
- Director-Operations: 10.34 times
- Company Secretary: 13.61 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 2018-19:
- Managing Director: NIL
- Director-Finance: NIL
- Director-Operations: NIL
- Company Secretary: NIL
- (iii) Percentage increase in the median remuneration of employees in the financial year 2018-19:
- 2.47% Decrease in median remuneration
- (iv) There are 873 Number of employees (860 Permanent employees and 13 contractual employees) on the rolls of company as on 31.03.2019.
- (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 (18-19): 0.45%
- Avg % increase Managerial personnel (18-19): 0.17%
- (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: 30th May 2019

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039


DIRECTORS' REPORT (Cont.)
Annexure – 4
Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March 2019

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

Sl. No.	Name	Designation	Nature of Employment (Whether contractual or otherwise)	Qualification	Age (in years)	Date of Appointment	Experience- No. of years including previous employment	Remuneration (` In Lacs)	Last Employment- Designation
1	Anil Sureka	Managing Director	Contractual	B. Com (Hons) & CS	64	17.04.2012	46 Years	170.67	JSW Ispat Steel Ltd. - Executive Director (Finance)
2	Nikunj Pansari	Director -Finance & CFO	Contractual	B. Com (Hons) & MBA	34	01.06.2009	10 Years	86.73	N. A.
3	Vinod Kumar Jodhani	President - CRM	Permanent	B. Com	50	01.01.1990	30 Years	81.58	N. A.
4	Raj Rattan Kumar	President -Mines Operation	Permanent	B Tech. Mining Engineering	60	07.03.2017	38 Years	52.48	Hindustan Zinc, Vice President
5	Trilochan Sharma	President & Company Secretary	Permanent	FCA, FCS, FCMA, MIIA	50	15.11.2001	28 Years	44.51	Das & Prasad
6	Swarup Panda	Senior Vice President – Corporate Affairs	Permanent	B.A., LL.M, PH.D.- LAW	51	12.10.2017	21 Years	43.68	Sriram Group
7	Gyanendra Nath	Senior Vice President – Other Projects	Permanent	M. Sc., B.E.- Mechanical, PGDBM	55	19.11.2016	31 Years	42.36	Jindal Steel
8	Shailendra Pratap Singh	Senior General Manager – Engineering	Permanent	B.E. -Mechanical, Diploma in Management	59	18.05.2017	37 Years	41.48	Hindustan Zinc
9	Dhiren Kumar Nath	Director – Operations	Contractual	B.E. - Metallurgy MBA -Marketing	58	31.02.2015	36 Years	37.88	T S Alloys
10	Tarini Mohanty	General Manager – Mines Operations	Permanent	M. Sc. - Geology, PGDMM, MBA - Marketing	55	03.05.2013	31 Years	36.85	VISA Steel

Notes:

- Ms. Mita Jha, Executive Director- HR (ceased to be Director w.e.f 24.04.18) was only employee employed for part of the financial year under review and was in receipt of remuneration for 24 days at a rate, which, in the aggregate was not less than ` 8,50,000 per month.
- 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.
- None of the employee mentioned above is a relative of any of the Director of the Company.
- 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, 2019.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 30th May, 2019

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

DIRECTORS' REPORT (Cont.)

Annexure - 5

Form No. MGT-9
EXTRACT OF ANNUAL RETURNas on the financial year ended on 31st March, 2019

of

BALASORE ALLOYS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L27101OR1984PLC001354
- ii) Registration Date : 31.05.1984
- iii) Name of the Company : BALASORE ALLOYS LIMITED
- iv) Category / Sub-Category of the Company : Public company - LIMITED BY SHARES
- v) Address of the Registered Office and contact details : Balgopalpur – 756 020, Dist. Balasore, Odisha
Tel.Nos. +91-6782-275781- 85
- vi) Whether listed company : Yes, BSE Limited and The Calcutta Stock Exchange Limited
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : MCS Share Transfer Agent Ltd.
Unit: Balasore Alloys Limited
383 Lake Gardens,
1st Floor,
Kolkata – 700 045
Ph. Nos. +91 33 4072 4051 / 4052 / 4053
Fax Nos. +91 33 4072 4050
E-mail: mcssta@rediffmail.com
Website: www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of 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)


DIRECTORS' REPORT (Cont.)
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 st April, 2018)				No. of Shares held at the end of the year (as on 31 st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	161717	4660	166377	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)	40508617	4660	40513277	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
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	57337037	4660	57341697	61.44	57333980	4660	57338640	61.44	0.00
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	100	13500	13600	0.01	100	13500	13600	0.01	0.00
(b) Banks / FI	3151	587922	591073	0.63	3061	587922	590983	0.63	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) FIIs	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)	1700264	601422	2301686	2.47	1700174	601422	2301596	2.47	0.00
2. Non-Institutions									
(a) Bodies Corp.	4271677	57119	4328796	4.64	3090571	46533	3137104	3.36	-1.28
(b) NRI / Foreign Co.	919100	592014	1511114	1.62	555364	573418	1128782	1.21	-0.41
(c) Individuals									
(i) Individual shareholders holding nominal share capital upto ` 2 lakh	14313818	8574709	22888527	24.52	16075489	7573361	23648850	25.34	0.82
(ii) Individual shareholders holding nominal share capital in excess of ` 2 lakh	4952609	0	4952609	5.31	5027804	0	5027804	5.39	0.08
(d) Others									
IEPF	-	-	-	-	741653	0	741653	0.79	0.79
Trust	982	0	982	0.00	982	0	982	0.00	0.00
Sub-total (B)(2)	24458186	9223842	33682028	36.09	25491863	8193312	33685175	36.09	0.00

DIRECTORS' REPORT (Cont.)

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April, 2018)				No. of Shares held at the end of the year (as on 31 st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	26158450	9825264	35983714	38.56	27192037	8794734	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)	83495487	9829924	93325411	100	84526017	8799394	93325411	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Goldline Tracom Pvt Ltd	12402346	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	Jaltarang 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


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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<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
9	<u>Global Steel Holdings Limited</u>				
	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	<u>Vinod Kumar Mittal</u>				
	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	<u>Pramod Kumar Mittal</u>				
	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

DIRECTORS' REPORT (Cont.)**(iii) Change in Promoters' Shareholding (Cont.)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	<u>Archana Mittal</u>				
	At the beginning of the year	420	0.00		
	Increase/decrease during the year				
	At the end of the year			420	0.00
13	<u>Saroj Rateria</u>				
	At the beginning of the year	154300	0.17		
	Increase/decrease during the year				
	At the end of the year			154300	0.17
	<u>Santosh Kumar Rateria</u>				
	At the beginning of the year	3617	0.0039		
	Less: Sell on 06.04.2018	3000	0.0032	617	0.0007
	Add: Buy on 13.04.2018	36731	0.0394	37348	0.0400
	Add: Sell on 20.04.2019	5000	0.0054	32348	0.0347
	Add: Sell on 11.05.2018	5000	0.0054	27348	0.0293
	Add: Sell on 15.06.2018	5000	0.0054	22348	0.0239
14	At the end of the year			560	0.00
15	<u>Dankuni Investments Limited</u>				
	At the beginning of the year	3300000	3.54		
	Increase/decrease during the year				
	At the end of the year			3300000	3.54
16	<u>Navoday Consultants Limited</u>				
	At the beginning of the year	3300000	3.54		
	Increase/decrease during the year				
	At the end of the year			3300000	3.54
17	<u>Jaltarang Vanijya Pvt. Ltd.</u>				
	At the beginning of the year	8000000	8.57		
	Increase/decrease during the year				
	At the end of the year			8000000	8.57
18	<u>Direct Trading & Investments Singapore Pte. Ltd.</u>				
	At the beginning of the year	2900000	3.11		
	Increase/decrease during the year -				
	At the end of the year			2900000	3.11
19	<u>Global Steel Holdings Asia Pte. Ltd.</u>				
	At the beginning of the year	6639983	7.11		
	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 -				
	At the end of the year			4895017	5.25



DIRECTORS' REPORT (Cont.)

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

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year as on 31.03.2018		Shareholding at the end of the year as on 31.03.2019	
			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	Subramanian P					
	At the beginning of the year		1453750	1.56		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	15.02.2019	Buy	6840	0.0073	1460590	1.57
	22.02.2019	Buy	15200	0.0163	1475790	1.58
	01.03.2019	Buy	56260	0.0603	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		411448	0.44		
	At the beginning of the year					
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	04.05.2018	Buy	2000	0.00	413448	0.44
	11.05.2018	Sell	700	0.00	412748	0.44
	25.01.2019	Buy	1111	0.00	413859	0.44
	01.02.2019	Buy	26	0.00	413885	0.44
	15.02.2019	Buy	600	0.00	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	Sadhana Mehotra					
	At the beginning of the year		411143	0.44		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	22.02.2019	Sell	19434	0.021	391709	0.42
	01.03.2019	Sell	33183	0.036	358526	0.38
	At the end of the year				358526	0.38
7	Delta Trading Company Ltd					
	At the beginning of the year		326100	0.35		
	At the end of the year				326100	0.35
8	Rajni Tarun Jain					
	At the beginning of the year		0	0		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	22.10.2018	Buy	300000	0.32	300000	0.32
	At the end of the year				300000	0.32

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

Sl. No.	For Each of the top ten Shareholders		Shareholding at the beginning of the year as on 31.03.2018		Shareholding at the end of the year as on 31.03.2019	
			No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
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	Tarun Jain*					
	At the beginning of the year		300000	0.32		
	Date Wise increase(+)/decrease(-) with reasons, during the year					
	Date	Reason				
	12.10.2018	Sell	300000	0.32	0	0.00
	At the end of the year				0	0.00

* ceased to become part of top 10 Shareholders as on 31.03.2019.

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

Sl. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (As on 31.03.2019)	
		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 Shantanu 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.	Mr K C Raut Nominee Director - SBI.	0	0.00	0	0.00
7.	Mr. Nikunj Pansari* Director-Finance & CFO	100	0.00	100	0.00
8.	Mr Dhiren Kumar Nath Director-Operations	0	0.00	0	0.00
9.	Mr Anil Sureka Managing Director	0	0.00	0	0.00
10.	Ms Mita Jha** Executive Director – HR	0	0.00	0	0.00
11.	Mr. Trilochan Sharma Company Secretary	100	0.00	100	0.00

* Appointed as Director Finance & CFO w.e.f. 11.08.2018

** Ceased to be Executive Director – HR w.e.f. 25.04.2018



DIRECTORS' REPORT (Cont.)

V. INDEBTEDNESS

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

(` in Lacs)

Particulars	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.18				
i) Principal Amount	10,563.13	1,850.00	-	12,413.13
ii) Interest due but not paid	-	338.33	-	338.33
iii) Interest accrued but not due	6.77	13.70	-	20.47
Total (i+ii+iii)	10,569.90	2,202.03	-	12,771.93
Change in Indebtedness during the financial year				
• Addition	88.10	398.00	-	486.10
• Reduction	(818.64)	(506.51)	-	(1,325.15)
Net Change	(730.54)	(108.51)	-	(839.05)
Indebtedness at the end of the financial year as on 31.03.19				
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

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:

(` 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)	Ms. Mita Jha (Executive Director – HR)**	
1	Gross salary:					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156.33	72.23	33.00	16.36	277.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.55	8.07	3.56	5.21	23.39
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7.78	3.70	1.32	0.20	13.00
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A1)	170.67	84.00	37.88	21.76	314.31
	Ceiling as per the Act	Due to inadequacy of profits approval of the members vide Special Resolution is being sought in the 31st Annual General Meeting of the Company, scheduled to be held on 27th September, 2019.				

* W.e.f. 01.04.2018 to 25.07.2018 and 11.08.2018 to 31.03.2019

** Ceased to be Executive Director-HR 24.04.2018

DIRECTORS' REPORT (Cont.)**B. Remuneration to other directors: -**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. S Mohapatra	Mr. S K Pal	Mr. A K Bhattacharyya	
	Independent Directors				
	• Fee for attending board / committee meetings	5,50,000	10,60,000	12,10,000	28,20,000
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (i)	5,50,000	10,60,000	12,10,000	28,20,000

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S K Majumdar	Mr. K P Khandelwal	Mr. K C Raut	Mr. S O Nwabuokei	
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	11,80,000	7,60,000	2,50,000	1,00,000	22,90,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (ii)	11,80,000	7,60,000	2,50,000	1,00,000	22,90,000
	Total (B)= (i+ii)					51,10,000
	Total Managerial Remuneration (A+B)		365.41 Lakhs			
	Overall Ceiling as per the Act		Sitting fees are paid to Directors within the permissible limit of the provisions of Companies Act, 2013. Further, due to inadequacy of profits approval of the members vide Special Resolution is being sought for payment of managerial remuneration to Executive-Directors in the 31 st Annual General Meeting of the Company, scheduled to be held on 27 th September, 2019.			

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Trilochan Sharma (Company Secretary)	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.33	40.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.90	1.90
	(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	-	-
	Total	44.51	44.51



DIRECTORS' REPORT (Cont.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 30th May 2019

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

DIRECTORS' REPORT (Cont.)

Annexure – 6

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

A. Conservation of energy

(a) The steps taken on conservation of energy:

- i) Replacement LED Lights by Conventional lights in Furnace Building – 100 Lights (150 w - 60 No's, 120 W - 20 No's, 70 W – 20 No's)
- ii) Window AC's replaced with 3 Star / 5 Star Split AC's - 06 No's
- iii) Submerged Arc Furnace (SAF) Electrode Management Automation – Furnace 2, 4 & 5
- iv) Energy Efficient Motors (IE2/IE3) Installation – 35 No's (Re winding Motors and replaced with IE 2 – 19 no's and IE 3 – 16 no's Motors)
- v) 6% Series reactors installed to reduce the system harmonics & Inrush currents.
- vi) Erected the transparent sheet for Maximum utilization of Sun light (Day light) - Covered or closed sheds – 5 no's.
- vii) VFD installation in Weighing Hopper Fur 4 and 5 - 4 No's
- viii) VFD Installation in Dryer 1, 2, 3 & 4 GCP ID fans - 4 No's.

(b) The impact on conservation of energy:

- I. Sl.No- (I) - Annual saving 50688 Kwh @ ` 5.7/Kwh = ` 2,88,921/-
- II. Sl.No- (II) - Annual saving 9000 Kwh @ ` 5.7/Kwh = ` 51300/-
- III. Sl.No- (III) - Annual saving 292248 Kwh @ ` 5.7/Kwh = ` 16,65,813/-
- IV. Sl.No- (IV) - Annual saving 45562 Kwh @ ` 5.7/Kwh = ` 2,59,703/-
- V. Sl.No- (V) - Annual saving 305965 Kwh @ ` 5.7/Kwh = ` 17,44,000/-
- VI. Sl.No- (VI) - Annual saving 184 Kwh @ ` 5.7/Kwh = ` 1053/-
- VII. Sl.No- (VII) - Annual saving 1738 Kwh @ ` 5.7/Kwh = ` 9,906/-
- VIII. Sl.No- (VIII) - Annual saving 47520 Kwh @ ` 5.7/Kwh = ` 2,70,864/-

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

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

The capital investment on energy conservation equipments:

- (iii) i) Replacement LED Lights by Conventional lights in Furnace Building – 100 Lights (150 w - 60 No's, 120 W - 20 No's, 70 W – 20No's) -Investment of ` **6.5 Lakh.**
- ii) Window AC's replaced with 3 Star / 5 Star Split AC's - 06 No's - Investment of ` **2.6 Lakh.**
- iii) Submerged Arc Furnace (SAF) Electrode Management Automation – Furnace 2, 4 & 5 Investment of ` **45 Lakh.**
- iv) Energy Efficient Motors (IE2/IE3) Installation – 35 No's (Re winding Motors and replaced with IE 2 – 19 no's and IE 3 – 16 no's Motors) – Investment of ` **15.0 Lakh.**
- v) VFD installation in Weighing Hopper Fur 4 and 5 - 4 No's Investment of ` **2.5 Lakh.**
- vi) VFD Installation in Dryer 1, 2, 3 & 4 GCP ID fans - 4 No's. ` **8 Lakh.**
- vii) 6% Series reactors installed – **13.6 Lakh.**


DIRECTORS' REPORT (Cont.)
B. Technology Absorption:
(i) Efforts made towards technology absorption:

- (i) Heat recovery system – To pre heat the raw materials.

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

- (i) Process stability and Optimization.
(ii) Improving Automation system Reliability.
(iii) Less energy losses.

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

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

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

- i) No Capital Expenditures was incurred during the financial year 2018-19.
ii) **Total R & D Expenditure:** Expenses incurred on R& D activities are charged to respective heads and not allocated separately.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(` In Lacs)

Earnings on account of:	2018-19	2017-18
FOB value of exports	94,246.79	94,677.44
Total	94,246.79	94,677.44
Outgo on account of:		
a) Raw materials	-	38.49
b) Stores & spare parts	88.17	89.37
c) Travelling Expenses	123.03	412.01
d) Commission on Sales	699.46	165.75
e) Finance Cost	109.23	168.45
f) Advance to Vendor	136.05	551.78
g) Others	347.53	532.25
Total	1,503.47	1,958.10

For and on behalf of the Board of Directors

Place: Kolkata
Date: 30th May 2019

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Director
DIN: 00799039

DIRECTORS' REPORT (Cont.)

Annexure - 7ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES/ INITIATIVES
FOR THE FINANCIAL YEAR 2018-19[Pursuant to Section 135 of the Companies Act, 2013 Read with Companies
(Corporate Social Responsibility Policy), Rules, 2014]**1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken:**

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

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

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

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

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

Focus Areas of Engagement:

Among various CSR initiatives of the Company, the major focused areas of CSR spending for the Financial Year 2018-19 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 at Remuna Degree College wherein approx. 300 units of blood was collected for benefit of local people. Further, distribution of free medicines, health awareness & promotion programmes (Malaria Eradication, 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 2018-19.
- b. Drinking Water Supply**–The Company has initiated several Safe water projects and in process of endeavouring such commitment, the Company has constructed four new Overhead water tank which caters the requirement of nearby villages of both Kaliapani and Remuna area of Odisha. Apart from this, Company is also continuing to Operate & 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 and Mines providing safe drinking water for all localities.
- c. Environment** – With a commitment to make clean and green environment, 9850 saplings were distributed to approx. 2500 families from Remuna Block promoting awareness towards environment on World Environment Day.
- d. Infrastructure Development** – BAL has taken various infrastructural projects like construction of Panchayat road in Remuna Block, Community Halls at Birsanagar, Kateni & Sagpor village nearby Mines Area, Classroom at Nuapadhi Nodal High School in Remuna Block, Children Shelter room.



DIRECTORS' REPORT (Cont.)

- e. **Women Empowerment** – Company has taken initiative for empowering rural women by providing special training programmes on Tailoring 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 Remuna Block. Further to minimize teacher to student ratio, BAL is providing remuneration to additional teachers. 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, cleaning of ponds, construction of pucca ghats etc are some of the projects undertaken by the Company to promote Swachh Bharat Mission. The Company also conducted 15 days Program on Awareness & Sanitation across three villages in the periphery of Mines.

2. The composition of the CSR Committee

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

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

3. Average Net Profit of the company for last 3 financial years & Prescribed CSR expenditure.

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

(` In lakhs)

Particulars	Amounts
Average net profit of the Company for last three financial years	9218.00
Prescribed CSR Expenditure (2% of the average net profit)	184.36
Unspent Amount brought forward from FY- 2017-18	78.50
Total Budget for FY 2018-19	262.86
Details of CSR expenditure during the financial year	
Total amount to be spent for the financial year	262.86
Amount Spent	196.46
Unspent Amount	66.40

Note: - The unspent amount shall not be carried forward to next FY-2019-20 on account of loss incurred during the FY- 2018-19.

DIRECTORS' REPORT (Cont.)

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 and Sukinda, Odisha) and Other Locations**(Amount in `)**

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	Construction of Panchayat Road from Ispat Chhak to Thank You Gate	Rural Development (Infrastructure Development)	Balgopalpur under Nuapadhi G.P. of Remuna Block of Balasore	21,00,000	21,54,146	21,54,146	Direct Expenditure
2	Reconstruction of Children Shelter Room	Rural Development (Infrastructure Development)	Haripal (Near to Tarkeshwar, West Bengal)	19,09,420	19,09,420	19,09,420	Direct Expenditure
3	Payment of Month wise Energy Charges of the Street Lights	Rural Development (Infrastructure Development)	In front of Lord Jagannath Temple, Remuna Mandir Chhak, Tarini Mandir Chhak, Ispat Chhak, Balgopalpur Chhak under Remuna Block	3,90,000	3,92,437	3,92,437	Direct Expenditure
4	1. Pond Cleaning & Construction of Pucca Ghats. 2. Construction of Girls' Toilet and Temporary Urinal. 3. Renovation & Development of Pond	Swachha Bharat Mission	1. Balgopalpur under Nuapadhi G.P. of Remuna Block. 2. Sajnagarh Girls School and Anandamarga School Fuladi, Remuna Girls High School under Remuna Block, 3. Fakhir Mohan University, Balasore	3,14,618	2,88,795	2,88,795	Direct Expenditure
5	Observation of World Environment Day, Distribution of Saplings & Organising of Awareness Programme	Environment Protection & Development	Villages and Educational Institution of Remuna, Nilgiri and Balasore Sadar Block.	3,93,682	4,20,054	4,20,054	Direct Expenditure
6	Construction of Over Head Tank	Supply of Safe Drinking Water	Balgopalpur, Nuapadhi, Remuna	12,85,000	16,14,082	16,14,082	Direct Expenditure
7	Provision of Drinking Water facility at Panchlingeswar, Nilgiri	Supply of Safe Drinking Water	Panchlingeswar, Nilgiri, Balasore	3,30,120	3,25,000	3,25,000	Direct Expenditure


DIRECTORS' REPORT (Cont.)

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
8	Installation Tube Wells and of Water Purifier Machine	Supply of Safe Drinking Water	8 Nos. Tube Wells in the nearby villages under Remuna Block. Grievance Cell of the Collector, Balasore for the use of general public.	1,40,750	1,43,190	1,43,190	Direct Expenditure
9	Construction of Class Room	Education Development	Nuapadhi Nodal High School under Remuna Block.	3,00,000	3,11,712	3,11,712	Direct Expenditure
10	Installation of Desk & Bench in the schools,	Education Development	Gourpur School and Refugee Colony School under Remuna Block.	90,000	96,229	96,229	Direct Expenditure
11	Monthly Teachers Payment,	Education Development	Refugee Colony UP (ME) School, Balgopalpur & Sereipur and Nuapadhi (UP) ME School, Nuapadhi under Remuna Block.	72,000	70,021	70,021	Direct Expenditure
12	1. Deaf & dumb school children Drawing Competition on new year 2. Contribution towards distribution of prize on annual function 3. Awareness against child sexual harassment	Education Development	1. Laxmi Banati special school under Remuna Block. 2. Remuna refugee colony nodal u.p school under Remuna Block. 3. Sukinda Village	42,770	42,770	42,770	Direct Expenditure
13	Provision of Ambulance Facility	Health Promotion	(Netaji Club) Balgopalpur under Nuapadhi G.P of Remuna Block	8,10,712	8,06,955	8,06,955	Direct Expenditure
14	Mega Health Camp	Health Promotion	Remuna Degree College, Remuna and other area of Remuna Block	2,50,000	2,21,416	2,21,416	Direct Expenditure
15	Sukinda hospital roof treatment	Health Promotion	Sukinda Area	59,321	59,321	59,321	Direct Expenditure
16	Assist. to Red Cross Society	Tribal Development	Balgopalpur, under Remuna Block.	6,740	7,963	7,963	Expenditure through Agency/Direct Expenditure

DIRECTORS' REPORT (Cont.)

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
17	Distribution of Medicated Mosquito Nets	Tribal Development	Leprosy Colony, Bampada, Balgopalpur, Sereipur, Gourpur, Rasalpur, Nuapadhi, Gourpur village under Remuna Block.	77,700	77,700	77,700	Direct Expenditure
18	Distribution of blanket	Tribal Development	Kasimabad, Balasore, Remuna	95,500	1,08,600	1,08,600	Expenditure through Dist. Administration.
19	1. Financial assistance for Balasore Premier League and for new Kalinga sports fitness club towards jersey for marathon 2. Financial Assistance for Photo Lamination of rare antique pictures	Community Engagement	1. Remuna and Balasore Area. 2. Includi Village of Remuna Block.	80,000	78,965	78,965	Expenditure through Dist. Administration.
20	Participation in Safety Week, Assistance in Rath Jatra and Jalachatra, Donation of utensils to poor local people	Community Engagement	Near villages of Sukinda, Odisha.	52,019	52,019	52,019	Direct Expenditure
	Total			88,00,352	91,80,795	91,80,795	

Mines (Kaliapani, Dist- Jajpur, Odisha)

(Amount in `)

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	Construction of Community Hall at Birsanagar, Kateni and Sagor	Rural Infrastructure Development	Birsanagar, Kateni and Sagor	20,00,000	13,27,772	13,27,772	Direct Expenditure
2	Contribution to College Bus, Sukinda	Educational Development	Sukinda	1,50,000	1,38,000	1,38,000	Expenditure through agency
3	Construction of Girls common room with toilet, Sukinda College	Educational Development	Sukinda College	8,50,000	2,01,800	2,01,800	Direct Expenditure


DIRECTORS' REPORT (Cont.)

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
4	Sponsoring financial assistance for five meritorious underprivileged students from the community to get College Education	Educational Development	Sukinda College	1,00,000	60,368	60,368	Expenditure through agency
5	Coaching centre for Student	Educational Development	Govt. High School, Anala	17,447	49,333	49,333	Direct Expenditure
6	Overhead Tank in Kabata Village	Supply of safe drinking water	Kabata Village, Kaliapani	10,00,000	8,33,327	8,33,327	Direct Expenditure
7	Over Head Tank in Rankia Village for local people	Supply of safe drinking water	Rankia village	3,00,000	1,77,000	1,77,000	Direct Expenditure
8	Over Head Tank in Koila Village for local people	Supply of safe drinking water	Koila Village	7,00,000	4,70,295	4,70,295	Direct Expenditure
9	Operation & Maintenance of existing projects	Supply of safe drinking water	Kaliapani	3,50,000	3,30,840	3,30,840	Direct Expenditure
10	Supply of water tanker from BAL to Kuhika Village during summer season	Supply of safe drinking water	Kuhika Village	2,84,437	2,84,437	2,84,437	Direct Expenditure
11	Installation of 6 SMART toilets in 3 schools in Kaliapani	Swachha Bharat Abhiyaan	Kaliapani	20,00,000	13,43,732	13,43,732	Direct Expenditure
12	Construction of toilets along with bathrooms for 90 identified Households	Swachha Bharat Abhiyaan	Baragali Village, Sukinda	70,00,000	38,87,982	38,87,982	Direct Expenditure
13	Additional Civil work for 2 nos of Community Toilet, Chirgunia and 6 nos of e-Toilet for nearby 3 schools	Swachha Bharat Abhiyaan	Chirgunia village & In 3 no schools	2,29,144	1,65,200	1,65,200	Direct Expenditure
14	Malaria Eradication Drive ; Spraying of mosquito medicine	Swachha Bharat Abhiyaan	In 3 identified village in Mines periphery	1,00,000	1,00,000	1,00,000	Direct Expenditure

DIRECTORS' REPORT (Cont.)

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
15	Block Plantation and Avenue plantation	Natural Resource Development	One Hectare of land has been allotted to BAL by Govt where 2400 saplings will be planted	7,00,000	4,36,718	4,36,718	Direct Expenditure
16	solar lights for local people (Repair Cost)	Renewable Energy	Chirgunia	2,05,500	1,23,640	1,23,640	Direct Expenditure
17	Tailoring Centre for Women Skill development	Women Empowerment	Chirgunia	7,49,120	1,44,393	1,44,393	Direct Expenditure
18	Display Boards for CSR	Community Development	Installation of Display Boards Panchayat wise to provide information on history of CSR by BAL	1,50,000	80,869	80,869	Direct Expenditure
19	Sanitation Drive	Community Development	Nearby three identified villages (Kaliapani Area)	1,00,000	50,004	50,004	Direct Expenditure
20	Financial Assistance to youth, Award, Fire control on forest	Small Project	Nearby Mines Periphery	5,00,000	2,59,547	2,59,547	Direct Expenditure
	Total			1,74,85,648	1,04,65,257	1,04,65,257	

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: 30th May 2019

Anil Sureka
Managing Director
DIN: 00058228

Asish K. Bhattacharyya
Chairman of CSR Committee
DIN: 00799039



MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy recorded a healthy growth of 3.6% in 2018. During the second half of the year, however, the global economy lost some momentum, mainly on account of the increased trade frictions between the US and China, and the tightening of financial conditions. International Monetary Fund (IMF) expects growth to decelerate to 3.3% in 2019 and its projections suggest that all three major engines of the global economy, viz. US, China and Euro area are likely to decelerate in 2019. On the positive side, however, IMF expects world economic output to recover and grow at 3.6% in 2020.

Of late, there have been a few growth-supportive factors such as the announcement of economic stimulus in China and halt to the process of monetary policy tightening in developed countries. But the business sentiment has become somewhat clouded with challenges arising from the apparent setback to the US-China trade talks, the spread of trade frictions to technology sectors and the increased intermingling of economic policies. These challenges signal that global commodity prices could be under pressure.

The World Economic Outlook (WEO) projects a further softening of growth to 3.3% during the year 2019. The economy is expected to pick up from the second half of 2019 and global economic growth expected to return to 3.6% during 2020. The growth is expected to stabilize around 3.5% beyond 2020, bolstered mainly by China & India. (Source: IMF)

Indian Economy

Despite softer growth, the Indian economy remained one of the fastest growing amid rising global volatility. The Indian economy registered a growth rate of 7% during FY 2018-19 as per the advance estimates of the Central Statistical Office.

The Index of Industrial production (IIP) with base 2011-12 for the April – January period for 2018-2019 registered a 4.4% growth yoy (Year-on-Year). While the domestic consumption remained the primary growth driver on the demand side, gross fixed capital formation and exports made growing contributions.

The liquidity tightness prompted the RBI to cut the repo rate by 25 bps to 6%, the second cut in three months, making India the only economy in Asia to have had implemented two consecutive policy rate cuts. The combined 50 bps cut also reflected the RBI's intent of infusing liquidity to kickstart the economy which is experiencing a soft patch.

However, the industrial output contracted by 0.1% in March 2019. A sustained decline in food prices, softening of oil prices and simultaneous appreciation of the Indian Rupee kept inflation at 3.5% well within the RBI's target.

Despite a positive outlook, the Indian economy remains vulnerable to certain domestic and geopolitical risks. Though inflationary pressures look benign, concerns have risen on the twin deficit problem- current account deficit & fiscal deficit – especially as portfolio investments remain subdued while trade deficit stays high. While fiscal expansion holds key to the economic growth, it may weigh on government coffers if private investment loses steam. Further, India's Industrial output shrank by 0.1% in March 2019 that may pose a challenge for the new Government.

According to the IMF, India is expected to grow at 7.3% in CY 2019 and 7.5% in CY 2020, driven by a continued recovery in investment (9.4% growth) and robust consumption. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US (Source: Bloomberg).

The Indian government has rolled out several initiatives, such as the National Mineral Policy and National Electronic Policy, to fast-track development. Similarly, the Agriculture Export Policy was introduced with a mandate to double agriculture exports to \$60 billion by 2022. India has set a target of becoming a \$5 trillion economy by 2024, and to bring that target within the realm of reality, the government is likely to spend heavily on developing social as well as economic infrastructure.

India's medium-term growth prospects continue to be robust. Significant reforms undertaken in the recent years such as GST and insolvency code would raise India's growth potential in the coming years, amplifying the effect of the long-term structural cornerstones of the Indian growth story such as demography and urbanization. In the near-term, however, uncertainty over the forthcoming monsoon season and the heightened global risks present headwinds for FY20. Accordingly, the outlook for the Indian economy in FY20 is one of cautious optimism at this juncture.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Industry Outlook

Ferro Chrome is an essential raw material for stainless steel production for its anti-corrosion property. Almost 80% of world's Ferro Chrome production is consumed by the stainless steel sector thus making it the biggest growth driver for this industry.

The global stainless steel production reached 51.35 Million Ton (Mn.T) during 2018 consuming 13.07 Mn.T of Ferro Chrome with Asian market being the largest consumer led by China. The Chinese market alone consumed about 7.79 Mn.T of Ferro Chrome during 2018. Though the market is currently subdued, Industry experts project a 4% growth yoy in Ferro Chrome consumption globally.

Chrome ore industry overview

The global chrome ore & concentrate (incl. UG2) production stood at 33.71 Mn.T during 2018 with the African continent producing 19.91 Mn.T. The Indian Chromite ore production stood at 4.23 Mn.T for the same year. Out of the total chrome ore production, 31.63 Mn.T was consumed for metallurgical application globally. (Source: ICDA)

STAINLESS STEEL SECTOR

Global Overview

Stainless steel is well known for its inherent properties such as anti corrosion, longevity, resistance to impact, superior weldability, formability, elongation and hygiene. Hence, stainless steel has become an important raw material for the automotive, railway & transport (ATR) sector, Buildings & Construction, Clean energy production, Food processing, Medical science etc.

Global stainless production stood at 51.35 Mn.T in 2018, up by 6% yoy. even though the market is currently subdued, stainless production is expected to reach 52.94 Mn.T in 2019, up 3% yoy as estimated by market analysts.

Domestic Overview

India has now become the second largest producer of stainless steel just behind China. Stainless steel production in India stood at 4.02 Mn.T, up 12% yoy.

Considering India's GDP growth and the fact that our per capita consumption of stainless steel is approx. 3 Kg vis- a- vis the world average of 6 Kg, there is ample scope for growth in the future.

FERRO CHROME SECTOR

The global Ferro Chrome production stood at 13.42 Mn.T for the year 2018. The Chinese Ferro Chrome production stood at 4.99 Mn.T followed by the African continent with an output of 4.22 Mn.T. In the export scenario, South Africa's share stood at 50.5%, followed by Kazakhstan with 19% share. Exports from India constituted 12.7% of the global trade.

Future Prospects

Though the market is currently dull & prices are under pressure, market analysts predict that the Ferro Chrome consumption is expected to reach 13.6 Mn.T representing an increase of 4% in 2019. Global Stainless steel production is also expected to increase by 3% for the same period.

Domestic Overview

India is one of the dominant players in Ferro Chrome industry representing 12.7% of the global trade in 2018. India's annual production stood at 1.3 Mn.T in the year 2018.

In view of some of the Government's development initiatives such as rolling out Euro VI emission norms for the auto sector by 2020 & converting railway coaches to safer LHB technology, the Indian stainless steel sector is expected to grow in the future propelling demand for Ferro Chrome.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

OPPORTUNITIES AND THREATS

Opportunities:

While 2019 has started with a weak footing, global economy is expected to pickup from the second half of the year as pointed out by IMF. Stainless steel sector, the biggest consumer of Ferro Chrome is also expected to grow with the global production expected to reach 52.94 Mn.T in 2019, up 3% yoy as predicted by industry experts.

Threats:

- The decision of withdrawing GSP benefit to Indian exports by US govt. may put pressure on Ferro Chrome exports to the US market.
- Looming Sino- American trade war & a no- deal Brexit may dampen the overall economic scenario.

BUSINESS STRENGTHENING INITIATIVES

On its pursuit towards excellence, the company continued its initiatives of TPM (Total Productive Maintenance) and Six Sigma. Several projects and activities have been carried to complement the cost reduction, process optimization and achieving operational efficiency targets and goal. After the adoption of Malcolm Baldrige business excellence model, the company leaped towards establishing the culture of excellence through its sustained implementation and its evaluation. Moreover, all the initiatives were categorically converted into systems and regular practices of the organization by the robust execution of the management systems through IMS (Integrated Management System). All business processes were linked to the excellence journey and further contributed towards sustenance of practices in the company.

THE ROADMAP OF BUSINESS EXCELLENCE

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

The company created the BAL Business Excellence Framework with the objective of building competitive advantage and creating sustainable business. Periodical review system has also been institutionalized for monitoring and supporting. Deployment is practiced through internal and external assessment which starts with preparing the Business overview by Senior Management, preparation of application document, coalition / compilation of Baldrige category specific results.

All Business Processes have been mapped end to end and classified into Management Processes, Value Creation Processes and Support Processes. Efficiency and effectiveness measures have been identified and are monitored regularly to assess the business impact of these processes. The Business Excellence framework is creating a cultural change by strengthening the Enterprise DNA thus ensuring continual improvement in all the Business processes.

Lean Six Sigma:

The Six Sigma initiative has significantly contributed in transforming business by breaking myths of conventional wisdom. The Company has a well-designed process flow for driving Six Sigma initiative across the organization. These initiatives continue to significantly contribute in process optimization, productivity, inventory reduction and quality improvement and significant cost reduction in the production of Ferro Chrome. Highlights of activities carried out in FY 2018-19 as follows:

- Development of statistical model to obtain the efficiency of operations.
- In-house capability building programmes conducted by Master Black Belts.
- Development of a unique Six Sigma Handbook for the organization.
- Industrial engineering study like time-motion, logistics controlled done successfully.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Total Productive Maintenance (TPM):

Manufacturing excellence in today's competitive climate depends upon the implementation of multiple complimentary & proven strategies. We have adopted a proven TPM philosophy in our plant since long period. In this journey we have achieved various milestones and are now getting ready for TPM Special Award in 2020.

TPM involves and engages employees through 10 pillar concept. Many initiatives rolled out during this year to improve plant performance are as follows:

1. Celebrated Quality month focussing on kaizens related to customer and product quality enhancement.
2. Established a robust 5S monitoring and improvement system in the plant.
3. Equipment competent operators were developed during JH step 4 journey across production machines.
4. Visual controls implemented at operational areas for better monitoring of equipment conditions.
5. Proactive approach through Safety, Health & Environment (SHE) pillar carried out to plan mock drills, safety audits, Poka Yoke, Hazard elimination etc for different areas of the plant.
6. Loss & Cost tree techniques used to identify and mitigate losses.
7. As a part of Office Total Productive Maintenance (OTPM), Maki Gami (paper roll analysis) was conducted to eliminate NVA's.
8. The plant members have been developed to record their improvements in form of MP sheets, Kaizens, QC stories etc.

Integrated management systems (IMS)

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

During the financial year, your Company continued to have latest certification of ISO 9001:2015 (QMS), ISO 14001:2015 (EMS), ISO 55001:2014 (AMS), ISO 27001:2013 (ISMS) and SA8000:2014 (SA), OHSAS 18001:2007 certification (OHSAS) System and ISO 50001:2011 (EnMS). Mines also continued with ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 and SA8000:2014. In this year, Sukinda plant also certified to ISO 9001:2015, ISO 14001:2015 and latest certificate of occupational, health and safety i.e. ISO 45001:2018 and as a result of which business processes are getting streamlined, re-engineered or re-designed, duplications eliminated, and processes standardized.

Information Technology

The company adopts the most advanced technologies into all of its manufacturing processes to ensure desired quality and of its products while ensuring On Time In Full (OTIF). The advanced process technology and sophisticated equipment have been acquired from World leaders of Metals & Ferro Alloy equipment like ELKEM, MINTEK, Tenova-Pyromet.

The manufacturing process is fully automated using advanced control systems acquired from Rockwell Automation. SCADA systems were introduced in 1989 that has been upgraded to new generation "control Logix" system of Rockwell Automation 2007 to facilitate operation of furnace electrode, weighing and batching system to maintain the consistency of the operation.

A highly sophisticated real-time computerized system enables better monitoring and control of all aspects of furnace operation in real-time. Sophisticated web-based real-time monitoring systems enable the production team to visualize the process from anywhere across the globe.

The manufacturing process of Ferro Chrome is power intensive and power is sourced from the regional grid. The company has a fully mechanised "Metal Recovery Plant" to extract the entrapped metal from slag which is a major



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

initiative in waste recovery and environmental protection. The company also has Chrome Ore Beneficiation plant to enrich low grade Chromite ore at Mines' site.

With an objective of improved business process, the company has implemented SAP ECC 6.0 in order to meet the changing and growing needs of the business. This technology solution automates business processes and facilitates accurate and real-time data acquisition across the organization for a faster and informed decision-making. In order to keep pace with changing technology, the company is investing in several digital initiatives and business transformation projects. The business runs seamlessly on SAP with Disaster Recovery Site located in western India. The company has been front runner in implementing SD WAN network.

The Knowledge Exchange (Portal), is a 'one-stop-knowledge-shop' enabling the employee to find information without reaching out in a public domain. This ensures knowledge built within organisation is retained to develop new resources.

A secure Virtual Private Network (VPN) has been implemented, for secure access and communication within and outside the company.

The company has also implemented and is certified Information Security Management System (ISO27001) to ensure confidentiality, Integrity and availability of all its electronic information systems and physical records in order to manage information risk effectively.

QUALITY ASSURANCE

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

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

The Quality Control R&D Lab has been accredited to ISO 17025:2005 by NABL(National accreditation Board for testing & Calibration Laboratories) –a watermark of aligning it's products standards to global benchmarks.

ENVIRONMENT AND SAFETY

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

Environment management: The Company has institutionalized a structured environmental management system as per ISO 14001:2015, which ensures that it complies with all waste discharge standards, specified by various regulatory bodies.

The Company operates on a zero-discharge concept for liquid waste – wastewater is treated and recycled for dust suppression and horticulture purposes etc. The Company has also implemented rainwater harvesting & artificial recharge systems for increasing the ground water table and installation of Piezometers for measuring the ground water level.

Installed Continuous Ambient Air Quality Monitoring Station (CAAQMS) is a Real time & Robust monitoring system, which helps in assessing the level of pollution w.r.t ambient air quality & thus we can better control over the functioning of equipments meant for reducing the Air Pollution Level.

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

Hazardous & Other Wastes like Used Oil, Used Battery, E-Waste and Plastic Waste are disposed through authorized recyclers or as per prescribed norms of Pollution Board. Flue Dust (Gas Cleaning Plant Dust) is being reused within our Plant Premises.

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

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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

Currently PAT Cycle - II is going on as per the BEE (Bureau of Energy Efficiency of India) guidelines and Monitoring & Verification (M & V) is under progress, M & V Audit will be conducted by BEE Empanelled Accredited Energy Auditor. After Submitting the M & V Audit report along with Form A & Form B than the BEE will evaluate or verify the documents.

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

Hazard Identification and Risk Assessment (HIRA) of each and every activity is done and reviewed in regular interval. Accordingly, counter measures are taken on significant activities to eliminate or minimise the hazards associated with it. Generally manual works are more prone to injury. To minimise the human intervention manual works are converted to mechanised and semi-mechanised work. Safety poka yokes (Mistake proofing) and kaizens implemented at various areas as proactive approach to improve safe workplace. New improved safety management programmes are undertaken to create safer work environment.

In addition, on-site and audio-visual safety trainings are more focussed by the management to create awareness among the workers. The entire team for emergency preparedness are exercised for Mock drills in periodic interval to handle any such emergency situation.

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

HUMAN RESOURCES

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

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

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

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

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

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

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

(` in Lacs)

Particulars	Financial year ended 31 st March, 2019	Financial year ended 31 st March, 2018
	Standalone	
Total Income (net of excise duty)	1,27,016.10	1,27,102.44
Profit/(Loss) Before Interest, Depreciation & Tax (PBITD)	8,029.13	21,113.80
Finance Charges	4,419.83	4,615.16
Depreciation	3,207.30	3,031.47
Exceptional Items	3,683.58	2,661.81
Provision for Income Tax (Including for earlier years)	(365.90)	4,249.78
Net Profit After Tax	(2,915.68)	6,555.58
Other Comprehensive Income	69.64	(20.09)
Total Comprehensive Income For the Year	(2,846.04)	6,535.49
Profit brought forward from Previous Years	77,375.65	71,255.44
Profit Carried to Balance Sheet	73,616.16	77,375.65

In spite of the loss (PAT) of ` (2,915.68) Lacs, the Company has announced a dividend of 8%.

The total income of the company for the year ended March 31, 2019 was ` 1,27,016.10 lacs and exports and book sales of ` 99,895.69 Lacs, which is higher by 0.79% over the last year's figure.

There has been an increase in the cost of consumption of raw materials by 19.15% - from ` 46,040.99 Lacs to ` 54,857.35 Lacs.

Power and fuel cost increased by 6.23%, from ` 32,601.04 Lacs to ` 34,632.73 Lacs because of increased volume of production as compared to the previous year.

PBITD stood at ` 8,029.13 Lacs against ` 21,113.80 Lacs over the corresponding financial year.

PAT stood at ` (2,915.68) Lacs as against ` 6,555.58 Lacs in the previous year, a decrease of 144.48%. Total Comprehensive Income for the year stood ` (2,846.04) Lacs as against ` 6,535.49 Lacs in the previous year, a decrease of 143.55%. The Basic Earnings per Share (EPS) for the year was ` (3.05) as against ` 7.35 and the Diluted Earnings per Share (EPS) for the year was ` (3.05) as against ` 6.70 for the previous year.

Shareholders' funds (Net worth) decreased from ` 96,656.43 Lacs to ` 92,966.59 Lacs as on March, 2019, registering a decline of 3.82% over the previous year.

INTERNAL CONTROL SYSTEMS

Internal Control can be defined as a system designed, introduced and maintained by the company to provide a substantial degree of assurance in achieving business objective, within a framework of adequate checks and balances and to prevent misuse of power, facilitate timely management of change and ensure effective management of risk.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

records and reports all transactions.

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

The Statutory Auditors of the Company has also reviewed the Internal Financial Control system implemented by the Company on financial reporting and in their opinion, the company has, in all material aspects, adequate Internal Financial Control System over Financial reporting and such Internal Financial Controls were operating effectively as on 31st March 2019.

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

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

MANAGING BUSINESS RISKS AND CONCERNS

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

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

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

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

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

CAUTIONARY STATEMENT

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



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON GOVERNANCE

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

CORPORATE GOVERNANCE PRACTICES

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

- a) **Code of Conduct:** The Company's Code of Conduct is based on the principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.
- b) **Business Policies:** The Business Policies of Company ensures transparency and accountability to its stakeholders. The policies provide motivation and support for professional development of employees, fair market practices and high level of integrity in financial reporting. The policies recognize Corporate Social Responsibility of the Company and also seek to promote health, safety and quality of environment.
- c) **Prohibition of Insider Trading:** The Company has devised a framework to avoid Insider Trading and abusive self-dealing. The Code on prevention of Insider Trading, which applies to the Board Members and all officers and employees, seeks to prohibit trading in the securities of the Company based on unpublished price sensitive information. Trading window remains closed so long unpublished price sensitive information is not made public as per the 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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 31st March, 2019, consists of Nine (9) Nos. of Directors out of which five (5) 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 Ms. Mita Jha, Executive Director - HR** Mr. Akula Nagendra Kumar***
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	Dr. Samuel Onyeabor Nwabuokej*****
Nominee Director	Mr. K C Raut (Representing State Bank of India)

* Appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 14.12.2017. Further, ceased to be Whole-time Director designated as Director-Finance & CFO w.e.f. 25.07.2018. Thereafter, once again appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 11.08.2018.

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

*** 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.

***** Ceased to be Non-Executive Director w.e.f. 12.09.2018.

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

Thereafter, Mrs. Rupanjana De was appointed as Non-Executive Director designated as Independent Woman Director of the Company w.e.f. 03rd April, 2019.



REPORT ON CORPORATE GOVERNANCE (Contd.)

Details of the Board Meetings

Five 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:-

28.05.2018, 11.08.2018, 28.09.2018, 13.11.2018 and 14.02.2019.

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 31.03.2019 are as below:-

Name of Directors	No. of Board Meetings Attended #	Attended last AGM held on 28.09.2018 at Registered Office	No. of Directorship in other Companies ¹		No. of Membership in Committees of Directors in other Companies ²	
			Chairman	Director	Chairman	Member
Dr. A K Bhattacharyya (Independent Director)	5	Yes	Nil	1	1	Nil
Mr. S Mohapatra (Independent Director)	5	Yes	Nil	1	1	Nil
Mr. S K Pal (Independent Director)	5	Yes	Nil	3	1	1
Prof. S K Majumdar (Independent Director)	5	Yes	Nil	Nil	Nil	Nil
Mr. K P Khandelwal (Independent Director)	5	Yes	Nil	3	1	2
Mr. Anil Sureka (Managing Director)	5	Yes	Nil	Nil	Nil	Nil
Mr. Nikunj Pansari * (Director Finance & CFO)	4	Yes	Nil	Nil	Nil	Nil
Mr. Dhiren K. Nath (Director - Operations)	5	Yes	Nil	1	Nil	Nil
Dr. Samuel O. Nwabuokey** (Non-Executive Director)	2	N.A	N.A	N.A	N.A	N.A
Mr. K C Raut (Nominee Director)	5	Yes	Nil	1	Nil	2

* Appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 14.12.2017. Further, ceased to be Whole-time Director designated as Director-Finance & CFO w.e.f. 25.07.2018. Thereafter, once again appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 11.08.2018.

** Ceased to be Non-Executive Director w.e.f. 12.09.2018.

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.

REPORT ON CORPORATE GOVERNANCE (Contd.)**Details of the Directorship as on 31.03.2019 in other listed entities -**

Name of the Director	Name of the Listed Entities	Category of Directorship
Dr. A K Bhattacharyya (<i>Independent Director</i>)	Nil	N.A.
Mr. S Mohapatra (<i>Independent Director</i>)	Lloyds Metals and Energy Limited	Independent Director
Mr. S K Pal (<i>Independent Director</i>)	1. Greenply Industries Limited 2. Hasimara Industries Limited	Independent Director Independent Director
Prof. S K Majumdar (<i>Independent Director</i>)	Nil	N.A.
Mr. K P Khandelwal (<i>Independent Director</i>)	1. Kesoram Industries Limited 2. GPT Infraprojects Limited	Independent Director Independent Director
Mr. Anil Sureka (<i>Managing Director</i>)	Nil	N.A.
Mr. Nikunj Pansari* (<i>Director Finance & CFO</i>)	Nil	N.A.
Mr. Dhiren K. Nath (<i>Director - Operations</i>)	Nil	N.A.
Mr. K C Raut (<i>Nominee Director</i>)	ARSS Infrastructure Projects Limited	Nominee Director

Appointment of Chief Financial Officer (CFO)

The Board of Directors in its meeting held on 11th August, 2018 appointed Mr. Nikunj Pansari as the Director-Finance & CFO of the Company.

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 Company Secretary and also reports on the rectifications of the non-compliances.

Training of Independent Directors

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

On an on-going basis, the Company, through its Managing Director and / or Whole-time 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.

Familiarisation Programme to Independent Directors

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

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

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



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 and expertise, effectively contributing to the Board and Committee proceedings. The Board members are committed to ensure 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.

Sl. No.	Nature of key skills, expertise, and competence and attributes	Whether such key skills, expertise, competence & attributes are available with the Board Members of the Company
1.	Domain expertise in Ferro Chrome manufacturing & Chrome Ore Mining Sector	Yes
2.	Sound knowledge and expertise in Financial matters	Yes
3.	Expertise in Legal, Governance and Risk Management	Yes
4.	Business Development, Sales and Marketing	Yes
5.	Leadership qualities and Management expertise	Yes

Separate Meeting of the Independent Directors

A Separate Meeting of Independent Directors was held on Thursday, the 14th day of February, 2019. The meeting was attended by all the Independent Directors i.e., Dr. Asish K. Bhattacharyya, Mr. S Mohapatra, Mr. S K Pal, Prof. S K Majumdar and Mr. K P Khandelwal. Further, Dr. Asish K. Bhattacharyya & other directors of the committee provided their view on the performance of the Board Members & Committees of the Board as well.

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

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

In the opinion of the Board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

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:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the Board of Directors.
- 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.
- Show Cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or Serious accidents, dangerous occurrences, any material effluent or pollution problem.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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 Six Directors, who bring with them vast experience in the field of operations, finance & accounts and the Company has been immensely benefited from the deliberations of the Audit Committee. Besides the Committee members, functional heads and 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:

28.05.2018, 11.08.2018, 13.11.2018, 14.02.2019 & 28.03.2019.

As on 31.03.2019 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	5
Mr. S K Pal	5
Prof. S K Majumdar	5
Mr. K P Khandelwal	5

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;



REPORT ON CORPORATE GOVERNANCE (Contd.)

- ☞ 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 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 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 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 systems;
- ☞ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit 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;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- ☞ Reviewing the findings of any internal investigations by the internal auditors into matters where there is 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, (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 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 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 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.

One meeting of Nomination & Remuneration Committee was held during the year. The date on which the meeting of the Committee was held is on 11.08.2018

The Committee comprises of four 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)	1
Mr. K P Khandelwal	1
Mr. S K Pal	1
Prof. S K Majumdar	1

Pursuant to the provisions of 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 an 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;



REPORT ON CORPORATE GOVERNANCE (Contd.)

- 3.6 Ensuring the level and composition of remuneration is reasonable and sufficient to attract, retain and reward directors of the quality required to run the company successfully;
- 3.6 Devise a policy on diversity of Board of Directors;
- 3.6 Ensuring remuneration to directors, KMP and Senior Management involves a balance between fixed and variable pay;
- 3.6 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.
- 3.6 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 20th May 2014, has adopted a policy for remuneration of the Board Members, Key Management Personnel (KMPs) & Senior Management Personnel (SMPs) in adherence with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 178 of the Companies Act, 2013 and Rules made there under.

(a) Remuneration to Non-Executive Directors:

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

(b) Remuneration to Executive Directors:

Remuneration policy / criteria of payment to Executive Directors:

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

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

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

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Details of the remuneration paid to Whole-time Directors of the Company during the period 1st April, 2018 to 31st March, 2019 are as below:-

(` In Lacs)

Director	Salary & Perks	Commission	Total	Service Contract (Years)
Mr. Anil Sureka (Managing Director)	170.67	-	170.67	5 Years
Mr. Nikunj Pansari (Director – Finance & CFO)*	84.00	-	84.00	5 Years
Ms. Mita Jha (Executive Director – HR)**	21.76	-	21.76	5 Years
Mr. Dhiren Kumar Nath (Director – Operations)	37.88	-	37.88	5 Years

* Appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 14.12.2017. Further, ceased to be Whole-time Director designated as Director- Finance & CFO w.e.f. 25.07.2018. Thereafter, once again appointed as Whole-time Director designated as Director-Finance & CFO w.e.f. 11.08.2018.

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

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 Directors were paid any bonus, pension or performance linked incentive.

Relationship of Non-Executive Directors with the Company and inter-se

There is no pecuniary relationship or transactions of the Non- Executive Directors vis a-vis the Company and inter se 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 31.03.2019, the details of the meetings attended by the members during the year are as under:

Member of the Committee	No. of Meetings Attended
Dr. A K Bhattacharyya (Chairman)	12
Prof. S K Majumdar	12
Mr. S K Pal	12

[Note: as on the date of this report the committee consists of Four Non-Executive Independent Directors after inclusion of Mrs Rupanjana De as the new member of the Committee on 30.05.2019]



REPORT ON CORPORATE GOVERNANCE (Contd.)

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

11.04.2018, 14.05.2018, 12.06.2018, 11.07.2018, 13.08.2018, 12.09.2018, 13.10.2018, 14.11.2018, 11.12.2018, 11.01.2019, 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 01.04.2018 to 31.03.2019, the status of complaints are as under:

Complaints pending as on 01.04.2018	— Nil
Complaints received from Investors	533
Complaints replied/resolved	533
Complaints pending as at 31.03.2019	— Nil

8. Corporate Social Responsibility Committee

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

The Board in its meeting held on 20th May, 2014 has approved the CSR Policy as formulated and recommended by the CSR Committee in accordance with the requirements of the Companies Act, 2013 and rules made there under. The same was amended on 14th February, 2018 pursuant to relevant amendments notified by Ministry of Corporate Affairs (MCA).

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

28.05.2018, 11.08.2018, 13.11.2018 & 14.02.2019.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Committee comprises of 4 (four) Directors as on 31.03.2019, the details of the meetings attended by the members are as under:

Name of Director	No. of Meetings attended during the period
Dr. A K Bhattacharyya (Chairman)	4
Prof. S K Majumdar	4
Mr. K P Khandelwal	4
Mr. Anil Sureka	4

[Note: as on the date of this report the committee consists of Five Directors after inclusion of Mrs Rupanjana De as the new member of the Committee on 30.05.2019]

9. Other Committees

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

10. General Body Meetings

1. Details on Annual and Extra Ordinary General Meeting:

Year	Location	Date	Time
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.
2015-16 (AGM)	Balgopalpur – 756 020, Balasore, Odisha	28.09.2016	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
28.09.2018	(i) Re-appointment of Mr. Asish Kumar Bhattacharyya (DIN: 00799039) as an Independent Director for another term of five years. (ii) Re-appointment of Mr. Shantanu Mohapatra (DIN: 00176836) as an Independent Director for another term of five years. (iii) Re-appointment of Mr. Sujit Kumar Majumdar (DIN: 00177344) as an Independent Director for another term of five years. (iv) Re-appointment of Mr. Susil Kumar Pal (DIN: 00268527) as an Independent Director for another term of five years. (v) Re-appointment of Mr. Kashi Prasad Khandelwal (DIN: 00748523) as an Independent Director for another term of five years. (vi) Appointment of Mr. Dhiren Kumar Nath (DIN: 08022082), as the Whole-time Director of the Company. (vi) Appointment of Mr. Nikunj Pansari (DIN: 08023216), as the Whole-time Director of the Company.
23.09.2017	(i) Appointment of Ms. Mita Jha (DIN: 07258314), as the Whole-time Director of the Company. (ii) Maintenance of the Register of Members and other Statutory Registers at a place other than the Registered Office of the Company. (iii) Revision of Remuneration of Mr. Anil Sureka (DIN: 00058228), Managing Director of the Company. (iv) Revision of Remuneration of Mr. Rajendra Kumar Parakh (DIN: 00459699), Director – Finance & CFO of the Company. (v) Revision of Remuneration of Mr. Janarthanam Govindasamy (DIN: 07356448), Director - Operations of the Company.



REPORT ON CORPORATE GOVERNANCE (Contd.)

Date of AGM	Details of Special Resolutions passed
28.09.2016	(i) Appointment of Mr. Janarthanam Govindasamy (DIN: 07356448), as the Whole-time Director of the Company. (ii) Approval for revising borrowing limit of the Company under Section 180(1)(c) of the Companies Act, 2013. (iii) Approval for revision in mortgaging of properties of the Company under Section 180(1)(a) of the Companies Act, 2013.

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 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 2018-19, 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 31st March, 2019.

30th May, 2019

Anil Sureka
Managing Director
DIN No.: 00058228

12. Subsidiaries

During the year 2018-19, 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 Company's website at the weblink:

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

13. Disclosures

- 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, 2019 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- b. The policy on material related party transactions, and on dealing with related parties and a statement on such policy has been uploaded on the Company's website at the weblink:
<http://www.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.
- e. **Forfeiture of up-front money received against allotment of 85,65,000 Warrants:**

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

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

- 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.
- g. The funds raised through preferential allotment of shares were utilised to part finance the growth and modernization projects (on-going) of the Company.
- h. The Consolidated fee of ` 124.80 (Rupees One Crore twenty four lacs eighty thousand only) was paid to M/s Chaturvedi & Shah LLP, Statutory Auditor for the Financial Year ended 31st March, 2019. 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 (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



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 2018-19, 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 30th September, 2018, 31st December, 2018 & 31st March, 2019 which amounted to ₹ 16,16,600. Imposed fines were paid within their respective due dates. Mrs. Rupanjana De was appointed as Independent Woman Director of the Company w.e.f. 3rd 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

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 Practising 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, Practising Company Secretary

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

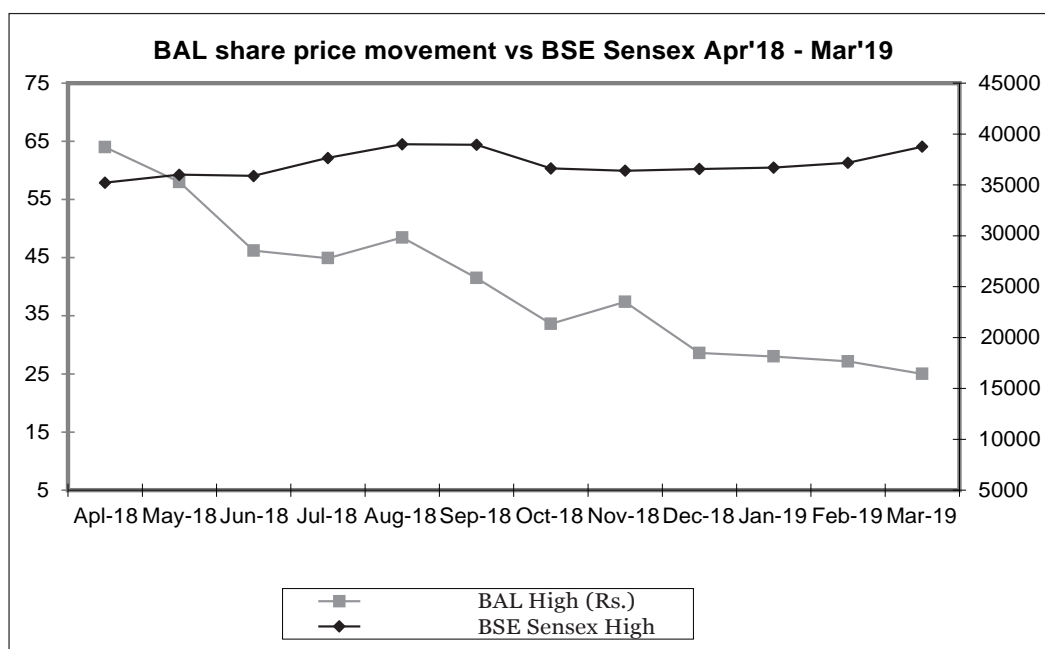
1	Annual General Meeting Day, Date & Time Venue	27 th September, 2019 at 9.30 a.m. Registered Office at Balgopalpur – 756 020, Balasore, Odisha, India
2	Financial Year	1 st April to 31 st March
3	Tentative Financial Calendar 2019-20 Financial Reporting for the quarter ending June 30, 2019 Financial Reporting for the quarter ending September 30, 2019 Financial Reporting for the quarter ending December 31, 2019 Financial Reporting for the quarter ending March 31, 2020 Annual General Meeting for the year ending March 31, 2019	By 14 th day of August, 2019 By 14 th day of November, 2019 By 14 th day of February, 2020 By 30 th day of May, 2020 By September, 2019
4	Book Closure Date	21 st September 2019 to 27 th September, 2019 (both days inclusive)
5	Dividend Payment Date	The Dividend shall be paid within 30 days from the date of AGM.
6	Registered Office	Balgopalpur – 756 020 Balasore, Odisha
7	Listing on Stock Exchanges	i) BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 ii) The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata - 700 001
Note: Annual Listing Fees for Financial Year 2019-20 has been paid to the BSE Limited and The Calcutta Stock Exchange Limited.		
8	Stock Market information: (i) Stock Code: BSE Ltd. : 513142 The Calcutta Stock Exchange Ltd. : 10019059 ISIN No. for Fully Paid up Equity Shares : INE135A01024	

(ii) Market Price	Share Price Data on BSE		BSE Sensex	
Months	High (₹)	Low (₹)	High	Low
April, 2018	64.00	47.50	35,213.30	32,972.56
May, 2018	58.00	42.30	35,993.53	34,302.89
June, 2018	46.20	34.50	35,877.41	34,784.68
July, 2018	44.90	33.00	37,644.59	35,106.57
August, 2018	48.45	39.00	38,989.65	37,128.99


REPORT ON CORPORATE GOVERNANCE (Contd.)

(ii) Market Price	Share Price Data on BSE		BSE Sensex	
Months	High (₹)	Low (₹)	High	Low
September, 2018	41.50	31.30	38,934.35	35,985.63
October, 2018	33.60	27.50	36,616.64	33,291.58
November, 2018	37.40	27.50	36,389.22	34,303.38
December, 2018	28.60	24.30	36,554.99	34,426.29
January, 2019	28.00	22.50	36,701.03	35,375.51
February, 2019	27.15	15.95	37,172.18	35,287.16
March, 2019	25.00	18.65	38,748.54	35,926.94

Note: During the financial year ended March 31, 2019, there was no trading in the equity shares of the Company at the Calcutta Stock Exchange Ltd.



9	Share Price Performance in comparison to BSE Sensex opened The BSE Sensex open on 2 nd April, 2018 at 33030.87 and on 29 th March, 2019, the Sensex closed at 38,672.91. The market price of the shares of the Company on the BSE has varied from ₹ 15.95 to ₹ 64.00 during the period under review.
10	Depository Connectivity i. National Securities Depository Limited (NSDL) ii. Central Depository Services (India) Ltd. (CDSL)
11	Registrars & Share Transfer Agent: (Share transfer and communication regarding share certificates, Dividends & change of Addresses, redressal of queries/grievances of Shareholders etc.) MCS Share Transfer Agent Limited, Unit: Balasore Alloys Limited 383 Lake Gardens, 1 st 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)

REPORT ON CORPORATE GOVERNANCE (Contd.)

12	<p>Share Transfer System:</p> <p>The physical shares received for transfer are processed and the same is registered in the name of transferee, if case is not of bad delivery or incomplete documents. In order to expedite the process of transfer of Shares, the Company, for effecting transfers, has authorized M/s MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent, who attend to share transfer formalities thrice in a month. Those who are desirous of holding their shares in the Company in dematerialized form have to approach their respective Depository Participant for dematerialization of their shares.</p> <p>*Pursuant to the amendment to regulation 40 of SEBI (LODR) Regulations, 2015, no transfer of securities shall be processed after 31st March, 2019 unless the securities are held in dematerialized form with a depository (except in case of transmission or transposition of securities).</p>
13	<p>Investor Grievance Redressal System:</p> <p>The Investor grievances/shareholders complaints are handled by the Company's Registrars and Share Transfer Agent, M/s MCS Share Transfer Agent Limited, Kolkata, in consultation with the Secretarial department of the Company. The Registrar has adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances.</p> <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 dematerialization of shares, Investor complaints, etc.</p>
14	<p>Compliance Certificate of the Auditors:</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 (a) Distribution of Shareholding as at 31st March, 2019:

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Share Capital
1 to 500	115984	95.94	10934511	11.72
501 to 1000	2467	2.04	1787991	1.91
1001 to 2000	446	0.37	736562	0.79
2001 to 3000	643	0.53	1650608	1.77
3001 to 4000	296	0.25	1068740	1.14
4001 to 5000	282	0.23	1349758	1.45
5001 to 10000	426	0.35	3206683	3.44
10001 to 50000	289	0.24	6124214	6.56
50001 to 100000	22	0.02	1551617	1.66
100001 and above	35	0.03	64914727	69.56
Total	120890	100.00	93325411	100.00

(b) Categories of Shareholders as on 31st March, 2019:

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
NRIs / OCBs / Foreign Institutional Investors / Other Foreign Shareholders (Other than Promoter Group)	2825795	3.03



REPORT ON CORPORATE GOVERNANCE (Contd.)

Category	No. of Shares of Held	% of Total Shareholding
Bodies Corporate	3137104	3.36
Indian Public	28676654	30.73
Investor Education & Protection Fund	741653	0.80
Others	982	0.00
GRAND TOTAL	93325411	100.00

Approximately 90.57% of the Equity shares have been dematerialized as on 31st March, 2019. Trading in Equity Shares of the company is permitted only in dematerialized form with effect from 26.06.2000 as per notification issued by the Securities and Exchange Board of India in this regard.

16	<p>Plants Location:</p> <p>Mines Location:</p>	<p>1) Balasore Unit: Balgopalpur Balasore – 756 020, Odisha</p> <p>2) Sukinda Unit: Sukinda Jajpur – 755 018, Odisha</p> <p>Chrome Ore Mine: Sukinda Valley, Dist. Jajpur (Odisha)</p>
17	<p>Address for Investor Correspondence</p> <p>17.1 Registrar and Share Transfer Agent</p> <p>17.2 Company's Registered Office Address</p> <p>17.3 Administrative Office Address</p>	<p>MCS Share Transfer Agent Limited, Unit: Balasore Alloys Limited 383 Lake Gardens, 1st Floor, Kolkata – 700045, India Ph.Nos.+9133 4072 4051/4052/4053 Fax Nos+91 33 4072 4050 E-mail: mcssta@rediffmail.com</p> <p>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</p> <p>The President & Company Secretary “Park Plaza”, 1st 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</p>

Note: Shareholders holding shares in dematerialized form should address all correspondence to their respective depository participants.

REPORT ON CORPORATE GOVERNANCE (Contd.)

18. During the year under review, Credit Analysis & Research Limited (CARE) has affirmed Credit Rating CARE BB+ (Double B Plus) for the Longterm Bank Facilities and CARE A4+ (A Four Plus) for the Short term Bank Facilities of your Company. The outlook on the Long Term and Short term Rating 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 ID and Client ID No., as the case may be, should not be disclosed 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 and Client 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. 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, 2019, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company entered into 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 (iii) to the Notes to the Financial Statements for the financial year ended March 31, 2019.



REPORT ON CORPORATE GOVERNANCE (Contd.)

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

30th May, 2019

The Board of Directors
Balasore Alloys Limited
Park Plaza, 1st 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 31st March, 2019 and to the best of our knowledge and belief, we state that –
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable laws and Regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019, which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit committee, and the steps have been taken or propose to take to rectify these deficiencies.
- d)
 - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Nikunj Pansari
Director – Finance & CFO
DIN: 08023216

Anil Sureka
Managing Director
DIN: 00058228

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

To the Members,
Balasore Alloys Limited
Balgopalpur,
Dist. Balasore, Odisha.

1. The Corporate Governance Report prepared by Balasore Alloys Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 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 in the form of an opinion whether the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.



REPORT ON CORPORATE GOVERNANCE (Contd.)

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 LLP

Chartered Accountants
F.R.N.No.101720W / W100355

Amit Chaturvedi

Partner
Membership No. 103141

Date: May 30, 2019
Place: Kolkata

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, 2019, 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, 2019, 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 these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Emphasis of Matter

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, financial tie-ups has been delayed in past and may further delay, but the company is confident that it would be able to tie-up the requisite finance and implement the project in due course. Hence, no adjustments have been carried out for carrying value of capital work in progress of ₹ 9,520.90 lacs and the advances to vendor of ₹ 15,961.36 lacs at this stage.

Our opinion 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, 2019. 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>Contingent Liabilities: (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/judgements/estimation of contingent liabilities includes the following:</p> <ul style="list-style-type: none"> • 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; • Meeting company's legal team to understand the ongoing and potential legal/tax matters impacting the company. • 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. • Understanding relevant historical judgments set in the similar cases as well as reading legal opinions from external lawyers/experts, when obtained by the management; • Performed the substantive procedures on the underlying calculations for the provisions recorded for completeness and accuracy. • Reviewing the accounting and disclosure of legal exposures. <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>Advances towards Supply/Services: (Refer Note 6 of Standalone Financial Statements)</p>	
	<p>Company regularly, make advance payments to vendors for securing the timely supply of materials and services. The terms of the supply/service contracts and the supply schedules varies for individual contract. When advances are long overdue, provisions/write-off are made by managements, based on its assessment of counterparty solvency, liquidity position and evaluation of the capability of the future performance which can be highly subjective and involves significant degree of management judgement. For the said reasons , we identified this area as key audit matter.</p>	<p>Our audit procedures with respect to advances and it's impairment includes:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the company's key controls over the processes of authorisation of advances for supply of material/services and tracking of receipt of the same as per agreement. • Reviewing ageing of advances. • Conducting discussions with the management and it's assessment of the recoverability of advance or future delivery of the goods/services by the vendors where balances are still pending to be adjusted for substantial period. Reviewing the adequacy of the impairment provisions made by management. • Circulating and obtaining independent confirmations from parties on the outstanding balances on sample basis. Testing the reconciliation, if any between the balances confirmed by party and balance in the books. <p>The results of our testing of confirmations floated and other test as described above, were satisfactory.</p>

Sr.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
3	Revenue Recognition (Refer note 19 and Para 1B(m) of the significant accounting policies of Consolidated Financial Statements)	
	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. 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. 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>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"> • Obtaining an understanding of an assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process. • Examination of significant contracts entered into close to year end to ensure revenue recognition is made in correct period. • 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. • Assessing the adequacy of Company's disclosure in accordance with requirements of Ind AS 115. <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, 2019 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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, 2019 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, except ₹ 41.44 lacs for remuneration paid in excess to Key management personnel which is subject to shareholders approval in the ensuing annual general meeting of the company.
 - 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 has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

(Firm Registration no. 101720W / W100355)

Amit Chaturvedi

Partner

Membership No.: 103141

Kolkata

Date : May 30, 2019



“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, 2019 , 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)	794.95	AY 2014-15
	2,220.39	AY 2015-16
	684.86	AY 2016-17
	4,313.34	AY 2017-18
	3,383.73	AY 2018-19
Total	11,397.26	

- b. The disputed statutory dues aggregating ₹ 1,930.88 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	Income Tax Act, 1961	Income Tax (Including Interest)	534.34	2011-12 to 2013-14	Commissioner of Income Tax (Appeal)
2	Income Tax Act, 1961	Income Tax (Including Interest)	125.49	2013-14	Income Tax Appellate Tribunal
3	Central Sales Tax Act, 1956 and Orissa Sales Tax Act	Sales tax / VAT (including interest and Penalty)	70.92	1997-98	Sales Tax Appellate Tribunal
			1.93	1994-96	Additional Commissioner
4	Entry Tax Act 1999	Entry Tax	437.97	2007-2013	Orissa High Court, Cuttack
			92.96	2007-13	Orissa High Court, Cuttack
5	Chapter V of Finance Act, 1994	Service tax	4.88	2015-16	Joint Commissioner
			6.80	2005-07	Orissa High Court, Cuttack
			655.58	2004-2012	Central Excise & Service Tax Appellate Tribunal
	TOTAL		1,930.88		

- 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, except ₹ 41.44 lacs for remuneration paid in excess to Key management personnel which is subject to shareholders approval in the ensuing annual general meeting of the company.
- 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. 101720W / W100355)

Amit Chaturvedi

Partner

Membership No.: 103141

Place : Kolkata

Date : May 30, 2019



“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, 2019 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. 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 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 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 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, 2019, 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. 101720W/W100355)

Amit Chaturvedi

Partner

Membership No.: 103141

Place : Kolkata

Date : May 30, 2019



BALASORE ALLOYS LIMITED

Standalone Balance Sheet as at 31st March, 2019

Notes	(` in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
2	83,719.86	83,240.85
2	3,023.57	3,146.91
2	13,351.90	11,993.39
3	-	-
3	-	-
3	1,760.65	1,750.66
5	810.46	813.91
6	16,882.49	16,987.23
	119,548.93	117,932.95
7	17,448.31	19,041.66
8	5,105.34	5,238.88
9	2,870.31	3,355.23
4	3,323.12	2,941.34
5	3,447.74	2,832.54
6	21,621.42	18,201.83
	53,816.24	51,611.48
	173,365.17	169,544.43
10	4,666.27	4,666.27
11	88,300.32	91,990.17
	92,966.59	96,656.44
12	170.68	527.76
13	2,820.03	2,878.63
14	1,908.52	1,788.95
	4,899.23	5,195.34
15	17,042.07	16,673.38
16	45.55	4.52
16	34,318.65	26,533.51
17	5,797.85	6,433.86
18	7,142.15	7,889.21
14	11,153.08	10,158.17
	75,499.35	67,692.65
	173,365.17	169,544.43
1		
2-46		

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: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No-00058228

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

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

Standalone Statement of Profit and Loss for the Year ended 31st March, 2019

(` in Lacs)

	Notes	2018-19	2017-18
INCOME			
Revenue From Operations	19	125,805.85	122,880.67
Other Income	20	1,210.25	6,068.17
Total Revenue (I)		127,016.10	128,948.84
EXPENSES:			
Cost of Raw Materials Consumed	21	54,857.35	46,040.99
Purchase of Stock-in-Trade		818.10	-
Excise Duty		.	1,846.38
(Increase)/ Decrease in Inventories	22	(805.36)	(699.86)
Power		34,632.73	32,601.04
Employee Benefit Expenses	23	6,524.98	7,038.43
Other Expenses	24	22,959.17	21,008.06
Depreciation & Amortization expenses	25	3,207.30	3,031.47
Finance Costs	26	4,419.83	4,615.16
Total (II)		126,614.10	115,481.66
Profit Before Exceptional Item (III)		402.00	13,467.18
Exceptional Items (Refer Note- 42)		3,683.58	2,661.81
Profit Before Taxes (IV)		(3,281.58)	10,805.37
Tax Expenses			
Current Tax		.	3,229.72
Deferred Tax Charge		(96.00)	1,102.38
Taxation Expenses of Earlier Years		(269.90)	(82.32)
Total Tax Expenses (V)		(365.90)	4,249.79
Profit For the Year [(IV) – (V)]		(2,915.68)	6,555.58
Other Comprehensive Income :			
i. Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of post employment benefit obligations		107.04	(30.72)
Income tax relating to item that will not be reclassified to Profit or Loss		(37.40)	10.63
Total Other Comprehensive Income/ (Loss) For the Year		69.64	(20.09)
Total Comprehensive Income For the Year		(2,846.04)	6,535.49
Earnings Per Equity Share (Nominal Value of Share ` 5/-)			
Basic EPS (`)		(3.05)	7.35
Diluted EPS (`)		(3.05)	6.70
Significant Accounting Policies	1		
Notes on Financial Statements	2-46		

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: Kolkata

Date: 30th May, 2019**For and on behalf of the Board of Directors**

Anil Sureka
(Managing Director)
DIN No-00058228

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

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

**Standalone Cash Flow Statement for the year ended 31st March, 2019**

(₹ in Lacs)

	Notes	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax		(3,281.58)	10,805.36
Adjustment For :			
Depreciation/Amortisation Expenses		3,207.30	3,031.47
Loss/(Profit) on Sale/Discard of Property, Plant and Equipment (Net)		10.38	32.18
Unrealized Foreign Exchange Gain/Loss		2,645.48	(520.33)
Unspent Liabilities no Longer Required Written Back		(174.02)	(324.15)
Loss on Sale of Investment		2.15	2.73
Fair valuation of investment		(2.14)	(4.95)
Irrecoverable Debts , Deposits & Advances Written Off		3,706.55	2,674.36
Provision for Doubtful Debts/Advances		-	17.50
Interest Expense		3,963.02	4,137.61
Interest Income		(691.89)	(577.57)
Operating Profit Before Working Capital Changes			
Movements in Working Capital :			
Increase/ (Decrease) in Trade Payables and Other Current Liabilities		5,502.69	396.22
Increase/ (decrease) in Provisions		299.95	312.50
Decrease / (Increase) in Trade Receivables		(691.56)	(804.27)
Decrease / (Increase) In Inventories		1,593.35	1,270.61
Decrease / (Increase) in Loans and Advances and Other Assets		(7,625.57)	(3,588.81)
Cash Generated From /(Used in) Operations		8,464.10	16,860.48
Taxes Paid (Net)		(192.26)	(2,916.15)
Net Cash Flow From Operating Activities (A)*		8,271.84	13,944.33
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment (Including CWIP and Capital Advances)		(5,405.81)	(7,779.52)
Purchase of Investment		(20.00)	(115.00)
Sale of Investment		10.00	30.02
Maturity of/(Investment in) Fixed Deposit		(519.19)	485.49
Interest Received		208.12	911.87
Net Cash Flow From/(Used) in Investing Activities (B)		(5,726.87)	(6,467.14)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds From Money Received Against Share Warrant		-	723.22
Repayment of Long-Term Borrowings		(750.46)	(3,097.49)
Proceeds of Long-Term Borrowings		88.10	395.42
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)		(699.94)	(898.77)
Net Movement in Short-term Borrowings		368.69	(692.75)
Interest Paid		(2,604.56)	(3,014.60)
Net Cash Flow From/ (Used) in Financing Activities (C)		(3,598.17)	(6,584.95)
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C)		(1,053.20)	892.25
Cash & Cash Equivalents as at the Beginning of the Year		1,674.50	782.25
Cash & Cash Equivalents as at the End of the Year		621.31	1,674.50
Cash & Cash Equivalents as at the End of the Year Includes			
Cash-on-Hand		175.44	224.68
Cheques/ drafts on hand		-	690.13
Balances with Banks:			
In Current Accounts		204.51	633.97
In Unpaid Dividend Account**		241.38	125.72
Cash and Cash Equivalents at the End of the Year (Refer Note 9)		621.32	1,674.50

Standalone Cash Flow Statement for the year ended 31st March,2019 (Cont.)**Change in liabilities arising from financing activities-**

	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

	1st April 2017	Cash Flow	Foreign exchange movement	31st March 2018
Borrowing - Current (Refer Note 15)	17,366.13	(807.28)	114.53	16,673.38
Borrowing - Non-Current (Refer Note 12)	4,152.21	(2,702.07)	-	1,450.13

* Amount Spent in Cash towards Corporate Social Responsibility is ₹ 196.46 lakhs (Previous year ₹ 108.46 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: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No-00058228

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

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024



BALASORE ALLOYS LIMITED

Statement of Changes in Equity for the year ended 31st March, 2019

(a) Equity share capital

	No. of Shares	Amount (` in Lacs)
Balance at the beginning of the reporting period i.e. 1st April, 2017	88,890,411	4,444.52
Changes in equity share capital	4,435,000	221.75
Balance at the end of reporting period i.e. 31st March, 2018	93,325,411	4,666.27
Changes in equity share capital	-	-
Balance as at 31 March, 2019	93,325,411	4,666.27

(b) Other Equity

Particulars	Reserves and Surplus							Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations	
AS ON 31ST MARCH 2018								
Balance at the beginning of the reporting period i.e. 1st April 2017	707.06	683.82	4,886.00	7,923.20	367.04	71,255.44	(66.94)	85,755.62
Total Comprehensive Income for the year	-	-	-	-	-	6,555.58	(20.09)	6,535.49
Transfer from/(to) retained earnings	-	-	-	-	(367.04)	367.04	-	-
Dividend	-	-	-	-	-	(666.69)	-	(666.69)
Tax on dividend	-	-	-	-	-	(135.72)	-	(135.72)
On issue of Shares	(230.31)	-	731.78	-	-	-	-	501.47
Balance at the end of reporting period i.e. 31st March, 2018	476.75	683.82	5,617.78	7,923.20	-	77,375.66	(87.03)	91,990.17

Particulars	Reserves and Surplus							Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations	
AS ON 31ST MARCH 2019								
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)	91,990.18
Total Comprehensive Income for the year	-	-	-	-	-	(2,915.68)	69.64	(2,846.04)
Transfer from/(to) retained earnings	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(699.94)	-	(699.94)
Tax on dividend	-	-	-	-	-	(143.87)	-	(143.87)
On issue of Shares	-	-	-	-	-	-	-	-
forfeiture of equity warrants	(476.75)	476.75	-	-	-	-	-	-
Balance at the end of reporting period 31st March, 2019	0.00	1,160.57	5,617.78	7,923.20	-	73,616.17	(17.39)	88,300.33

The accompanying notes form an integral part of 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: Kolkata

Date: 30th May, 2019

Anil Sureka

(Managing Director)

DIN No-00058228

For and on behalf of the Board of Directors

Nikunj Pansari

(Director - Finance & CFO)

DIN No-08023216

Trilochan Sharma

(Company Secretary)

Membership No- FCS 6024

Notes to the Standalone financial statements for the Year ended 31st March, 2019

1A. Corporate information

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

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

1B. Significant Accounting policies

(a) Basis of preparation

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) including the rules notified under the relevant provisions of the Companies Act, 2013.
- (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
- (iii) With effect from 1st April 2018, Ind AS 115 – “Revenue from Contracts with Customers” (Ind AS 115) supersedes Ind AS 18 – “Revenue” and related Appendices.

The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the company.

(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.



Notes to the Standalone financial statements for the Year ended 31st March, 2019

(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

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

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

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

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

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

(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

Notes to the Standalone financial statements for the Year ended 31st March,2019

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.

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



Notes to the Standalone financial statements for the Year ended 31st March, 2019

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.

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.

Notes to the Standalone financial statements for the Year ended 31st March, 2019

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 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



Notes to the Standalone financial statements for the Year ended 31st March, 2019

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.

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.

Notes to the Standalone financial statements for the Year ended 31st March,2019

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

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

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

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



Notes to the Standalone financial statements for the Year ended 31st March, 2019

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:

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

Notes to the Standalone financial statements for the Year ended 31st March, 2019

instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

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

(iv) Derecognition of financial instruments

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

(v) Offsetting

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

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

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

a) Decommissioning Liabilities

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

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

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

c) Recoverability of trade receivable

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

d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



Notes to the Standalone financial statements for the Year ended 31st March,2019

e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an

appropriate valuation model is used.

f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1D. Standards issued but not effective

On March 30,2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

a) Issue of Ind AS 116 - Leases

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases

Notes to the Standalone financial statements for the Year ended 31st March,2019

with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

2. Fixed Assets

(` in Lacs)

Description	Gross block				Depreciation/ amortisation				Net block	
	As at 1st April, 2018	Additions	Deductions/ Adjustments	As at 31st March, 2019	As at 1st April, 2018	For the year	Deductions/ Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Property , Plant & Equipment										
(i) Tangible assets										
Own assets:										
Freehold Land	403.06	14.41	-	417.47	-	-	-	-	417.47	403.06
Buildings	11,739.15	710.26	-	12,449.41	4,648.34	810.35	-	5,458.69	6,990.71	7,090.81
Plant and Machinery	34,381.80	2,335.43	-	36,717.23	15,809.47	1,263.40	-	17,072.87	19,644.36	18,572.33
Office Equipment	426.75	23.01	-	449.76	309.39	36.54	-	345.93	103.83	117.36
Furniture and Fixtures	528.73	6.85	-	535.58	279.78	32.18	-	311.96	223.62	248.95
Vehicles	1,926.74	145.42	45.43	2,026.73	579.68	232.50	29.33	782.85	1,243.88	1,347.06
Computer & Peripherals	472.50	14.80	-	487.30	348.90	56.15	-	405.05	82.25	123.60
Sub-Total	49,878.74	3,250.18	45.43	53,083.48	21,975.54	2,431.12	29.33	24,377.33	28,706.15	27,903.19
Leased assets:										
Leasehold Land	82.66	-	-	82.66	13.12	1.24	-	14.36	68.30	69.54
Mining Lease	85,279.23	-	-	85,279.23	30,011.11	322.70	-	30,333.81	54,945.42	55,268.12
Sub-Total	85,361.89	-	-	85,361.89	30,024.23	323.94	-	30,348.17	55,013.72	55,337.66
Total (i)	135,240.63	3,250.18	45.43	138,445.37	51,999.78	2,755.06	29.33	54,725.51	83,719.86	83,240.84
(ii) Intangible assets*										
Computer Software	1,306.15	7.36	-	1,313.51	696.89	210.36	-	907.25	406.25	609.26
Mines Development	3,209.61	321.54	-	3,531.15	679.85	239.74	-	919.59	2,611.56	2,529.76
Goodwill	11.27	-	-	11.27	3.38	2.14	-	5.52	5.75	7.89
Total (ii)	4,527.03	328.90	-	4,855.93	1,380.11	452.24	-	1,832.35	3,023.57	3,146.92
Total (i+ii)	139,767.66	3,579.08	45.43	143,301.30	53,379.89	3,207.30	29.33	56,557.86	86,743.43	86,387.76
Previous year	135,460.20	4,843.81	536.35	139,767.66	50,857.97	3,031.47	509.54	53,379.89	86,387.76	87,985.30
Capital work-in-progress									13,351.90	11,993.39

* Other than internally generated

Capital Work-in-progress include:

- i) ` 1,125.46 Lacs (` 1,012.75 Lacs) on account of project development expenditure.
- ii) ` 226.08 Lacs (` 515.79 Lacs) on account of cost of construction materials at site.

Project Development Expenditure (in respect of projects upto 31.03.2019, included under capital work in progress)

(` in lacs)

Particulars	2018-2019	2017-2018
Opening Balance	1,012.75	1,012.75
Add:		
Employee Benefit Expenses	112.71	-
Total	112.71	-
Less: Project Development Expenses capitalised during the year	-	-
Closing Balance	1,125.46	1,012.75

2.3 For Assets pledged as security - Refer note 12.2 & 15.1



Notes to the Standalone financial statements for the Year ended 31st March, 2019

3. Non-Current Investments

(` in Lacs)

	Non Current			
	Unit	As at 31st March, 2019	Unit	As at 31st March, 2018
A. Investment measured at Amortised cost				
(i) Investment in government securities				
6 years National Savings Certificates (Deposited with Government Departments)		0.95		0.95
(ii) Investment in Unquoted debentures				
9% Unsecured redeemable non-convertible debentures of ` 100 each fully paid-up in Krish Trexim Private Limited	1217200	1,217.20	1217200	1,217.20
Total of investment measured at Amortised cost (A= i+ii)		<u>1,218.15</u>		<u>1,218.15</u>
B. Investment measured at Fair value through Profit and Loss				
Unquoted equity shares				
(i) Investment in subsidiary				
Equity Shares of USD 100 each fully paid-up in Milton Holdings Limited	47351	-	47351	-
Equity Shares of USD 1 each fully paid-up in Balasore Metals Pte Limited [Full figure ` 54 (` 54)]	1	-	1	-
(ii) Investment in associate				
Equity Shares of ` 10 each fully paid-up in Balasore Energy Limited	17000	-	17000	-
(iii) Investment in Other				
Equity shares of ` 10 each fully paid-up in Facor Power Limited	3000000	-	3000000	-
(iv) Unquoted equity shares				
Equity shares of ` 10 each fully paid-up in Elephanta Gases Limited	300000	400.67	300000	404.60
(v) Unquoted mutual funds				
State Bank of India				
Dual Advantage Fund - Series- X			100000	11.89
Dual Advantage Fund - Series- XXVI	350000	36.57	350000	35.21
Dual Advantage Fund - Series- XXIII	200000	21.41	200000	20.53
Dual Advantage Fund - Series- XXIV	200000	21.15	200000	20.27
Dual Advantage Fund - Series- XXVIII	200000	21.04	200000	20.00
Dual Advantage Fund - Series- XXVII	200000	20.84	-	-
Dual Advantage Fund - Series- XXV	200000	20.82	200000	20.01
Total of Investment measured at Fair value through Profit and Loss (B= i to v)		<u>542.50</u>		<u>532.51</u>
Total (A + B)		<u>1,760.65</u>		<u>1,750.66</u>


Notes to the Standalone financial statements for the Year ended 31st March,2019
4. Loans
(Unsecured, considered good unless stated otherwise)

(` in Lacs)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Loans				
Body Corporates	-	-	1,746.68	1,746.89
Body Corporates - Related Parties (Refer Note 35)	-	-	1,508.72	1,097.69
Advance to Employees	-	-	67.72	96.76
	-	-	3,323.12	2,941.34

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

(` in Lacs)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Rent Deposit	-	-	46.25	108.03
Rent Deposits to Related Parties (Refer Note 35)	583.20	538.36	-	-
Other Deposit	-	-	0.80	0.76
Other Deposits to Related Parties (Refer Note 35)	227.26	275.55	-	-
Security Deposits	-	-	2,448.38	2,409.93
Derivative Asset	-	-	154.78	-
Interest Receivable on				
Bank Deposits	-	-	28.81	16.87
Long-term investments	-	-	98.59	98.59
Loans, Other Deposits	-	-	670.13	198.36
	810.46	813.91	3,447.74	2,832.54

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

(` in Lacs)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Capital advances				
Considered good	16,882.49	16,987.23	-	-
Considered doubtful	17.50	17.50	-	-
	16,899.99	17,004.73	-	-
Provision for doubtful advances	(17.50)	(17.50)	-	-
(A)	16,882.49	16,987.23	-	-
Advances towards supply/services/Expenses				
Considered good - Related Parties (Refer Note 35)	-	-	430.20	314.87
Considered good - Others	-	-	18,526.90	14,152.87
Considered doubtful - Others	-	-	614.64	614.64
	-	-	19,571.74	15,082.38
Provision for doubtful advances	-	-	(614.64)	(614.64)
(B)	-	-	18,957.10	14,467.74
Others				
Balances with statutory / government authorities	-	-	1,871.60	2,908.31
Export benefits receivables	-	-	452.25	585.10
Prepaid Expenses	-	-	340.47	240.68
(C)	-	-	2,664.32	3,734.09
Total (A to C)	16,882.49	16,987.23	21,621.42	18,201.83

Notes to the Standalone financial statements for the Year ended 31st March, 2019

7. Inventories

(` in Lacs)

	As at 31st March, 2019	As at 31st March, 2018
Raw materials and components [includes in transit and pledged ` 4,363.51 Lacs (Previous Year - ` 3,351.24 Lacs)]	12,230.73	13,936.55
Stores, Spares & Consumables	1,909.50	2,598.61
Finished goods	1,376.70	1,105.98
Stock under process	1,099.08	889.27
<u>At estimated net realisable value</u>		
Saleable Scraps	832.30	511.25
Total	17,448.31	19,041.66

7.1 Inventory given as security against borrowings Refer Note - 15.1

8. Trade Receivables

(Unsecured, considered good unless stated otherwise)

(` in Lacs)

	As at 31st March, 2019	As at 31st March, 2018
Other receivables	5,105.34	5,238.88
Considered doubtful	14.51	14.51
	5,119.85	5,253.39
Provision for doubtful receivables	(14.51)	(14.51)
Total	5,105.34	5,238.88

8.1 Trade Receivables are netted with Bill discounting of ` 2,236.46 lacs (Previous Year - ` 5,011.85 lacs)

9. Cash and Bank Balances

(` in lacs)

	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
Cash on hand	175.44	224.68
Balances with banks:		
In current accounts	204.51	633.97
In Deposit (Maturity of three months or less) #	1,377.60	878.72
In unpaid dividend account	241.38	125.72
Cheques on hand	-	690.13
(A)	1,998.93	2,553.22
Other bank balances		
Margin money deposit #	897.38	877.08
(B)	897.38	877.08
Less : Bank Overdraft	(C)	
	26.00	75.07
Total (A+B-C)	2,870.31	3,355.23

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


Notes to the Standalone financial statements for the Year ended 31st March,2019
10. Equity Share Capital

(` in Lacs)

Authorized Shares

Equity Shares of ` 5/- Each

200,000,000 (Previous Year -200,000,000)

As at 31st March,2019	As at 31st March,2018
10,000.00	10,000.00

Issued and Subscribed Shares

Equity Shares of ` 5/- Each

96,369,263 (Previous Year -96,369,263)

4,818.46	4,818.46
----------	----------

Paid-up Shares

Equity Shares of ` 5/- Each Fully Paid up

93,325,411 (Previous Year - 93,325,411)

4,666.27	4,666.27
----------	----------

Total	4,666.27	4,666.27
--------------	-----------------	-----------------

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

	As at 31st March 2019		As at 31st March 2018	
	No. in lacs	` in lacs	No. in lacs	` in lacs
At the beginning of the year	933.25	4,666.27	888.90	4,444.52
Issued during the year	-	-	44.35	221.75
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 2019		As at 31st March 2018	
	Numbers	% holding	Numbers	% holding
Goldline Tracom Private Limited	12,402,346	13.29%	12,402,346	13.29%
Jal Tarang Vanijya Private Limited	8,000,000	8.57%	8,000,000	8.57%
Navoday Highrise Private Limited	6,942,674	7.44%	6,942,674	7.44%
Global Steel Holdings Asia Pte. Limited	6,639,983	7.11%	6,639,983	7.11%
Prasan Global Ventures Singapore Pte. Limited	4,895,017	5.25%	4,895,017	5.25%

Notes to the Standalone financial statements for the Year ended 31st March, 2019

11. Other Equity

	(` in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve		
Capital investment subsidy (a)		
As per last Balance Sheet	41.96	41.96
Amount arisen on forfeiture of equity warrants		
As per last Balance Sheet	490.00	490.00
Add: Forfeited during the year	476.75	-
Closing Balance (b)	966.75	490.00
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	683.82
Securities Premium		
As per last Balance Sheet	5,617.78	4,886.00
Add : On issue of Shares	-	731.78
Closing Balance (d)	5,617.78	5,617.78
General Reserve		
As per last Balance Sheet	7,923.20	7,923.20
Closing Balance (e)	7,923.20	7,923.20
Debenture Redemption Reserve		
As per last Balance Sheet	-	367.04
Add : Transfer From/(to) Profit and Loss Account	-	(367.04)
Closing Balance (f)	-	-
Money Received Against Equity Share Warrants (g)		
As per last Balance Sheet	-	476.75
Closing Balance (g)	-	476.75
Other Comprehensive Income		
As per last Balance Sheet	(87.03)	(66.94)
Add : Movement in OCI (Net) during the year	69.64	(20.09)
Closing Balance (h)	(17.39)	(87.03)
RETAINED EARNINGS		
As per last Balance Sheet	77,375.65	71,255.44
Add: Profit/ (Loss) For The Year	(2,915.68)	6,555.58
	74,459.97	77,811.02
Less: Appropriations		
Transfer to General Reserve	-	-
Transfer (to)/from debenture redemption reserve	-	367.04
Dividend on Equity Shares [Dividend per Share ` 0.75 (Previous Year ` 0.75)]	(699.94)	(666.69)
Tax on dividend	(143.87)	(135.72)
	(843.81)	(435.37)
Closing Balance (i)	73,616.16	77,375.65
Total Other Equity (a to i)	88,300.32	91,990.17



Notes to the Standalone financial statements for the Year ended 31st March,2019

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.

12. Long-Term Borrowings

(` in Lacs)

	Non Current Position		Current Maturities	
	As at 31st March,2019	As at 31st March,2018	As at 31st March,2019	As at 31st March,2018
Sourced loan at amortised cost				
Deferred Payment Credits	170.68	527.76	467.09	482.38
Total (i)	170.68	527.76	467.09	482.38
Unsecured Loans - at amortised cost				
From Body Corporate	-	-	150.00	440.00
Total (ii)	-	-	150.00	440.00
Total (i+ii)	170.68	527.76	617.09	922.38

12.1 Repayment terms

(i) Deferred Payment Credits

For the Year ended 31st March, 2019

(` in Lacs)

Rate of Interest	Non-Current				Total	Current 2019-20
	2023-24	2022-23	2021-22	2020-21		
8.50%	-	-	3.03	13.42	16.45	-
9.20%	2.05	7.68	6.99	6.36	23.08	5.78
9.50%	-	-	2.16	4.11	6.27	3.73
9.65%	-	-	3.86	8.49	12.35	8.23
11.00%	-	-	-	-	-	127.01
11.03%	-	-	-	58.64	58.64	57.59
11.07%	-	-	4.61	-	4.61	24.35
11.50%	-	-	-	32.59	32.59	216.59
11.75%	-	-	-	16.68	16.68	23.24
12.75%	-	-	-	-	-	0.57
Total	2.05	7.68	20.66	140.29	170.68	467.09

Notes to the Standalone financial statements for the Year ended 31st March,2019

(ii) Unsecured Loans

For the Year ended 31st March 2019

Rate of Interest	Non-Current					Current
	2023-24	2022-23	2021-22	2020-21	Total	2019-20
15.00%	-	-	-	-	-	150.00
Total	-	-	-	-	-	150.00

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.

13. Deferred Tax Liabilities (net)

(` in Lacs)

	As at 31st March,2019	As at 31st March,2018
At Start of Year	2,878.63	1,786.89
Charge/(credit) to Statement of Profit and Loss	(96.00)	1,081.11
Charge to Other Comprehensive Income	37.40	10.63
	2,820.03	2,878.63

13.1. Refer Note -30 for component of Deferred Tax.

14. Provisions

(` in Lacs)

	Non Current Provisions		Current Provisions	
	As at 31st March,2019	As at 31st March,2018	As at 31st March,2019	As at 31st March,2018
Provision for Employee Benefits: (Refer Note 28)				
Gratuity	1,160.41	1,093.09	78.51	53.87
Superannuation	-	-	108.28	75.71
Compensated Absences	543.40	529.83	67.57	51.43
	1,703.81	1,622.92	254.36	181.01
Other Provisions For -				
Taxation (Net of Advance Taxes)	-	-	10,754.85	9,977.16
Site Restoration	204.71	166.03	-	-
Tax on Dividend	-	-	143.87	-
	204.71	166.03	10,898.72	9,977.16
Total	1,908.52	1,788.95	11,153.08	10,158.17

14.1 Provision for site restoration

(` in Lacs)

	As at 31st March,2019	As at 31st March 2018
At The Beginning Of The Year	166.03	127.36
Arisen During The Year	38.68	38.67
Utilized During The Year	-	-
At The End Of The Year	204.71	166.03
Non-Current Portion	204.71	166.03


Notes to the Standalone financial statements for the Year ended 31st March,2019
15. Short-Term Borrowings

	(` in Lacs)	
	As at 31st March,2019	As at 31st March,2018
A) Secured loans - at amortised cost		
Working capital loan		
From Bank-		
Ruppee loan	4,212.55	4,867.75
Foreign Currency loan	4,835.15	4,245.24
(A)	9,047.70	9,112.99
B) Unsecured loans - at amortised cost		
Loans from body corporates	1,620.00	1,850.00
(B)	1,620.00	1,850.00
Acceptances	(C) 6,374.37	5,710.39
Total	(A+B+C) 17,042.07	16,673.38

15.1. For the year ended 31st March 2019 -

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, Olifantt Resources Limited & Balasore Energy Limited. All the mortgages and charges created in favour of the Banks for Working Capital loans rank pari passu interse.

16 Trade Payables

	(` in Lacs)	
	As at 31st March,2019	As at 31st March,2018
Micro and Small Enterprises	45.55	4.52
Other than Micro and Small Enterprises	34,318.65	26,533.51
Total	34,364.20	26,538.03

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

Particulars	As at 31st March,2019	As at 31st March,2018
Principal Amount Due and Remaining Unpaid	45.55	4.52
Interest Due on Above and The Unpaid Interest	3.08	10.57
Interest Paid	-	-
Payment Made Beyond the Appointed Day During the Year	-	-
Interest Due and Payable for the Period of Delay	3.08	2.05
Interest Accrued and Remaining Unpaid	3.08	2.05
Amount of further interest remaining due and payable in succeeding years	3.08	10.57

Notes to the Standalone financial statements for the Year ended 31st March,2019

17 Other Financial Liabilities

	(` in Lacs)	
	As at 31st March,2019	As at 31st March,2018
Current Maturities of long term Debts (Refer Note 12)	617.09	922.38
Interest accrued but not due on borrowings	8.21	20.47
Interest accrued and due on borrowings	469.20	338.33
Creditors for Capital expenditure	1,184.09	1,762.77
Unpaid Dividend (Refer Note 17.1)	246.26	125.72
Claims Payable	1,071.82	973.17
Derivative Liabilities	-	163.29
Other (Refer Note 17.2)	2,201.18	2,127.73
Total	5,797.85	6,433.86

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

It includes ` 2,177.56 lacs (Previous Year- ` 2,104.11 lacs) payables against arrangement for procurement of raw materials.

18. Other liabilities

	(` in Lacs)	
	As at 31st March,2019	Current position As at 31st March,2018
Advance from customers	5,120.96	6,027.71
Statutory Dues	1,894.98	1,747.51
Other liabilities	126.21	113.99
Total	7,142.15	7,889.21

19. Revenue From Operations

	(` in Lacs)	
	2018-19	2017-18
Revenue from operations		
DISAGGREGATED REVENUE		
Sale of products		
Finished goods	121,755.55	120,079.70
Trading Sales	836.48	-
Saleable Scraps	629.00	769.76
Other operating revenue		
Export Benefits	2,269.01	1,710.46
Scrap sales	315.81	320.75
Revenue from operations	125,805.85	122,880.67


Notes to the Standalone financial statements for the Year ended 31st March,2019
20. Other Income

(` in Lacs)

	2018-19	2017-18
Interest income from financial assets at amortised cost		
Bank deposits	128.65	100.27
Loans	405.07	319.47
Others	158.16	157.83
Insurance Claims	225.25	19.10
Profit on sale of Property,Plant and Equipment	-	6.07
Gain on Financial Assets		
Realised	2.13	5.53
Unrealised	0.01	(2.80)
Unspent liabilities no longer required written back	174.02	324.15
Gain on Foreign Exchange Fluctuation (net)	-	2,219.27
Others	116.95	2,919.28
Total	1,210.25	6,068.17

21 Cost of Raw Materials Consumed

(` in Lacs)

	2018-19	2017-18
Inventory at the beginning of the year	13,936.55	16,680.76
Add: Purchases and other related expenses (including captive)	53,151.53	43,296.78
	67,088.08	59,977.54
Less: Inventory at the end of the period	12,230.73	13,936.55
Cost of raw materials consumed	54,857.35	46,040.99

a) Details of Raw Materials Consumed

(` in Lacs)

	2018-19	2017-18
Chrome Ore (including own generation/briquetted)	30,053.21	25,410.45
Coal and Coke etc.	19,791.69	16,096.83
Carbon Paste	1,252.93	926.73
Quartz	729.00	691.50
Magnesite	1,133.63	905.87
Dolomite	183.08	332.14
Others	1,713.81	1,677.46
Total	54,857.35	46,040.99

22. (Increase)/ decrease in Inventories

(` in Lacs)

	2018-19	2017-18
Inventories (At Close)		
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
Inventories (At Commencement)		
Stock under process	889.27	436.81
Finished goods	1,105.98	897.32
Saleable Scraps	521.07	489.00
	2,516.32	1,823.12
Less: (Increase)/decrease of excise duty on inventories	-	6.66
Total	(805.36)	(699.86)

Notes to the Standalone financial statements for the Year ended 31st March, 2019

23. Employee Benefits Expense

(` in Lacs)

	2018-19	2017-18
Salaries, wages and bonus	5,478.56	5,972.99
Contribution to provident and other funds	334.45	323.53
Gratuity expense	205.74	185.50
Staff welfare expenses	506.23	556.41
Total	6,524.98	7,038.43

24. Other Expenses

(` in Lacs)

	2018-19	2017-18
Consumption of stores and spares	3,142.66	3,327.56
Contract Labour Charges	2,894.16	2,798.57
Packing and Carriage charges	4,815.42	4,331.52
Rent & Hire Charges	1,412.90	1,001.72
Rates and taxes	105.35	76.47
Insurance	190.94	169.46
Repairs and maintenance		
Plant and machinery	1,299.88	1,505.00
Buildings	117.43	99.87
Others	81.87	336.38
Commission on Sales (other than sole selling agent)	765.51	227.42
Travelling and conveyance	1,136.70	1,450.23
Charity and Donations	24.97	15.04
Communication costs	240.03	208.88
Legal and professional fees	1,937.20	3,482.73
Directors' sitting fees	51.10	56.94
Payment to Auditors:		
Audit fee	109.80	99.79
Certification Fees	15.00	15.00
Corporate Social Responsibility Expenses (Refer note 24.1)	196.46	108.46
Site Development Expenses	174.76	143.54
Loss on Foreign Exchange Fluctuation (net)	2,848.99	-
Bad debts / advances written off	22.98	12.56
Provision for doubtful debts and advances	-	17.50
Loss on sale/Discard of Property, Plant and Equipment (Net)	2.86	-
Miscellaneous expenses	1,372.20	1,523.42
Total	22,959.17	21,008.06

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 ` 184.36 lacs (Previous year ` 146.08 lacs)

b) Expenditure related to Corporate Social Responsibility Expenses is ` 196.46 lacs (Previous year ` 108.46 lacs)

Details of Amount spent towards CSR given below :

	2018-19	2017-18
Particulars		
Rural Development (Infrastructure Development)	24.68	48.23
Swachha Bharat Mission	52.70	16.79
Environment Protection & Development	11.77	2.14
Youth Development	2.91	2.35
Supply of Safe Drinking Water	39.64	4.28
Education Development	12.97	8.06
Health Promotion	12.58	1.63
Tribal Development	-	7.88
Eradication of Hunger	0.11	0.35
Women empowerment	2.12	6.83
Community relation	36.98	9.92
Total	196.46	108.46


Notes to the Standalone financial statements for the Year ended 31st March, 2019
25. Depreciation & Amortization Expenses

(` in Lacs)

	2018-19	2017-18
Depreciation of tangible assets	2,755.06	2,660.38
Amortization of intangible assets	452.24	371.09
Total	3,207.30	3,031.47

26. Finance Costs

	2018-19	2017-18
Interest		
- To Banks [Net of recoveries from customers ` 84.32 lacs (` 83.53 lacs)]	851.56	1,355.52
- To Others	3,111.46	2,782.09
Other borrowing cost	419.60	469.61
Exchange difference to the extent considered as an adjustment to borrowing costs	37.21	7.94
Total	4,419.83	4,615.16

27. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

(All amounts ₹ in lacs unless otherwise stated)

	31st March, 2019	31st March, 2018
Profit/(Loss) attributable to equity holders for basic earnings:	(2,846.04)	6,535.49
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	(2,846.04)	6,535.49

ii. Weighted average number of ordinary shares

	31st March, 2019	31st March, 2018
Present Weighted Average Equity Shares (In Numbers) for Basic EPS	93,325,411	88,914,712
Equivalent Weighted Average Equity Shares to be allotted against share warrant (In Numbers)	-	8,565,000
Weighted average number of shares at 31st March, for Diluted EPS	93,325,411	97,479,712

Basic and Diluted earnings per share

	31st March, 2019	31st March, 2018
	INR	INR
Basic earnings per share	(3.05)	7.35
Diluted earnings per share	(3.05)	6.70

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.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

	₹ In lacs	
	31st March, 2019	31st March, 2018
Charge to the Statement of Profit and Loss based on contributions:		
Employer's Contribution to Provident fund	234.63	255.19
Employer's Contribution to Supperannuation Fund	32.57	25.14
Employer's Contribution to ESIC	14.66	15.99

Notes to the Standalone financial statements for the Year ended 31st March, 2019

(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, 2019. 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, 2019	31st March, 2018
		Gratuity (Funded plan)	Gratuity (Funded plan)
(i) <u>Change in Defined Benefit Obligation</u>			
Opening defined benefit obligation		1,260.82	1,097.26
<i>Amount recognised in profit and loss</i>			
Current service cost		111.20	117.80
Interest cost		95.00	77.24
<i>Amount recognised in other comprehensive income</i>			
Actuarial loss / (gain) arising from:			
Financial assumptions		32.66	(42.62)
Experience adjustment		(140.00)	80.65
<i>Other</i>			
Benefits paid		(30.41)	(69.51)
Closing defined benefit obligation		1,329.27	1,260.82
(ii) <u>Change in Fair Value of Assets</u>			
Opening fair value of plan assets		113.48	165.92
Adjustment to Opening Fair Value of Plan Asset		-	-
<i>Amount recognised in profit and loss</i>			
Interest income On Plan Asset		1.90	9.54
<i>Amount recognised in other comprehensive income</i>			
Actuarial gain / (loss)			
Excess/(insufficient) return on plan asset (excluding interest income)		-	7.31
<i>Other</i>			
Contributions by employer		5.68	0.22
Benefits paid		(30.41)	(69.51)
Closing fair value of plan assets		90.65	113.48
(iii) <u>Plan assets comprise the following</u>			
Investments with insurer (100%)		90.65	113.48
		90.65	113.48
(iv) <u>Principal actuarial assumptions used</u>			
Discount rate		7.34%	7.62%
Mortality rate	(2006-08) Ultimate	(2006-08) Ultimate	
Rate of escalation in salary (per annum)		10%	10%
Expected Return on Plan Assets (per annum)		7.34%	7.62%
Employee Attrition Rate			
Upto Age 40		4.2	4.2
Age 40 to 54		1.8	1.8
Age 55 to 57		2.2	2.2


Notes to the Standalone financial statements for the Year ended 31st March, 2019
Employee benefits contd...
Defined Benefit Plan

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

₹ In lacs

	31st March, 2019	31st March, 2018
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
Current service cost	111.20	117.80
Interest cost on net DBO	93.10	67.70
Employee Benefit Cost Of The Period	204.30	185.50
Actual return on plan assets	1.90	16.85

(vi) Reconciliation of fair value of Assets and Obligations

	31st March, 2019	31st March, 2018
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
Fairvalue of Plan Assets	90.65	113.48
Present value of Obligation	1,329.27	1,260.82
Amount recognised in Balance Sheet (Surplus/(Deficit))	(1,238.62)	(1,147.34)

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, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(110.72)	128.28	(110.67)	127.79
Employee turnover (50% movement)	(2.17)	2.81	(2.36)	2.41
Salary Escalation (1% Movement)	123.76	(109.14)	123.61	(109.36)

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	1st Year	2 to 5 Years	6 to 10 years	More than 10 Years	₹ In lacs Total
31st March, 2019					
Defined benefit obligations (Gratuity)	81.34	358.32	813.00	1,738.13	2,990.79
Total	81.34	358.32	813.00	1,738.13	2,990.79

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 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 610.97 lakhs (Previous Year: ₹ 581.24 lakhs).

Notes to the Standalone financial statements for the Year ended 31st March, 2019

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	
	2019-20	2020-21
Rental Payment Schedule	154.77	22.12

(ii) Amount recognised in profit & loss account

Particulars	₹ In lacs	
	2018-19	2017-18
Rent & Hire Charges	1,412.90	1,001.72

30. Deferred Tax Disclosure

(a) Movement in deferred tax balances

	₹ In lacs				
	Balance 31st March, 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)

(b) Movement in deferred tax balances

	₹ In lacs				
	Balance 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability) As at 31st March, 2018
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,196.04)	(961.36)	-	-	(4,157.40)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	803.55	(400.25)	-	-	403.30
Other disallowance under Income Tax Act, 1961	605.60	269.87	-	-	875.47
Tax assets (Liabilities)	(1,786.89)	(1,091.74)	-	-	(2,878.63)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.


Notes to the Standalone financial statements for the Year ended 31st March, 2019
31. Tax Reconciliation
(a) Income tax recognised in the Statement of Profit & Loss

₹ In lacs

Particular	For the year ended	
	31st March, 2019	31st March, 2018
Current Tax	-	3,229.72
Deferred Tax	(96.00)	1,102.38
Prior year Tax	(269.90)	(82.32)
Total tax expense recognised in the current year	(365.90)	4,249.79

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:-

₹ In lacs

Particular	For the year ended	
	31st March, 2019	31st March, 2018
Profit before tax	(3,281.58)	10,805.37
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)	(1,146.72)	3,739.52
Tax effect of:		
Fair value of investment	-	-
Expenses deductible for tax purposes (Restricted to above)	(1,200.77)	(2,158.50)
Expenses not deductible for tax purposes	1,780.06	1,638.07
Other	1.21	10.64
Current Tax Provision	(566.22)	3,229.72

32. Financial instruments – Fair values and risk management
i. 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, 2019						
	Carrying amount				Fair value		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets							
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	-	-	-
Current Financial assets							
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	-	-	3,292.96	3,292.96	-	-	-
Derivative Asset	-	-	154.78	154.78	-	-	-
Total Financial Assets	542.50	-	16,775.12	17,317.62	141.83	-	400.67

Notes to the Standalone financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (Cont.)

₹ In lacs

At 31st March, 2019

	Carrying amount				Fair value		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
Non Current Financial liabilities							
Deferred Payment Credits	-	-	170.68	170.68	-	-	-
Current Financial liabilities							
Working capital loan	-	-	9,047.70	9,047.70	-	-	-
Acceptances	-	-	6,374.37	6,374.37	-	-	-
Trade Payable	-	-	34,364.20	34,364.20	-	-	-
Other financial liabilities	-	-	7,417.85	7,417.85	-	-	-
Derivative Liabilities	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	57,374.80	57,374.80	-	-	-

₹ In lacs

At 31st March, 2018

	Carrying amount				Fair value		
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets							
Investment in Equity Instrument	404.60	-	-	404.60	-	-	404.60
Investment in Mutual Funds	127.91	-	-	127.91	127.91	-	-
Investment in Government Securities	-	-	0.95	0.95	-	-	-
Investment in Debentures	-	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	-	538.36	538.36	-	-	-
Other Deposit	-	-	275.55	275.55	-	-	-
Current Financial assets							
Trade Receivables	-	-	5,238.88	5,238.88	-	-	-
Cash and Bank Balances	-	-	3,355.23	3,355.23	-	-	-
Loans & Advances	-	-	2,941.34	2,941.34	-	-	-
Other Current Asset	-	-	2,832.54	2,832.54	-	-	-
Total Financial Assets	532.51	-	16,400.05	16,932.56	127.91	-	404.60

Non Current Financial liabilities

Deferred Payment Credits	-	-	527.76	527.76	-	-	-
Current Financial liabilities							
Working capital loan	-	-	9,112.99	9,112.99	-	-	-
Acceptances	-	-	5,710.39	5,710.39	-	-	-
Trade Payable	-	-	26,538.04	26,538.04	-	-	-
Other financial liabilities	-	-	8,120.57	8,120.57	-	-	-
Derivative Liabilities	-	-	163.29	163.29	-	-	-
Total Financial Liabilities	-	-	50,173.03	50,173.03	-	-	-


Notes to the Standalone financial statements for the Year ended 31st March,2019
32. Financial instruments – Fair values and risk management (Cont.)
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:

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortised cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Fair value of the non-current borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Forward contracts & Options	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract	Foreign Exchange Spot and Forward Rates, Yield curve of respective currencies, currency basis spreads etc..
Unquoted equity shares	Adjusted NAV (Net Asset Value) method. 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	2018-19	2017-18
Opening Balance	404.60	405.06
Net change in fair value (unrealized)	(3.93)	(0.46)
Closing Balance	400.67	404.60
Line item in which gain is recognised	Other Income - Gain on Financial Assets - (3.93) unrealised	Other Income - Gain on Financial Assets - (0.46) 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

Notes to the Standalone financial statements for the Year ended 31st March, 2019**32. Financial instruments – Fair values and risk management (Cont.)****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 ₹ 17,317.62 lacs and ₹ 16,932.56 as at 31st March, 2019 and 31st March, 2018 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, 2019, 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, 2019 and March 31, 2018:

Particulars	₹ In lacs	
	As at 31st March, 2019	As at 31st March, 2018
- More than six months	2,374.68	2,178.78
- Less than six months	2,730.66	3,060.10
Total	5,105.34	5,238.88

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experience does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.


Notes to the Standalone financial statements for the Year ended 31st March,2019
32. Financial instruments – Fair values and risk management (Cont.)
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, 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	-	-	-
Total non-derivative liabilities	18,307.25	18,365.29	18,183.39	179.81	2.09	-
Derivative financial liabilities	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

31st March, 2018	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*	1,010.14	1,140.77	571.17	569.60	-	-
Short Term Loans	17,472.19	17,472.19	17,472.19	-	-	-
Total non-derivative liabilities	18,482.33	18,612.96	18,043.36	569.60	-	-
Derivative financial liabilities	163.29	163.29	163.29	-	-	-
Total derivative liabilities	163.29	163.29	163.29	-	-	-

*Includes current maturities

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its Trade receivables, Trade & other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31st March, 2019

Category	Instrument	Currency	Cross Currency	Amounts In lacs	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 120	Buy

Notes to the Standalone financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (Cont.)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2019 & 31st March, 2018 are as below

		31st March, 2019			
		USD	GBP	JPY	Others
Financial liabilities					
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
Financial assets					
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	-	0.01

		31st March, 2018			
		USD	GBP	JPY	Others
Financial liabilities					
Short term borrowings	(A)	64.42	-	-	-
Trade and other payables		27.53	0.69	18.30	0.02
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	27.53	0.69	18.30	0.02
Total	(C)= (A+B)	91.95	0.69	18.30	0.02
Financial assets					
Current Assets					
Trade receivables		58.18	-	-	-
Less: Forward currency contract		900.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Cash & Cash equivalents	(E)	0.49	-	-	0.01
Total	(F)=(D+E)	0.49	-	-	0.01
Net exposure	(C-F)	91.46	0.69	18.30	0.01

The following significant exchange rates have been applied during the year-:

	Average rate in ₹		Year-end spot rate in ₹	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
USD	67.17	64.66	69.93	64.40
GBP	91.14	85.88	91.96	90.32
JPY	-	0.59	-	0.60

GBP is Great Britain Pound which is used in UK.

JPY is Japanese Yen which is used in Japan

Other currencies includes RMB (Renminbi) which is used in China & 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.


Notes to the Standalone financial statements for the Year ended 31st March, 2019
32. Financial instruments – Fair values and risk management (Cont.)

₹ In lacs

Effect in INR
31st March, 2019
3% movement
 USD
 GBP
 Others
Total

Profit or loss	
Strengthening	Weakening
(2.89)	2.89
(0.04)	0.04
(0.00)	0.00
(2.93)	2.93

Effect in INR
31st March, 2018
3% movement
 USD
 GBP
 JPY
 Others
Total

Profit or loss	
Strengthening	Weakening
(2.74)	2.74
(0.02)	0.02
(0.55)	0.55
(0.00)	0.00
(3.31)	3.31

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

Fixed-rate instruments

Financial liabilities

31st March, 2019	31st March, 2018
2,407.77	3,300.14
2,407.77	3,300.14

Variable-rate instruments

Financial liabilities

15,422.07	14,823.38
15,422.07	14,823.38
17,829.84	18,123.52

Total
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 INDAS 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.

Notes to the Standalone financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (Cont.)

₹ In lacs

INR	Profit or loss	
	100bp increase	100 bp decrease
31st March, 2019		
Variable-rate instruments	(154.22)	154.22
Cash flow sensitivity (net)	(154.22)	154.22
31st March, 2018		
Variable-rate instruments	(148.23)	148.23
Cash flow sensitivity (net)	(148.23)	148.23

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, 2019 was as follows.

	₹ In lacs	
	As at 31st March, 2019	As at 31st March, 2018
Total liabilities	18,307.25	18,482.33
Less : Cash and cash equivalent	2,870.31	3,355.23
Adjusted net debt	15,436.94	15,127.10
Total equity	92,966.59	96,656.44
Adjusted equity	92,966.59	96,656.44
Adjusted net debt to adjusted equity ratio	0.17	0.16

34. Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organization

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, 2019	For the year ended 31st March, 2018
Domestic Revenues (Including Excise Duty)	25,910.16	23,765.94
Overseas Revenues (Including Export Benefits)	99,895.69	99,114.73

C. Information about major customers

Revenue from major customers of the Company was ₹ 55,555.34 lacs is 44.97% of total sales (₹ 22,476.11 lacs is 18.29% of total sales)

D. Broad Category of Sales

Company deals mainly in Ferro Chrome.



Notes to the Standalone financial statements for the Year ended 31st March,2019

35. RELATED PARTY DISCLOSURE AS PER IND-AS - 24

A. List of Related Parties over which control exists

(i) Subsidiaries

Milton Holding Limited
Balasore Metals Pte.Limited
Balasore Alloys Nigeria Ltd. (upto- 08.03.2019)

B. Name of the associates with whom transactions were carried out during the year

(i) Associate

Balasore Energy Limited

C. Name of the key management personnel and their relatives with whom transactions were carried out during the year.

(i) Key Management Personnel

Mr. Pramod Mittal (Chairman upto- 22.08.2017)
Mr. Anil Sureka (Managing Director)
Mr. R.K. Parakh (Whole time Director) (upto- 30.06.2017)
Mr. G. Janarthanam (Whole time Director) (upto- 06.03.2018)
Mr. Nikunj Pansari (Whole time Director) (wef- 14.12.2017 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) (wef- 14.12.2017)

(ii) Enterprises over which Key Management Personnel and their Relatives are able to exercise significant influence *

Navdisha Real Estate Pvt.Ltd.
Gonterman-Pipers(India)Ltd.
Shakti Chrome Ltd.
Olifant Resources Limited (Formerly known as Ispat Minerals Limited)
Ispat Profile India Ltd.
Ispat Corp Pvt. Ltd.
Global Steel Holding Asia Pte.Ltd.
Direct Trading and Investment Singapore Pte.Ltd.
Prasan Global Ventures Singapore Pte.Ltd.

* The parties stated above are related parties in the broader sense of the term and are included for making the financial statements more transparent

Notes to the Standalone financial statements for the Year ended 31st March, 2019

D. Transactions during the year:-

Particulars	Transaction values during the year ended 31st March		Balances outstanding as at 31st March	
	2019	2018	2019	2018
Interest income				
Gontermann Peipers (India) Ltd.	254.93	155.55	387.47	158.04
Sale of good and services				
Gontermann Peipers (India) Ltd.	-	-	83.09	83.09
Rent				
Navdisha Real Estate Private Limited	110.40	110.68	132.83	159.28
Managerial Remuneration				
Mr. Anil Sureka	170.67	185.88	-	-
Mr. R.K. Parakh	-	51.85	-	-
Mr. G. Janarthanam	-	71.26	-	-
Mr. Nikunj Pansari	84.00	19.03	-	-
Mr. Dhiren K Nath	37.88	11.15	-	-
Mrs. Mita Jha	21.76	64.19	-	-
Interest Expense				
Ispat Corp Pvt. Ltd.	150.00	150.00	445.32	310.32
Loans given				
Ispat Profile India Ltd.	-	-	-	NIL*
Mr. Nikunj Pansari	-	12.00	-	8.00
Mrs. Mita Jha	-	1.71	-	1.71
Gontermann Peipers (India) Ltd.	411.03	533.69	1,508.72	1,097.69
Advance given				
Olifant Resources Limited	31.00	155.59	186.59	155.59
Shakti Chrome Ltd	110.79	-	110.79	-
Loan Repaid				
Mr. Nikunj Pansari	8.00	4.00	-	-
Mrs. Mita Jha	1.71	-	-	-
Deposit Given				
Navdisha Real Estate Private Limited	-	50.00	851.50	851.50
Subscription of share Capital Including Premium (Conversion)				
Global steel Holding Asia Pte. Ltd.	-	804.09	-	-
Prasan Global Ventures Singapore Pte Ltd.	-	149.43	-	-
Money received against share warrant (including forex gain/loss)				
Global steel Holding Asia Pte. Ltd.	-	605.44	-	0.94
Prasan Global Ventures Singapore Pte Ltd.	-	115.35	-	270.14
Direct Trading & Investments Singapore Pte. Ltd.	-	2.43	-	205.67
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				
Ispat Corp Pvt. Ltd.	-	-	1,000.00	1,000.00
Guarantee Given				
Shakti Chrome Ltd.	-	-	217.90	262.19
Olifant Resources Limited	-	-	120.67	93.59
Guarantee Taken				
Mr. Pramod Mittal	-	-	Refer Note 35.1	
Mrs. Vartika Mittal Goenka	-	-		
Shakti Chrome Ltd.	-	-	Refer Note 35.2	
Olifant Resources Limited	-	-		
Balasore Energy Limited	-	-		

* Refer Note 40

All working capital loan/Non convertible debenture are guaranteed by personal guarantee of mentioned personnel.

All working capital loan is guaranteed by corporate guarantee of mentioned entities.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.


Notes to the Standalone financial statements for the Year ended 31st March, 2019
36 CONTINGENT LIABILITIES AND COMMITMENTS

(All amounts in ₹ lacs unless otherwise stated)

		As at 31st March, 2019	As at 31st March, 2018
I)	Contingent Liabilities (not provided for in respect of)		
a)	Sales tax matters under appeal Amount paid under appeal ₹ 25.17 lacs (31st March 2018- ₹ 25.17 lacs)	465.43	468.77
b)	Entry tax matters Amount paid under appeal ₹ 1.22 lacs (31st March 2018- ₹ 43.07 lacs)	99.06	245.43
c)	Excise / Service tax matters Amount paid under appeal ₹ 50.11 lacs (31st March 2018- ₹ 43.56 lacs)	1,243.88	1,234.49
d)	Un-expired Bank Guarantees and Letters of Credit	3,876.85	4,545.25
e)	Bills discounted with Banks	2,236.46	5,011.85
f)	Guarantee given to financial institutions on behalf of others	338.57	355.78
	*In respect of above cases based on favourable decisions in similar cases and discussion with legal counsels the management is of the opinion that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
II)	Other Commitments		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,287.50	2,414.13
b)	Unpaid capital of wholly owned subsidiary Balasore Alloys Nigeria Limited	-	19.80
c)	Unpaid registration fees and stamp duty of New Mining Lease Deed.	1,834.51	1,834.51

37 The Income-Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand up to the said assessment years is ₹ 659.84 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

38 A revised demand notice dated 11th April, 2018 has been issued by Deputy Director of Mines, 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. The Revision Application is pending before the Mines Tribunal for final disposal.

Based on the opinion of external legal counsel, the company believes that, the demand is legally unjustifiable and does not expect any liability in above matter.

39 The State Trading Corporation of India on 13th May, 2015 through the Ministry of Commerce and Industry has recorded a statement on the floor of the Rajya Sabha that a sum of ₹ 5,855 Lacs is recoverable from the Company as on 31st March, 2015. The alleged demand is very much disputed by the Company and is the subject matter for ascertainment by the Hon'ble Arbitral Tribunal consisting of two Hon'ble Retired Judges of Hon'ble Supreme Court and one Hon'ble Retired Judge of Hon'ble Calcutta High Court. Pursuant to order dated 23rd March 2017 by Hon'ble Arbitral Tribunal which is passed without prejudice to the rights and contentions of the parties and subject to further adjustment about the final amount to be paid (if any), the Company 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.

The Arbitral Proceeding is still going on before the Arbitral Tribunal for the final adjudication of the matter.

Notes to the Standalone financial statements for the Year ended 31st March, 2019

- 40 The Company being one of the Promoter of Ispat Profile India Limited (IPIL), has given an interest bearing loan of ₹ 2,267 Lacs to IPIL in Past, to facilitate the one time settlement of outstanding dues of IPIL with its some of the common lenders, so that Company can get working capital limits for its operation and financial facilities for its ongoing projects, growth and expansion plans. IPIL has submitted revival plan to Hon'ble Kolkata High Court which is pending for approval. Company based on conservative approach, written off the said loan along with its accumulated interest aggregating to ₹ 2,661.81 lacs and shown as an exceptional item in year ended 31st March, 2018.
- 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, 2019 company has incurred cost of ₹ 9,520.90 lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,961.36 lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project. A significant part of the project cost would be financed through long term borrowings. Pending financial closure, some cost has been incurred during the year. Management is confident of achieving the financial closure for the project and revitalise the project activities and therefore, no adjustments to the carrying value of capital work in progress and advances relating to project is considered.
- 42 In past company had given advance of ₹ 3,683.58 lacs to a vendor for supply of raw material which later on gone into dispute and ultimately refund of amount was to be done by the vendor based on memorandum of understanding entered between parties. However during the year Vendor company has been admitted under Insolvency and Bankruptcy Code 2016 by National Company Law Tribunal and the company has filed its claim to the Resolution Professional (RP) and which has also been admitted by RP. Extent of amount that would be realized will depend upon outcome of resolution proceedings which at present is not ascertainable. On Account of the uncertainty in realization, company based on prudence has written off the advance and shown as an exceptional item.
- 43 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, 2019 (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, 2019 (Refer Note 3).
 IV) Guarantee given by the company as at 31st March, 2019 (Refer Note 36).
- 44 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.
- 45 **Subsequent Events**
 The Board of Directors have recommended dividend of ₹ 0.40 per fully paid up equity share of ₹ 5/- each, aggregating ₹ 847.83 lacs, including ₹ 147.89 lacs dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on 31st March, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.
- 46 **Approval of Financial Statement**
 The financial statements were approved for issue by the board of directors on May 30, 2019

As per our report of even date

For Chaturvedi & Shah LLP

Firm Registration Number: 101720W / W100355

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

Trilochan Sharma

(Company Secretary)

Membership No- FCS 6024

Place: Kolkata

Date: 30th May, 2019



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, 2019, 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, 2019, 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

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, financial tie-ups has been delayed in past and may further delay, but the company is confident that it would be able to tie-up the requisite finance and implement the project in due course. Hence, no adjustments have been carried out for carrying value of capital work in progress of ₹ 9,520.90 lacs and the advances to vendor of ₹ 15,961.36 lacs at this stage.

Our opinion 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, 2019. 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	Contingent Liabilities: (Refer Note 36 to 39 of Consolidated Financial Statements)	
	<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/judgement/estimation of contingent liabilities includes the following:</p> <ul style="list-style-type: none"> • 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; • Meeting company's legal team to understand the ongoing and potential legal/tax matters impacting the company. • 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. • Understanding relevant historical judgments set in the similar cases as well as reading legal opinions from external lawyers/experts, when obtained by the management; • Performed the substantive procedures on the underlying calculations for the provisions recorded for completeness and accuracy. • Reviewing the accounting and disclosure of legal exposures. <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	Advances towards Supply/Services: (Refer Note 6 of Consolidated Financial Statements)	
	<p>Company regularly, make advance payments to vendors for securing the timely supply of materials and services. The terms of the supply/service contracts and the supply schedules varies for individual contract. When advances are long overdue, provisions/writeoff are made by managements, based on it's assessment of counterparty solvency, liquidity position and evaluation of the capability of the future performance which can be highly subjective and involves significant degree of management judgement. For the said reasons , , we identified this area as key audit matter.</p>	<p>Our audit procedures with respect to advances and it's impairment includes:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the company's key controls over the processes of authorisation of advances for supply of material/services and tracking of receipt of the same as per agreement. • Reviewing ageing of advances. • Conducting discussions with the management and it's assessment of the recoverability of advance or future delivery of the goods/services by the vendors where balances are still pending to be adjusted for substantial period. Reviewing the adequacy of the impairment provisions made by management. • Circulating and obtaining independent confirmations from parties on the outstanding balances on sample basis. Testing the reconciliation, if any between the balances confirmed by party and balance in the books. <p>The results of our testing of confirmations floated and other test as described above, were satisfactory.</p>



Sr. No.	Key Audit Matters	How our audit addressed the Key Audit Matter
3	Revenue Recognition (Refer note 19 and Para 1B(m) of the significant accounting policies of Consolidated Financial Statements)	
	<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. 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"> • Obtaining an understanding of an assessing the design, implementation and operating effectiveness of the Company's key internal controls over the revenue recognition process. • Examination of significant contracts entered into close to year end to ensure revenue recognition is made in correct period. • 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. • Assessing the adequacy of Company's disclosure in accordance with requirements of Ind AS 115. <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 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 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, 2019 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 ₹ 47.95 lacs as at March 31, 2019 and total revenues of ₹ 388.84 lacs and net cash inflows of ₹ 0.95 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, 2019 as considered in the consolidated financial statements, in respect of one associate, whose financial statement has not been audited by us. This financial statement have been audited by other auditor whose report has been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of an associate 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 , 2019 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 , 2019, 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.
- 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, 2019 has been paid/provided by the Holding Company to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act, except ` 41.44 lacs for remuneration paid in excess to Key management personnel which is subject to shareholders approval in the ensuing annual general meeting of the Holding Company.
- 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, 2019.

For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration no. 101720W/W100355)

Amit Chaturvedi
Partner
Membership No.: 103141

Place : Kolkata
Date : May 30, 2019



**“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 (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of **Balasore Alloys Limited** as of and for the year ended March 31, 2019, 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, 2019, 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. 101720W/W100355)

Amit Chaturvedi

Partner

Membership No.: 103141

Place : Kolkata

Date : May 30, 2019



BALASORE ALLOYS LIMITED

Consolidated Balance Sheet as at 31st March, 2019

		(` in Lacs)	
	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	2	83,719.86	83,240.85
Intangible Assets	2	3,023.57	3,146.91
Capital Work-in-Progress	2	13,351.90	11,993.39
Financial Asset			
Investments in Associates	3	-	-
Investments in Other	3	1,760.65	1,752.36
Others	5	810.46	813.91
Other Assets	6	16,882.49	16,987.23
Total Non-Current Assets		119,548.93	117,934.65
Current Assets			
Inventories	7	17,448.31	19,224.30
Financial Assets			
Trade Receivables	8	5,105.34	5,238.88
Cash and Bank Balances	9	2,872.11	3,356.09
Loans	4	3,323.12	2,941.33
Other Financial Assets	5	3,447.74	2,832.54
Other Assets	6	21,667.57	18,359.17
Total Current Assets		53,864.19	51,952.31
Total Assets		173,413.12	169,886.96
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	4,666.27	4,666.27
Other Equity	11	88,216.93	91,860.61
Total Equity		92,883.20	96,526.88
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	12	170.68	527.76
Deferred Tax Liabilities (net)	13	2,820.03	2,878.63
Provisions	14	1,908.52	1,788.95
Total Non-Current Liabilities		4,899.23	5,195.34
Current Liabilities			
Financial Liabilities			
Borrowings	15	17,042.07	16,673.38
Trade Payables Due to :			
Micro and Small Enterprises	16	45.55	4.52
Other Than Micro and Small Enterprises	16	34,368.14	26,627.08
Other Financial Liabilities	17	5,797.85	6,433.86
Other Liabilities	18	7,224.00	8,267.73
Provisions	14	11,153.08	10,158.17
Total Current Liabilities		75,630.69	68,164.74
Total Equity and Liabilities		173,413.12	169,886.96

Significant Accounting Policies

Notes on Financial Statements

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: Kolkata

Date: 30th May, 2019

Anil Sureka

(Managing Director)

DIN No-00058228

Trilochan Sharma

(Company Secretary)

Membership No- FCS 6024

Nikunj Pansari

(Director - Finance & CFO)

DIN No-08023216

For and on behalf of the Board of Directors

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2019

		(` in Lacs)	
	Notes	2018-19	2017-18
INCOME			
Revenue From Operations	19	126,143.66	122,880.67
Other Income	20	1,213.96	6,068.17
Total Revenue (I)		127,357.62	128,948.84
EXPENSES:			
Cost of Raw Materials Consumed	21	54,857.35	46,040.99
Purchase of Stock-in-Trade		818.10	182.46
Excise Duty		-	1,846.38
(Increase)/ Decrease in Inventories	22	(616.39)	(882.31)
Power		34,632.73	32,601.04
Employee Benefit Expenses	23	6,524.98	7,038.43
Other Expenses	24	23,070.38	24,158.12
Depreciation & Amortization expenses	25	3,207.30	3,031.47
Finance Costs	26	4,420.03	4,616.38
Total (II)		126,914.48	118,632.96
Profit Before Exceptional Item (III)		443.14	10,315.88
Exceptional Items (Refer Note- 42)		3,683.58	2,661.81
Profit Before Taxes (IV)		(3,240.44)	7,654.07
Tax Expenses			
Current Tax		-	3,229.72
Deferred Tax Charge		(96.00)	1,102.38
Taxation Expenses of Earlier Years		(269.90)	(82.32)
Total Tax Expenses (V)		(365.90)	4,249.78
Profit For the Year [(IV) – (V)]		(2,874.54)	3,404.29
Other Comprehensive Income :			
i. Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of post employment benefit obligations		107.04	(30.72)
Income tax relating to item that will not be reclassified to Profit or Loss		(37.40)	10.63
Total Other Comprehensive Income/ (Loss) For the Year		69.64	(20.09)
Total Comprehensive Income For the Year		(2,804.90)	3,384.20
Earnings Per Equity Share (Nominal Value of Share ` 5/-)			
Basic EPS (`)		(3.01)	3.81
Diluted EPS (`)		(3.01)	3.47
Significant Accounting Policies	1		
Notes on Financial Statements	2-47		

The accompanying notes are forming part of the financial statements

As per our report of even date

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

Amit Chaturvedi
Partner
Membership No.: 103141

Place: Kolkata
Date: 30th May, 2019

Anil Sureka
(Managing Director)
DIN No-00058228

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024

For and on behalf of the Board of Directors

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

**Consolidated Cash Flow Statement for the year ended 31st March,2019**

(` in Lacs)

Notes	2018-19	2017-18
-------	---------	---------

A. CASH FLOW FROM OPERATING ACTIVITIES:

Profit Before Tax	(3,240.44)	7,654.06
Adjustment For :		
Depreciation/Amortisation Expenses	3,207.30	3,031.47
Loss/(Profit) on Sale/Discard of Property,Plant and Equipment (Net)	10.38	32.18
Unrealized Foreign Exchange Gain/Loss	2,645.48	(520.33)
Unspent Liabilities no Longer Required Written Back	(177.73)	(324.15)
Loss on Sale of Investment	2.13	-
Fair valuation of investment	(0.42)	(3.93)
Irrecoverable Debts , Deposits & Advances Written Off	3,706.55	2,674.36
Provision for Doubtful Debts/Advances	-	3,072.75
Interest Expense	3,963.02	4,138.27
Interest Income	(691.89)	(577.57)
Operating Profit Before Working Capital Changes		
Movements in Working Capital :		
Increase/ (Decrease) in Trade Payables and Other Current Liabilities	5,174.64	816.00
Increase/ (decrease) in Provisions	299.95	281.78
Decrease / (Increase) in Trade Receivables	(691.56)	(797.76)
Decrease / (Increase) In Inventories	1,776.00	1,087.97
Decrease / (Increase) in Loans and Advances and Other Assets	(7,514.39)	(6,600.29)
Cash Generated From /(Used in) Operations	8,469.03	13,964.81
Taxes Paid (Net)	(192.26)	(2,916.15)
Net Cash Flow From Operating Activities (A)*	8,276.77	11,048.66

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property,Plant and Equipment (Including CWIP and Capital Advances)	(5,405.81)	(4,900.87)
Purchase of Investment	(20.00)	(115.00)
Sale of Investment	10.00	30.02
Maturity of/(Investment in) Fixed Deposit	(519.18)	485.49
Interest Received	208.12	911.86
Net Cash Flow From/(Used) in Investing Activities (B)	(5,726.87)	(3,588.50)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds From Money Received Against Share Warrant	-	723.22
Repayment of Long-Term Borrowings	(750.46)	(3,097.49)
Proceeds of Long-Term Borrowings	88.10	395.42
Dividend Paid on Equity Shares (Including Dividend Distribution Tax)	(699.94)	(898.76)
Net Movement in Short-term Borrowings	368.69	(692.74)
Interest Paid	(2,604.56)	(3,015.25)
Net Cash Flow From/(Used) in Financing Activities (C)	(3,598.17)	(6,585.61)
Exchange Difference or Transaction of Foreign Subsidiaries (D)	5.03	7.33
Net Increase/(decrease) in Cash and Cash Equivalents (A + B + C +D)	(1,043.24)	881.88
Cash & Cash Equivalents as at the Beginning of the Year	1,666.36	784.48
Cash & Cash Equivalents as at the End of the Year	623.12	1,666.36
Cash & Cash Equivalents as at the End of the Year Includes		
Cash-on-Hand	175.51	224.69
Cheques/ drafts on hand	-	690.13
Balances with Banks:		
In Current Accounts	206.24	625.82
In Unpaid Dividend Account **	241.38	125.72
Cash and Cash Equivalents at the End of the Year (Refer Note 9)	623.12	1,666.36

Consolidated Cash Flow Statement for the year ended 31st March, 2019 (Cont.)**Change in liabilities arising from financing activities-**

	1st April 2018	Cash Flow	Foreign exchange movement	31st March 2019
Short Term Borrowing	16,673.38	380.24	(11.55)	17,042.07
Long Term Borrowing	1,450.13	(662.36)	-	787.77

	1st April 2017	Cash Flow	Foreign exchange movement	31st March 2018
Borrowing - Current (Refer Note 15)	17,366.13	(807.28)	114.53	16,673.38
Borrowing - Non-Current (Refer Note 12)	4,152.21	(2,702.07)	-	1,450.13

* Amount Spent in Cash towards Corporate Social Responsibility is ₹ 196.46 lakhs (Previous year ₹ 108.46 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: Kolkata

Date: 30th May, 2019

For and on behalf of the Board of Directors

Anil Sureka
(Managing Director)
DIN No-00058228

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

Trilochan Sharma
(Company Secretary)
Membership No- FCS 6024



Statement of Changes in Equity for the year ended 31st March 2019

(a) Equity share capital

(` in Lacs)

	No. of Shares	Amount
Balance at the beginning of the reporting period i.e. 1st April, 2017	88,890,411	4,444.52
Changes in equity share capital	4,435,000	221.75
Balance at the end of reporting period i.e. 31st March, 2018	93,325,411	4,666.27
Changes in equity share capital	-	-
Balance as at 31 March, 2019	93,325,411	4,666.27

(b) Other Equity

(` in Lacs)

Particulars	Reserves and Surplus								Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Foreign Currency Translation Reserve	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations	
AS ON 31ST MARCH, 2018									
Balance at the beginning of the reporting period i.e. 1st April, 2017	707.06	683.82	4,886.00	7,923.20	367.04	74,339.29	(69.46)	(66.94)	88,770.00
Total Comprehensive Income for the year	-	-	-	-	-	3,404.29	-	(20.09)	3,384.20
Transfer from/(to) retained earnings	-	-	-	-	(367.04)	367.04	-	-	-
Dividend	-	-	-	-	-	(666.68)	-	-	(666.68)
Tax on dividend	-	-	-	-	-	(135.72)	-	-	(135.72)
On issue of Shares	(230.31)	-	731.78	-	-	-	-	-	501.47
Addition/(Deduction) for the year							7.33		7.33
Balance at the end of reporting period i.e. 31st March, 2018	476.75	683.82	5,617.78	7,923.20	-	77,308.23	(62.13)	(87.03)	91,860.60

Statement of Changes in Equity for the year ended 31st March 2019

(` in Lacs)

Particulars	Reserves and Surplus								Total
	Money Received Against Share Warrants	Capital Reserve	Securities Premium Account	General Reserve	Debenture Redemption Reserve	Retained earnings	Foreign Currency Translation Reserve	Other comprehensive Income - Remeasurement of Post Employment Benefits Obligations	
ASON 31ST MARCH, 2019									
Balance at the beginning of the reporting period i.e. 1st April, 2018	476.75	683.82	5,617.78	7,923.20	-	77,308.23	(62.13)	(87.03)	91,860.60
Total Comprehensive Income for the year	-	-	-	-	-	(2,874.54)	-	69.64	(2,804.90)
Transfer from/(to) retained earnings	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(699.94)	-	-	(699.94)
Tax on dividend	-	-	-	-	-	(143.87)	-	-	(143.87)
On issue of Shares	-	-	-	-	-	-	-	-	-
forfeiture of equity warrants	(476.75)	476.75	-	-	-	-	-	-	-
Addition/(Deduction) for the year	-	-	-	-	-	- 5.03	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)	88,216.93

The accompanying notes form an integral part of 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: Kolkata

Date: 30th May, 2019

Anil Sureka

(Managing Director)

DIN No-00058228

Nikunj Pansari

(Director - Finance & CFO)

DIN No-08023216

Trilochan Sharma

(Company Secretary)

Membership No- FCS 6024



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

1A. Corporate information

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

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

1B. Significant Accounting policies

A. Basis of preparation

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) including the rules notified under the relevant provisions of the Companies Act, 2013.
- (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
- (iii) With effect from 1st April 2018, Ind AS 115 – “Revenue from Contracts with Customers” (Ind AS 115) supersedes Ind AS 18 – “Revenue” and related Appendices.

The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the company.

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.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019**C. Principles of Consolidation**

The consolidated financial statements relate to Balasore Alloys Limited ('the Company') and its following subsidiary companies and associate :

Name of the Companies	Relationship	Country of Incorporation	Proportion of Ownership / Interest	
			31st March, 2019	31st March, 2018
Milton Holding Limited	Subsidiary	Mauritius	100 %	100 %
Balasore Metals Pte Limited	Subsidiary	Singapore	100%	100%
Balasore Alloys Nigeria Ltd (upto 08.03.2019)	Subsidiary	Nigeria	99%	99%
Balasore 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.
- 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.
- Investment in Associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- 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.



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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

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

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

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

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

Leasehold land and improvements are amortised over the lease period.

Mining Lease is depreciated based on unit of production method.

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

B. Leases

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

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

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

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

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

C. Intangible assets

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

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

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

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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

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

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

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

D. Finance Cost

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

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

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

E. Inventories

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

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

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

F. Impairment of non-financial assets - property, plant and equipment and intangible assets

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

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.



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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

Provision for decommissioning liability

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

H. Employee Benefits Expense

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

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

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

Comprehensive Income.

I. Tax Expenses

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

- Current tax

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

- 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.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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.

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



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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.

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

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

C. Offsetting

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

D. Equity Investment

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

E. Impairment of Financial Assets

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

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

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

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

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

(ii) Financial Liabilities**A. Initial recognition and measurement**

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

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

B. Subsequent measurement

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

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



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

(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.

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.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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

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

a) Decommissioning Liabilities

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

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

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

c) Recoverability of trade receivable

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

d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

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

**Notes to the Consolidated financial statements for the Year ended 31st March, 2019**

estimates at the end of each reporting period.

g) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1D. Standards issued but not effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

a) Issue of Ind AS 116 - Leases

Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments following accounting standards. These are;

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

2 Fixed Assets

(` in Lacs)

Description	Gross block				Depreciation/ amortisation				Net block	
	As at 1st April, 2018	Additions	Deductions/ Adjustments	As at 31st March, 2019	As at 1st April, 2018	For the year	Deductions/ Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2017
Property , Plant & Equipment										
(i) Tangible assets										
Own assets:										
Freehold land	403.06	14.41	-	417.47	-	-	-	-	417.47	403.06
Buildings	11,739.15	710.26	-	12,449.41	4,648.34	810.35	-	5,458.69	6,990.71	7,090.81
Plant and Machinery	34,381.80	2,335.43	-	36,717.23	15,809.47	1,263.40	-	17,072.87	19,644.36	18,572.33
Office Equipment	426.75	23.01	-	449.76	309.39	36.54	-	345.93	103.83	117.36
Furniture and Fixtures	528.73	6.85	-	535.58	279.78	32.18	-	311.96	223.62	248.95
Vehicles	1,926.74	145.42	45.43	2,026.73	579.68	232.50	29.33	782.85	1,243.88	1,347.06
Computer & Peripherals	472.50	14.80	-	487.30	348.90	56.15	-	405.05	82.25	123.60
Sub-Total	49,878.74	3,250.18	45.43	53,083.48	21,975.54	2,431.12	29.33	24,377.33	28,706.15	27,903.19
Leased assets:										
Leasehold land	82.66	-	-	82.66	13.12	1.24	-	14.36	68.30	69.54
Mining Lease	85,279.23	-	-	85,279.23	30,011.11	322.70	-	30,333.81	54,945.42	55,268.12
Sub-Total	85,361.89	-	-	85,361.89	30,024.23	323.94	-	30,348.17	55,013.72	55,337.66
Total (i)	135,240.63	3,250.18	45.43	138,445.37	51,999.78	2,755.06	29.33	54,725.51	83,719.86	83,240.84
(ii) Intangible assets*										
Computer Software	1,306.15	7.36	-	1,313.51	696.89	210.36	-	907.25	406.25	609.26
Mines Development	3,209.61	321.54	-	3,531.15	679.85	239.74	-	919.59	2,611.56	2,529.76
Goodwill	11.27	-	-	11.27	3.38	2.14	-	5.52	5.75	7.89
Total (ii)	4,527.03	328.90	-	4,855.93	1,380.11	452.24	-	1,832.35	3,023.57	3,146.92
Total (i+ii)	139,767.66	3,579.08	45.43	143,301.30	53,379.89	3,207.30	29.33	56,557.86	86,743.43	86,387.76
Previous year	135,460.20	4,843.81	536.35	139,767.66	50,857.97	3,031.47	509.54	53,379.89	86,387.76	87,985.30
Capital work-in-progress									13,351.90	11,993.39

* Other than internally generated

Capital Work-in-progress include:

- ` 1,125.46 Lacs (` 1,012.75 Lacs) on account of project development expenditure.
- ` 226.08 Lacs (` 515.79 Lacs) on account of cost of construction materials at site.

Project Development Expenditure (in respect of projects upto 31.03.2019, included under capital work in progress)

(` in lacs)

Particulars	2018-2019	2017-2018
Opening Balance	1,012.75	1,012.75
Add:		
Employee Benefit Expenses	112.71	-
Total	112.71	-
Less: Project Development Expenses capitalised during the year	-	-
Closing Balance	1,125.46	1,012.75
For Assets pledged as security - Refer note 12.2 & 15.1		


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
3. Non-Current Investments

(` in Lacs)

		Non Current			
		Unit	As at 31st March,2019	Unit	As at 31st March,2018
A. Investment measured at Amortised cost					
(i) Investment in government securities					
6 years National Savings Certificates (Deposited with Government Departments)			0.95		0.95
(ii) Investment in Unquoted debentures					
9% Unsecured redeemable non-convertible debentures of ` 100 each fully paid-up in Krish Trexim Private Limited		1217200	1,217.20	1217200	1,217.20
Total of investment measured at Amortised cost (A= i+ii)			1,218.15		1,218.15
B. Investment measured at Fair value through Profit and Loss					
Unquoted equity shares					
(i) Investment in associate					
Equity Shares of ` 10 each fully paid-up in Balasore Energy Limited		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	400.67	300000	404.60
(iv) Unquoted mutual funds					
State Bank of India					
Dual Advantage Fund - Series- X				100000	11.89
Dual Advantage Fund - Series- XXVI		350000	36.57	350000	35.21
Dual Advantage Fund - Series- XXIII		200000	21.41	200000	20.53
Dual Advantage Fund - Series- XXIV		200000	21.15	200000	20.27
Dual Advantage Fund - Series- XXVIII		200000	21.04	200000	20.00
Dual Advantage Fund - Series- XXVII		200000	20.84	-	-
Dual Advantage Fund - Series- XXV		200000	20.82	200000	20.01
Total of Investment measured at Fair value through Profit and Loss (B= i to iv)			542.50		532.51
Total (A + B)			1,760.65		1,750.66

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

4. Loans

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Loans				
Body Corporates	-	-	1,746.68	1,746.89
Body Corporates - Related Parties (Refer Note 35)	-	-	1,508.72	1,097.69
Advance to Employees	-	-	67.72	96.76
	-	-	3,323.12	2,941.33

5. Other Financial Assets

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Rent Deposit	-	-	46.25	108.03
Rent Deposits to Related Parties (Refer Note 35)	583.20	538.36	-	-
Other Deposit	-	-	0.80	0.76
Other Deposits to Related Parties (Refer Note 35)	227.26	275.55	-	-
Security Deposits	-	-	2,448.38	2,409.93
Derivative Asset	-	-	154.78	-
Interest Receivable on				
Bank Deposits	-	-	28.81	16.87
Long-term investments	-	-	98.59	98.59
Loans, Other Deposits	-	-	670.13	198.36
	810.46	813.91	3,447.74	2,832.54

6. Other Assets

(₹ in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non Current		Current	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Capital advances				
Considered good	16,882.49	16,987.23	-	-
Considered doubtful	17.50	17.50	-	-
	16,899.99	17,004.73	-	-
Provision for doubtful advances	(17.50)	(17.50)	-	-
(A)	16,882.49	16,987.23	-	-
Advances towards supply/services/Expenses				
Considered good - Related Parties (Refer Note 35)	-	-	430.20	314.87
Considered good - Others	-	-	18,573.05	14,310.21
Considered doubtful - Others	-	-	614.64	3,673.03
	-	-	19,617.89	18,298.11
Provision for doubtful advances	-	-	(614.64)	(3,673.03)
(B)	-	-	19,003.25	14,625.08
Others				
Balances with statutory / government authorities	-	-	1,871.60	2,908.31
Export benefits receivables	-	-	452.25	585.10
Prepaid Expenses	-	-	340.47	240.68
(C)	-	-	2,664.32	3,734.09
Total (A to C)	16,882.49	16,987.23	21,667.57	18,359.17



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

7. Inventories

	(` in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Raw materials and components [includes in transit and pledged ` 4,363.51 Lacs (Previous Year - ` 3,351.24 Lacs)]	12,230.73	13,936.55
Stores, Spares & Consumables	1,909.50	2,598.61
Finished goods	1,376.70	1,288.62
Stock under process	1,099.08	889.27
<u>At estimated net realisable value</u>		
Saleable Scraps	832.30	511.25
Total	17,448.31	19,224.30

7.1 Inventory given as security against borrowings Refer Note - 15.1

8. Trade Receivables

(Unsecured, considered good unless stated otherwise)

	(` in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Other receivables	5,105.34	5,238.88
Considered doubtful	14.51	14.51
	5,119.85	5,253.39
Provision for doubtful receivables	(14.51)	(14.51)
Total	5,105.34	5,238.88

8.1 Trade Receivables are netted with Bill discounting of ` 2,236.46 lacs. (Previous Year- ` 5,011.85 lacs)

9. Cash and Bank Balances

	(` in lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents		
Cash on hand	175.51	224.69
Balances with banks:		
In current accounts	206.24	625.82
In Deposit (Maturity of three months or less) #	1,377.60	878.72
In unpaid dividend account	241.38	125.72
Cheques on hand	-	690.13
(A)	2,000.73	2,545.08
Other bank balances		
Margin money deposit #	897.38	877.08
(B)	897.38	877.08
Less : Bank Overdraft	(C)	
	26.00	66.07
Total (A+B-C)	2,872.11	3,356.09

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

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

10. Equity Share Capital

	(` in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Authorized Shares		
Equity Shares of ` 5/- Each		
200,000,000 (Previous Year -200,000,000)	10,000.00	10,000.00
Issued and Subscribed Shares		
Equity Shares of ` 5/- Each		
96,369,263 (Previous Year -96,369,263)	4,818.46	4,818.46
Paid-up Shares		
Equity Shares of ` 5/- Each Fully Paid up		
93,325,411 (Previous Year - 93,325,411)	4,666.27	4,666.27
Total	4,666.27	4,666.27

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

Equity Shares

	As at 31st March 2019		As at 31st March 2018	
	No. in lacs	` in lacs	No. in lacs	` in lacs
At the beginning of the year	933.25	4,666.27	888.90	4,444.52
Issued during the year	-	-	44.35	221.75
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 2019		As at 31st March 2018	
	Numbers	% holding	Numbers	% holding
Goldline Tracom Private Limited	12,402,346	13.29%	12,402,346	13.29%
Jal Tarang Vanijya Private Limited	8,000,000	8.57%	8,000,000	8.57%
Navoday Highrise Private Limited	6,942,674	7.44%	6,942,674	7.44%
Global Steel Holdings Asia Pte. Limited	6,639,983	7.11%	6,639,983	7.11%
Prasan Global Ventures Singapore Pte. Limited	4,895,017	5.25%	4,895,017	5.25%


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
11. Other Equity

	As at 31st March, 2019	(` in Lacs) As at 31st March, 2018
Capital Reserve		
Capital investment subsidy (a)		
As per last Balance Sheet	41.96	41.96
Amount arisen on forfeiture of equity warrants		
As per last Balance Sheet	490.00	490.00
Add: Forfeited during the year	4/6.75	
Closing Balance (b)	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	683.82
Securities Premium Account		
As per last Balance Sheet	5,617.78	4,886.00
Add : On issue of Shares	-	731.78
Closing Balance (d)	5,617.78	5,617.78
General Reserve		
As per last Balance Sheet	7,923.20	7,923.20
Debenture Redemption Reserve		
As per last Balance Sheet	-	367.04
Add : Transfer From/(to) Profit and Loss Account	-	(367.04)
Closing Balance (f)	-	-
Money Received Against Equity Share Warrants (g)		
As per last Balance Sheet	-	476.75
Closing Balance (g)	-	476.75
Foreign Currency Translation Reserve		
As per last Balance Sheet	(62.13)	(69.46)
Addition/(Deduction) for the year	5.03	7.33
Closing Balance (h)	(57.10)	(62.13)
Other Comprehensive Income		
As per last Balance Sheet	(87.03)	(66.94)
Add : Movement in OCI (Net) during the year	69.64	(20.09)
Closing Balance (i)	(17.39)	(87.03)
Retained Earnings		
As per last Balance Sheet	77,308.22	74,339.29
Add: Profit/ (Loss) For The Year	(2,874.54)	3,404.29
	74,433.68	77,743.58
Less: Appropriations		
Transfer to general reserve	-	-
Transfer (to)/from debenture redemption reserve	-	367.04
Dividend on Equity Shares [Dividend per Share ` 0.75 (Previous Year ` 0.75)]	(699.94)	(666.68)
Tax on dividend	(143.87)	(135.72)
	(843.81)	(435.36)
Closing Balance (j)	73,589.87	77,308.22
Total Other Equity (a to j)	88,216.93	91,860.61

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.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

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.

12. Long-Term Borrowings

(` in Lacs)

	Non Current Position		Current Maturities	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Sourced loan at amortised cost				
Deferred Payment Credits	170.68	527.76	467.09	482.38
Total (i)	170.68	527.76	467.09	482.38
Unsecured Loans - at amortised cost				
From Body Corporate	-	-	150.00	440.00
Total (ii)	-	-	150.00	440.00
Total (i+ii)	170.68	527.76	617.09	922.38

Repayment terms

(i) Deferred Payment Credits

For the Year ended 31st March 2019

(` in Lacs)

Rate of Interest	Non-Current					Current
	2023-24	2022-23	2021-22	2020-21	Total	2019-20
8.50%	-	-	3.03	13.42	16.45	-
9.20%	2.05	7.68	6.99	6.36	23.08	5.78
9.50%	-	-	2.16	4.11	6.27	3.73
9.65%	-	-	3.86	8.49	12.35	8.23
11.00%	-	-	-	-	-	127.01
11.03%	-	-	-	58.64	58.64	57.59
11.07%	-	-	4.61	-	4.61	24.35
11.50%	-	-	-	32.59	32.59	216.59
11.75%	-	-	-	16.68	16.68	23.24
12.75%	-	-	-	-	-	0.57
Total	2.05	7.68	20.66	140.29	170.68	467.09

(ii) Unsecured Loans

For the Year ended 31st March 2019

Rate of Interest	Non-Current					Current
	2023-24	2022-23	2021-22	2020-21	Total	2019-20
15.00%	-	-	-	-	-	150.00
Total	-	-	-	-	-	150.00

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.


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
13. Deferred Tax Liabilities (net)

	(` in Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
At Start of Year	2,878.63	1,786.89
Charge/(credit) to Statement of Profit and Loss	(96.00)	1,081.11
Charge to Other Comprehensive Income	37.40	10.63
	2,820.03	2,878.63

13.1. Refer Note -30 for component of Deferred Tax.

14. Provisions

	(` in Lacs)			
	Non Current Provisions		Current Provisions	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits: (Refer Note 28)				
Gratuity	1,160.41	1,093.09	78.51	53.87
Superannuation	-	-	108.28	75.71
Compensated Absences	543.40	529.83	67.57	51.43
	1,703.81	1,622.92	254.36	181.01
Other Provisions For -				
Taxation (Net of Advance Taxes)	-	-	10,754.85	9,977.16
Site Restoration	204.71	166.03	-	-
Tax on Dividend	-	-	143.87	-
	204.71	166.03	10,898.72	9,977.16
Total	1,908.52	1,788.95	11,153.08	10,158.17

	(` in Lacs)	
	As at 31st March, 2019	As at 31st March 2018
Provision for site restoration		
At The Beginning Of The Year	166.03	127.36
Arisen During The Year	38.68	38.67
Utilized During The Year	-	-
At The End Of The Year	204.71	166.03
Non-Current Portion	204.71	166.03

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

15. Short-Term Borrowings

	(` in Lacs)	
	As at	As at
	31st March, 2019	31st March, 2018

A) Secured loans - at amortised cost

Working capital loan

From Bank-

Rupee loan

4,212.55

4,867.75

Foreign Currency loan

4,835.15

4,245.24

(A) 9,047.70 9,112.99

B) Unsecured loans - at amortised cost

Loans from body corporates

1,620.00

1,850.00

(B) 1,620.00 1,850.00

Acceptances

(C) 6,374.37 5,710.39

Total

(A+B+C) 17,042.07 16,673.38

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.

16 Trade Payables

	(` in Lacs)	
	As at	As at
	31st March, 2019	31st March, 2018

Micro and Small Enterprises

45.55

4.52

Other than Micro and Small Enterprises

34,368.14

26,627.08

Total 34,413.69 26,631.60

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

Particulars

	As at	As at
	31st March, 2019	31st March, 2018
Principal Amount Due and Remaining Unpaid	45.55	4.52
Interest Due on Above and The Unpaid Interest	3.08	10.57
Interest Paid	-	-
Payment Made Beyond the Appointed Day During the Year	-	-
Interest Due and Payable for the Period of Delay	3.08	2.05
Interest Accrued and Remaining Unpaid	3.08	2.05
Amount of further interest remaining due and payable in succeeding years	3.08	10.57


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
17 Other Financial Liabilities

	(` in Lacs)	
	As at <u>31st March, 2019</u>	As at <u>31st March, 2018</u>
Current Maturities of long term Debts (Refer Note 12)	617.09	922.38
Interest accrued but not due on borrowings	8.21	20.47
Interest accrued and due on borrowings	469.20	338.33
Creditors for Capital expenditure	1,184.09	1,762.77
Unpaid Dividend (Refer Note 17.1)	246.26	125.72
Claims Payable	1,071.82	973.17
Derivative Liabilities	-	163.29
Other (Refer Note 17.2)	2,201.18	2,127.73
Total	5,797.85	6,433.86

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

It includes ` 2,177.56 lacs (Previous Year- ` 2,104.11 lacs) payables against arrangement for procurement of raw materials.

18. Other Current liabilities

	(` in Lacs)	
	As at <u>31st March, 2019</u>	Current position As at <u>31st March, 2018</u>
Advance from customers	5,202.81	6,406.23
Statutory Dues	1,894.98	1,747.51
Other liabilities	126.21	113.99
Total	7,224.00	8,267.73

19. Revenue From Operations

	(` in Lacs)	
	<u>2018-19</u>	<u>2017-18</u>
Revenue from operations		
Disaggregated Revenue		
Sale of products		
Finished goods	122,093.36	120,079.70
Trading Sales	836.48	-
Saleable Scraps	629.00	769.76
Other operating revenue		
Export Benefits	2,269.01	1,710.46
Scrap sales	315.81	320.75
Revenue from operations	126,143.66	122,880.67

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

20. Other Income

(` in Lacs)

	2018-19	2017-18
Interest income from financial assets at amortised cost		
Bank deposits	128.65	100.27
Loans	405.07	319.47
Others	158.16	157.83
Insurance Claims	225.25	19.10
Profit on sale of Property, Plant and Equipment	-	6.07
Gain on Financial Assets		
Realised	2.13	5.53
Unrealised	0.01	(2.80)
Unspent liabilities no longer required written back	177.73	324.15
Gain on Foreign Exchange Fluctuation (net)		2,219.27
Others	116.95	2,919.28
Total	1,213.96	6,068.17

21 Cost of Raw Materials Consumed

(` in Lacs)

	2018-19	2017-18
Inventory at the beginning of the year	13,936.55	16,680.76
Add: Purchases and other related expenses (including captive)	53,151.53	43,296.78
	67,088.08	59,977.54
Less: Inventory at the end of the period	12,230.73	13,936.55
Cost of raw materials consumed	54,857.35	46,040.99

a) Details of Raw Materials Consumed

(` in Lacs)

	2018-19	2017-18
Chrome Ore (including own generation/briquetted)	30,051.77	25,410.45
Coal and Coke etc.	19,791.69	16,096.83
Carbon Paste	1,252.93	926.73
Quartz	729.00	691.50
Magnesite	1,133.63	905.87
Dolomite	183.08	332.14
Others	1,715.25	1,677.46
Total	54,857.35	46,040.99

22. (Increase)/ decrease in Inventories

	2018-19	2017-18
Inventories (At Close)		
Stock under process	1,099.08	889.27
Finished goods	1,376.70	1,288.43
Saleable Scraps	839.38	521.07
	3,315.16	2,698.77
Inventories (At Commencement)		
Stock under process	889.27	436.81
Finished goods	1,288.43	897.32
Saleable Scraps	521.07	489.00
	2,698.77	1,823.12
Less: (Increase)/decrease of excise duty on inventories	-	6.66
Total	(616.39)	(882.31)



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

23. Employee Benefits Expense

	(` in Lacs)	
	2018-19	2017-18
Salaries, wages and bonus	5,478.56	5,972.99
Contribution to provident and other funds	334.45	323.53
Gratuity expense	205.74	185.50
Staff welfare expenses	506.23	556.41
Total	6,524.98	7,038.43

24 Other Expenses

	(` in Lacs)	
	2018-19	2017-18
Consumption of stores and spares	3,168.05	3,327.56
Contract Labour Charges	2,894.16	2,798.57
Packing and Carriage charges	4,890.90	4,403.72
Rent & Hire Charges	1,412.90	1,001.72
Rates and taxes	105.35	76.47
Insurance	190.94	169.87
Repairs and maintenance		
Plant and machinery	1,299.88	1,505.00
Buildings	117.43	99.87
Others	81.87	336.38
Commission on Sales (other than sole selling agent)	765.51	227.42
Travelling and conveyance	1,136.70	1,450.23
Charity and Donations	24.97	15.04
Communication costs	240.25	208.88
Legal and professional fees	1,938.25	3,500.59
Directors' sitting fees	52.59	57.76
Payment to Auditors:		
Audit fee	114.16	103.29
Certification Fees	15.00	15.00
Corporate Social Responsibility Expenses (Refer note 24.1)	196.46	108.46
Site Development Expenses	174.76	143.54
Loss on Foreign Exchange Fluctuation (net)	2,848.99	-
Bad debts / advances written off	22.98	12.56
Claim Expenses	-	-
Provision for doubtful debts and advances	-	3,072.75
Loss on sale/Discard of Property, Plant and Equipment (Net)	2.86	-
Miscellaneous expenses	1,375.42	1,523.44
Total	23,070.38	24,158.12

Notes to the Consolidated financial statements for the Year ended 31st March, 2019**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 ` 184.36 lacs (Previous year ` 146.08 lacs)
- b) Expenditure related to Corporate Social Responsibility Expenses is ` 196.46 lacs (Previous year ` 108.46 lacs)

Details of Amount spent towards CSR given below :

	(` in lacs)	
Particulars	2018-19	2017-18
Rural Development (Infrastructure Development)	24.68	48.23
Swachha Bharat Mission	52.70	16.79
Environment Protection & Development	11.77	2.14
Youth Development	2.91	2.35
Supply of Safe Drinking Water	39.64	4.28
Education Development	12.97	8.06
Health Promotion	12.58	1.63
Tribal Development	-	7.88
Eradication of Hunger	0.11	0.35
Women empowerment	2.12	6.83
Community relation	36.98	9.92
Total	196.46	108.46

25. Depreciation & Amortization Expenses

	(` in Lacs)	
	2018-19	2017-18
Depreciation of tangible assets	2,755.06	2,660.38
Amortization of intangible assets	452.24	371.09
Total	3,207.30	3,031.47

26. Finance Costs

	(` in Lacs)	
	2018-19	2017-18
Interest		
- To Banks [Net of recoveries from customers ` 84.32 lacs (` 83.53 lacs)]	851.56	1,355.52
- To Others	3,111.46	2,782.75
Other borrowing cost	419.80	470.17
Exchange difference to the extent considered as an adjustment to borrowing costs	37.21	7.94
Total	4,420.03	4,616.38


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
27. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit attributable to Equity holders

(All amounts ₹ in lacs unless otherwise stated)

	31st March 2019	31st March 2018
Profit/(Loss) attributable to equity holders for basic earnings:	(2,804.90)	3,384.20
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	(2,804.90)	3,384.20

ii. Weighted average number of ordinary shares

	31st March 2019	31st March 2018
Present Weighted Average Equity Shares (In Numbers) for Basic EPS	93,325,411	88,914,712
Equivalent Weighted Average Equity Shares to be allotted against share warrant (In Numbers)	-	8,565,000
Weighted average number of shares at 31st March for Diluted EPS	93,325,411	97,479,712

Basic and Diluted earnings per share

	31st March 2019	31st March 2018
	INR	INR
Basic earnings per share	(3.01)	3.81
Diluted earnings per share	(3.01)	3.47

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.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

₹ In lacs

	31st March, 2019	31st March, 2018
Charge to the Statement of Profit and Loss based on contributions:		
Employer's Contribution to Provident fund	234.63	255.19
Employer's Contribution to Superannuation Fund	32.57	25.14
Employer's Contribution to ESIC	14.66	15.99

(B) Defined Benefit Plan
Gratuity

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

28. Employee benefits(Cont.)

	₹ In lacs	
	31st March, 2019	31st March, 2018
	Gratuity (Funded plan)	Gratuity (Funded plan)
(i) <u>Change in Defined Benefit Obligation</u>		
Opening defined benefit obligation	1,260.82	1,097.26
<i>Amount recognised in profit and loss</i>		
Current service cost	111.20	117.80
Interest cost	95.00	77.24
<i>Amount recognised in other comprehensive income</i>		
Actuarial loss / (gain) arising from:		
Financial assumptions	32.66	(42.62)
Experience adjustment	(140.00)	80.65
<i>Other</i>		
Benefits paid	(30.41)	(69.51)
Closing defined benefit obligation	1,329.27	1,260.82
(ii) <u>Change in Fair Value of Assets</u>		
Opening fair value of plan assets	113.48	165.92
Adjustment to Opening Fair Value of Plan Asset	-	-
<i>Amount recognised in profit and loss</i>		
Interest income On Plan Asset	1.90	9.54
<i>Amount recognised in other comprehensive income</i>		
Actuarial gain / (loss)		
Excess/(insufficient) return on plan asset (excluding interest income)	-	7.31
<i>Other</i>		
Contributions by employer	5.68	0.22
Benefits paid	(30.41)	(69.51)
Closing fair value of plan assets	90.65	113.48
(iii) <u>Plan assets comprise the following</u>		
Investments with insurer (100%)	90.65	113.48
	90.65	113.48
(iv) <u>Principal actuarial assumptions used</u>		
Discount rate	7.34%	7.62%
Mortality rate	(2006-08) Ultimate	(2006-08) Ultimate
Rate of escalation in salary (per annum)	10%	10%
Expected Return on Plan Assets (per annum)	7.34%	7.62%
Employee Attrition Rate		
Upto Age 40	4.2	4.2
Age 40 to 54	1.8	1.8
Age 55 to 57	2.2	2.2

Defined Benefit Plan

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

	31st March, 2019	31st March, 2018
	Gratuity (Funded plan)	Gratuity (Funded plan)
Current service cost	111.20	117.80
Interest cost on net DBO	93.10	67.70
Employee Benefit Cost Of The Period	204.30	185.50
Actual return on plan assets	1.90	16.85


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
28. Employee benefits (Cont.)

(vi) Reconciliation of fair value of Assets and Obligations

	₹ In lacs	
	31st March, 2019	31st March, 2018
	Gratuity (Funded plan)	Gratuity (Funded plan)
Fair value of Plan Assets	90.65	113.48
Present value of Obligation	1,329.27	1,260.82
Amount recognised in Balance Sheet (Surplus/(Deficit))	(1,238.92)	(1,147.34)

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 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(110.72)	128.28	(110.67)	127.79
Employee turnover (50% movement)	(2.17)	2.81	(2.36)	2.41
Salary Escalation (1% Movement)	123.76	(109.14)	123.61	(109.36)

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	1st Year	2 to 5 Years	6 to 10 years	More than 10 Years	₹ In lacs Total
Defined benefit obligations (Gratuity)	81.34	358.32	813.00	1,738.13	2,990.79
Total	81.34	358.32	813.00	1,738.13	2,990.79

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 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 610.97 lakhs (Previous Year : ₹ 581.24 lakhs).

Notes to the Consolidated financial statements for the Year ended 31st March, 2019**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	
	2019-20	2020-21
Rental Payment Schedule	154.77	22.12

(ii) Amount recognised in profit & loss account

Particulars	₹ In lacs	
	2018-19	2017-18
Rent & Hire Charges	1,412.90	1,001.72

30. Deferred Tax Disclosure

(a) Movement in deferred tax balances ₹ In lacs

	Balance 31st March, 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)

(a) Movement in deferred tax balances

	₹ In lacs				
	Balance 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liability) As at 31st March 2018
	INR	INR	INR	INR	INR
Deferred tax asset / (Liabilities)					
Property, plant and equipment	(3,196.04)	(961.36)	-	-	(4,157.40)
Timing difference due to disallowance under section 43B of the Income Tax Act, 1961	803.55	(400.25)	-	-	403.30
Other disallowance under Income Tax Act, 1961	605.60	269.87	-	-	875.47
Tax assets (Liabilities)	(1,786.89)	(1,091.74)	-	-	(2,878.63)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
31. Tax Reconciliation
(a) Income tax recognised in the statement of profit & loss

₹ In lacs

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current Tax	-	3,229.72
Deferred Tax	(96.00)	1,102.38
Prior year Tax	(269.90)	(82.32)
Total tax expense recognised in the current year	(365.90)	4,249.79

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:-

₹ In lacs

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before tax	(3,240.44)	7,654.07
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)	(1,132.34)	2,648.93
Tax effect of:		
Fair value of investment	-	-
Income Tax impact loss on subsidiary company	(14.38)	1,090.59
Expenses deductible for tax purposes	(1,200.77)	(2,158.50)
Expenses not deductible for tax purposes	1,780.06	1,638.07
Other	1.21	10.64
Current Tax Provision	(566.22)	3,229.72

32. Financial instruments – Fair values and risk management
i.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, 2019						
	Carrying amount			Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortized Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets							
Investment in Equity Instrument - Unquoted	400.67	-	-	400.67	-	-	400.67
Investment in Mutual Funds - Quoted	141.83	-	-	141.83	141.83	-	-
Investment in Government Securities - Unquoted	-	0.95	0.95	0.95	-	-	-
Investment in Debentures - Unquoted	-	1,217.20	1,217.20	1,217.20	-	-	-
Rent Deposit	-	583.20	583.20	583.20	-	-	-
Other Deposit	-	227.26	227.26	227.26	-	-	-
Current Financial assets							
Trade Receivables	-	5,105.34	5,105.34	5,105.34	-	-	-
Cash and Bank Balances	-	2,872.11	2,872.11	2,872.11	-	-	-
Loans	-	3,323.12	3,323.12	3,323.12	-	-	-
Other Current Asset	-	3,292.96	3,292.96	3,292.96	-	-	-
Derivative Asset	-	154.78	154.78	154.78	-	-	-
Total Financial Assets	542.50	16,776.92	17,319.42	141.83	-	-	400.67
Non Current Financial liabilities							
Deferred Payment Credits	-	170.68	170.68	170.68	-	-	-
Current Financial liabilities							
Working capital loan	-	9,047.70	9,047.70	9,047.70	-	-	-
Acceptances	-	6,374.37	6,374.37	6,374.37	-	-	-
Trade Payable	-	34,413.69	34,413.69	34,413.69	-	-	-
Other Financial Liabilities	-	7,417.85	7,417.85	7,417.85	-	-	-
Derivative Liabilities	-	-	-	-	-	-	-
Total Financial Liabilities	-	57,424.30	57,424.30	-	-	-	-

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (contd...)

	At 31st March, 2018					
	Carrying amount			Fair value		
	Fair value through profit and loss	Amortized Cost	Total	Level 1	Level 2	Level 3
Non current Financial assets						
Investment in Equity Instrument - Unquoted	404.60	-	404.60	-	-	404.60
Investment in Mutual Funds -Quoted	127.91	-	127.91	127.91	-	-
Investment in Government Securities - Unquoted	-	0.95	0.95	-	-	-
Investment in Debentures - Unquoted	-	1,217.20	1,217.20	-	-	-
Rent Deposit	-	538.36	538.36	-	-	-
Other Deposit	-	275.55	275.55	-	-	-
Current Financial assets						
Trade Receivables	-	5,238.88	5,238.88	-	-	-
Cash and Bank Balances	-	3,356.08	3,356.08	-	-	-
Loans & Advances	-	2,941.33	2,941.33	-	-	-
Other Current Asset	-	2,832.53	2,832.53	-	-	-
Total Financial Assets	532.51	16,400.88	16,933.39	127.91	-	404.60
Non Current Financial liabilities						
Deferred Payment Credits	-	527.76	527.76	-	-	-
Current Financial liabilities						
Working capital loan	-	9,112.99	9,112.99	-	-	-
Acceptances	-	5,710.39	5,710.39	-	-	-
Trade Payable	-	26,631.61	26,631.61	-	-	-
Other Financial Liabilities	-	8,120.57	8,120.57	-	-	-
Derivative Liabilities	-	163.29	163.29	-	-	-
Total Financial Liabilities	-	50,266.61	50,266.61	-	-	-

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. This is the case for unlisted equity securities included in level 3.

Following methods and assumptions are used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities and short-term borrowings carried at amortized cost is not materially different from its carrying cost largely due to short-term maturities of these financial assets and liabilities.
- Fair value of the non-current borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
32. Financial instruments – Fair values and risk management (contd...)
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	2018-19	2017-18
Opening Balance	404.60	405.06
Net change in fair value (unrealized)	(3.93)	(0.46)
Closing Balance	400.67	404.60
Line item in which gain is recognised	Other Income - Gain on Financial Assets - (3.93) unrealised	Other Income - Gain on Financial Assets - (0.46) 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

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 ₹ 17,319.42 lacs and ₹ 16,933.39 lacs as at 31st March, 2019 and 31st March, 2018 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, 2019, that defaults in payment obligations will occur.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (contd...)

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 31st March, 2019 and 31st March, 2018:

Particulars	₹ In lacs	
	As at 31st March, 2019	As at 31st March, 2018
- More than six months	2,374.68	2178.78
- Less than six months	2,730.66	3,060.10
Total	5,105.34	5,238.88

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experience does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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, 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
INR						
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	-	-	-	-	-	-
31st March, 2018						
INR						
Non-derivative financial liabilities						
Long Term Loans*	1,010.14	1,140.77	571.17	569.60	-	-
Short Term Loans	17,472.19	17,472.19	17,472.19	-	-	-
Total non-derivative liabilities	18,482.33	18,612.96	18,043.36	569.60	-	-
Derivative financial liabilities	163.29	163.29	163.29	-	-	-
Total derivative liabilities	163.29	163.29	163.29	-	-	-

*Includes current maturities


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
32. 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.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 31st March, 2019

Category	Instrument	Currency	Cross Currency	Amounts In lacs	Buy/Sell
Hedges of recognized assets and liabilities	Forward contract	USD	INR	USD 120	Buy

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2019 and 31st March, 2018 are as below

		31st March, 2019			In lacs
		USD	GBP	JPY	Others
Financial liabilities					
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
Financial assets					
Current Assets					
Trade receivables		53.74	-	-	-
Less: Forward currency contract		120.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Cash & Cash equivalents	(E)	0.32	-	-	0.01
Total	(F)=(D+E)	0.32	-	-	0.01
Net exposure	(C-F)	96.21	1.40	-	0.00

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (contd...)

		31st March, 2018			In lacs
		USD	GBP	JPY	Others
Financial liabilities					
Short term borrowings	(A)	64.42	-	-	-
Trade and other payables		27.53	0.69	18.30	0.02
Less: Forward currency contract		-	-	-	-
Net Trade Payable	(B)	27.53	0.69	18.30	0.02
Total	(C)= (A+B)	91.95	0.69	18.30	0.02
Financial assets					
Current Assets					
Trade receivables		60.59	-	-	-
Less: Forward currency contract		900.00	-	-	-
Net Trade receivables	(D)	-	-	-	-
Investment In Foreign Subsidiary		-	-	-	-
Cash & Cash equivalents	(E)	0.50	-	-	0.01
Total	(F)=(D+E)	0.50	-	-	0.01
Net exposure	(C-F)	91.45	0.69	18.30	0.01

The following significant exchange rates have been applied during the year:-

	Average rate in ₹		Year-end spot rate in ₹	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
USD	67.17	64.66	69.93	64.40
GBP	91.14	85.88	91.96	90.32
JPY	-	0.59	-	0.60

GBP is Great Britain Pound which is used in UK.

JPY is Japanese Yen which is used in Japan.

Other currencies includes RMB (Renminbi) which is used in China & 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.


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
32. Financial instruments – Fair values and risk management (contd...)

₹ In lacs

	Profit or loss	
	Strengthening	Weakening
Effect in INR		
31st March, 2019		
3% movement		
USD	(2.89)	2.89
GBP	(0.04)	0.04
JPY	(0.55)	0.55
Others	(0.00)	0.00
Total	(3.48)	3.48
	Profit or loss	
	Strengthening	Weakening
Effect in INR		
31st March, 2018		
3% movement		
USD	(2.74)	2.74
GBP	(0.02)	0.02
JPY	(0.55)	0.55
Others	(0.00)	0.00
Total	(3.31)	3.31

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, 2019	31st March, 2018
Fixed-rate instruments		
Financial liabilities	2,407.77	3,300.14
	2,407.77	3,300.14
Variable-rate instruments		
Financial liabilities	15,422.07	14,823.38
	15,422.07	14,823.38
Total	17,829.84	18,123.52

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.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

32. Financial instruments – Fair values and risk management (contd...)

INR 31st March, 2019	Profit or loss		₹ In lacs
	100 bp increase	100 bp decrease	
Variable-rate instruments	(154.22)		154.22
Cash flow sensitivity (net)	(154.22)		154.22
31st March, 2018			
Variable-rate instruments	(148.23)		148.23
Cash flow sensitivity (net)	(148.23)		148.23

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, 2019 was as follows.

	₹ In lacs	
	As at 31st March, 2019	As at 31st March, 2018
Total liabilities	18,307.25	18,482.33
Less : Cash and cash equivalent	2,872.11	3,356.09
Adjusted net debt	15,435.14	15,126.24
Total equity	92,883.20	96,526.88
Adjusted equity	92,883.20	96,526.88
Adjusted net debt to adjusted equity ratio	0.17	0.16

34. Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organization

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, 2019	For the year ended 31st March, 2018
Domestic Revenues (Including Excise Duty)	25,910.16	23,765.94
Overseas Revenues (Including Export Benefits)	1,00,233.50	99,114.73

C. Information about major customers

Revenue from major customers of the Company was ₹ 55,555.34 lacs is 44.84% of total sales (₹ 22,476.11 lacs is 18.29 % of total sales)

D. Broad Category of Sales

Company deals mainly in Ferro Chrome.



Notes to the Consolidated financial statements for the Year ended 31st March, 2019

**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. R.K. Parakh (Whole time Director) (upto - 30.06.2017)
Mr. G. Janarthanam (Whole time Director) (upto - 06.03.2018)
Mr. Nikunj Pansari (Whole time Director) (wef - 14.12.2017 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) (wef - 14.12.2017)

(ii) Enterprises over which Key Management Personnel and their Relatives are able to exercise significant influence *

Navdisha Real Estate Pvt.Ltd.
Gonterman-Pipers(India)Ltd.
Shakti Chrome Ltd.
Olifant Resources Limited (Formerly known as Ispat Minerals Limited)
Ispat Profile India Ltd.v
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

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

B. Transactions during the year:-

Particulars	Transaction values during the year ended 31st March		Balances outstanding as at 31st March	
	2019	2018	2019	2018
Interest income				
Gontermann Peipers(India)Ltd.	254.93	155.55	387.47	158.04
Sale of good and services				
Gontermann Peipers(India)Ltd.	-	-	83.09	83.09
Rent				
Navdisha Real Estate Private Limited	110.40	110.68	132.83	159.28
Managerial Remuneration				
Mr.Anil Sureka	170.67	185.88	-	-
Mr.R.K.Parakh	-	51.85	-	-
Mr.G Janarthanam	-	71.26	-	-
Mr Nikunj Pansari	84.00	19.03	-	-
Mr Dhiren K Nath	37.88	11.15	-	-
Mrs Mita Jha	21.76	64.19	-	-
Interest Expense				
Ispat Corp Pvt.Ltd.	150.00	150.00	445.32	310.32
Loans given				
Ispat Profile India Ltd.	-	-	-	NIL*
Mr Nikunj Pansari	-	12.00	-	8.00
Mrs Mita Jha	-	1.71	-	1.71
Gontermann Peipers(India)Ltd.	411.03	533.69	1,508.72	1,097.69
Advance given				
Olifant Resources Limited	31.00	155.59	186.59	155.59
Shakti Chrome Ltd	110.79	-	110.79	-
Loan Repaid				
Mr Nikunj Pansari	8.00	4.00	-	-
Mrs Mita Jha	1.71	-	-	-
Deposit Given				
Navdisha Real Estate Private Limited	-	50.00	851.50	851.50
Subscription of share Capital Including Premium(Conversion)				
Global steel Holding Asia Pte.Ltd.	-	804.09	-	-
Prasan Global Ventures Singapore Pte Ltd.	-	149.43	-	-
Money received against share warrant (including forex gain/loss)				
Global steel Holding Asia Pte.Ltd.	-	605.44	-	0.94
Prasan Global Ventures Singapore Pte Ltd.	-	115.35	-	270.14
Direct Trading & Investments Singapore Pte.Ltd.	-	2.43	-	205.67
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				
Ispat Corp Pvt.Ltd.	-	-	1,000.00	1,000.00
Guarantee Given				
Shakti Chrome Ltd.	-	-	217.90	262.19
Olifant Resources Limited	-	-	120.67	93.59
Guarantee Taken				
Mr.Pramod Mittal	-	-	Refer Note 35.1	
Mrs.Vartika Mittal Goenka	-	-		
Shakti Chrome Ltd.	-	-		
Olifant Resources Limited	-	-	Refer Note 35.2	
Balasore Energy Limited	-	-		

* Refer Note 40

All working capital loan/Non convertible debenture are guaranteed by personal guarantee of mentioned personnel.

All working capital loan is guaranteed by corporate guarantee of mentioned entities.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Outstanding Balances assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. This balances are unsecured and their settlement occurs through banking channel.


Notes to the Consolidated financial statements for the Year ended 31st March, 2019
36 CONTINGENT LIABILITIES AND COMMITMENTS

(All amounts in ₹ unless otherwise stated)

		As at 31st March, 2019	As at 31st March, 2018
I)	Contingent Liabilities (not provided for in respect of)		
a)	Sales tax matters under appeal (Amount paid under appeal ₹ 25.17 lacs (31st March 2018- ₹ 25.17 lacs)	465.43	468.77
b)	Entry tax matters (Amount paid under appeal ₹ 1.22 lacs (31st March 2018- ₹ 43.07 lacs)	99.06	245.43
c)	Excise / Service tax matters (Amount paid under appeal ₹ 50.11 lacs (31st March 2018- ₹ 43.56 lacs)	1,243.88	1,234.49
d)	Un-expired Bank Guarantees and Letters of Credit	3,876.85	4,545.25
e)	Bills discounted with Banks	2,236.46	5,011.85
f)	Guarantee given to financial institutions on behalf of others	338.57	355.78
	*In respect of above cases based on favourable decisions in similar cases and discussion with legal counsels the management is of the opinion that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
II)	Other Commitments		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,287.50	2,414.13
b)	Unpaid capital of wholly owned subsidiary Balasore Alloys Nigeria Limited	-	19.80
c)	Unpaid registration fees and stamp duty of New Mining Lease Deed.	1,834.51	1,834.51

37 The Income-Tax Assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand up to the said assessment years is ₹ 659.84 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

38 A revised demand notice dated 11th April, 2018 has been issued by Deputy Director of Mines, 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. The Revision Application is pending before the Mines Tribunal for final disposal.

Based on the opinion of external legal counsel, the company believes that, the demand is legally unjustifiable and does not expect any liability in above matter.

39 The State Trading Corporation of India on 13th May, 2015 through the Ministry of Commerce and Industry has recorded a statement on the floor of the Rajya Sabha that a sum of ₹ 5,855 Lacs is recoverable from the Company as on 31st March, 2015. The alleged demand is very much disputed by the Company and is the subject matter for ascertainment by the Hon'ble Arbitral Tribunal consisting of two Hon'ble Retired Judges of Hon'ble Supreme Court and one Hon'ble Retired Judge of Hon'ble Calcutta High Court. Pursuant to order dated 23rd March 2017 by Hon'ble Arbitral Tribunal which is passed without prejudice to the rights and contentions of the parties and subject to further adjustment about the final amount to be paid (if any), the Company 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. The Arbitral Proceeding is still going on before the Arbitral Tribunal for the final adjudication of the matter.

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

- 40 The Company being one of the Promoter of Ispat Profile India Limited (IPIL), has given an interest bearing loan of ₹ 2,267 Lacs to IPIL in Past, to facilitate the one time settlement of outstanding dues of IPIL with its some of the common lenders, so that Company can get working capital limits for its operation and financial facilities for its ongoing projects, growth and expansion plans.
IPIL has submitted revival plan to Hon'ble Kolkata High Court which is pending for approval.
Company based on conservative approach, written off the said loan along with its accumulated interest aggregating to ₹ 2,661.81 lacs and shown as an exceptional item in the year ended 31st March 2018.
- 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, 2019 company has incurred cost of ₹ 9,520.90 lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,961.36 lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project. A significant part of the project cost would be financed through long term borrowings. Pending financial closure, some cost has been incurred during the year. Management is confident of achieving the financial closure for the project and revitalise the project activities and therefore, no adjustments to the carrying value of capital work in progress and advances relating to project is considered.
- 42 In past company had given advance of ₹ 3,683.58 lacs to a vendor for supply of raw material which later on gone into dispute and ultimately refund of amount was to be done by the vendor based on memorandum of understanding entered between parties. However during the year Vendor company has been admitted under Insolvency and Bankruptcy Code 2016 by National Company Law Tribunal and the company has filed its claim to the Resolution Professional (RP) and which has also been admitted by RP. Extent of amount that would be realized will depend upon outcome of resolution proceedings which at present is not ascertainable. On Account of the uncertainty in realization, company based on prudence has written off the advance and shown as an exceptional item.
- 43 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, 2019 (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, 2019 (Refer Note 3)
 - IV) Guarantee given by the company as at 31st March, 2019 (Refer Note 36)
- 44 The figure for the corresponding previous year have been restated / regrouped where ever necessary to make them comparable with the current period.
- 45 Subsequent Events**
The Board of Directors have recommended dividend of ₹ 0.40 per fully paid up equity share of ₹ 5/- each, aggregating ₹ ~~400~~ 76.73 lacs, including ₹ 76.73 lacs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on 31st March, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.
- 46 Approval of Financial Statement**
The financial statements were approved for issue by the board of directors on May 30, 2019



BALASORE ALLOYS LIMITED

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

47. 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 (₹ h lacs)	As % of Consolidated net assets	Amount (₹ In lacs)
Parent				
Balasore Alloys Limited	100.09	92,966.59	101.47	(2,846.04)
Subsidiaries				
Milton Holding Limited	(0.02)	(23.03)	0.01	(0.17)
Balasore Metals Pte. Limited	(0.06)	(60.36)	(1.47)	41.31
Balasore Alloys Nigeria Limited	-	-	-	-
Associates (Investments as per the equity method)				
Balasore Energy Limited	-	-	-	-
Balasore Energy Limited	-	-	-	-

As per our report of even date

For Chaturvedi & Shah LLP

Firm Registration Number: 101720W / W100355

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

Trilochan Sharma

(Company Secretary)

Membership No- FCS 6024

Place: Kolkata

Date: 30th May, 2019

Notes to the Consolidated financial statements for the Year ended 31st March, 2019

ANNEXURE-A

Salient features of financial statements of Subsidiary/Associates as per Companies Act, 2013

Sr. No.	Name of the Subsidiary Company	Milton Holdings Ltd.**	Balasore Metals Pte Ltd**
1	The Financial year of the Subsidiary Company ended on	31st March 2019	31st March 2019
2	Exchange Rate	1USD = INR 69.55	1USD = INR 69.55
3	Equity Share Capital (Issued, Subscribed & Paid Up)	2,194.83	0.00*
4	Reserves & Surplus (incl. Debit balance in Profit & Loss Account)	(2,217.85)	(60.36)
5	Total Assets	0.07	47.89
6	Total Liabilities	23.09	108.25
7	Investments	-	-
8	Turnover	-	337.81
9	Profit/(Loss) Before Tax	(0.17)	41.34
10	Provision for Taxation	-	-
11	Profit/(Loss) after Taxation	(0.17)	41.34
12	Other Comprehensive Income	-	-
13	Total Comprehensive Income For the Year	(0.17)	41.34
14	% of Shareholding	100%	100%

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

On 31.03.2018-1US\$= INR 64.98

On 31.03.2019-1US\$= INR 69.55

** 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	Share of Associates held by the company on the year end					Profit/Loss for the year			
	Last Audited Balance Sheet	No	Amount of Investment in Associates ₹ in Lacs	Extent of Holding %	Net worth attributable to share holding as per latest audited Balance Sheet ₹ in Lacs	Considered in Consolidation ₹ in Lacs	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate is not consolidated
Balasore Energy Ltd	31.03.2019	17000	1.70	34%	-	-	(0.50)	Note-A	Note-B

Note- A. There is a significant influence due to (%) of Share Capital

B. Loss not considered due to losses exceeding cost of Investment

The above statement also indicates performance and financial position of associate



BALASORE ALLOYS LIMITED

**BALASORE ALLOYS LIMITED**

CIN No.:- L27101OR1984PLC001354

Registered office:- Balgopalpur – 756 020, Dist. Balasore, Odisha

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

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

ATTENDANCE SLIP

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

1. I hereby record my presence at the 31st Annual General Meeting of the Company being held on Friday, 27th September, 2019 at 9.30 a.m. at the Registered Office of the Company at Balgopalpur – 756 020, Dist. Balasore, Odisha.
2. Signature of the Shareholder / Proxy present _____
3. Shareholder / Proxy Holder desiring to attend the meeting must bring the Attendance slip, duly signed, to the meeting and hand it over at the entrance.
4. Shareholder / Proxy Holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.



BALASORE ALLOYS LIMITED

**BALASORE ALLOYS LIMITED****CIN No.:- L27101OR1984PLC001354****Registered office:- Balgopalpur – 756 020, Dist. Balasore, Odisha****Website: www.balasorealloys.com; Email : mail@balasorealloys.com****Phone:+91-6782 – 275781- 85 Fax: +91- 6782 – 275724****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the
Companies (Management and Administration) Amendment Rules, 2015]

Name of the Member(s) :

Registered Address :

E-Mail ID :

Folio No. :

Client ID / DP ID :

I/We, being the Member(s), holding shares of the above named Company, hereby appoint:

1. Name: E-Mail ID:

Address:

Signature:

OR failing him / her

2. Name: E-Mail ID:

Address:

Signature:

OR failing him / her

3. Name: E-Mail ID:

Address:

Signature:



BALASORE ALLOYS LIMITED

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31st Annual General Meeting of the Company, to be held on Friday, 27th September, 2019 at 9.30 A.M. at the Registered Office of the Company at Balgopalpur – 756 020, Dist. Balasore, Odisha and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	#	
		For	Against
	Ordinary Business		
1	Adoption of the Audited Financial Statement of the Company for the year ended on 31 st March, 2019, together with the Reports of the Directors and Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended on 31 st March, 2019.		
3	Re-appointment of Mr. Anil Sureka (DIN: 00058228) who retires by rotation, and being eligible, offers himself for re-appointment.		
	Special Business		
4	Appointment of Mrs. Rupanjana De (DIN: 01560140), as Director.		
5	Appointment of Mrs. Rupanjana De (DIN: 01560140), as an Independent Director for a term of five years.		
6	Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as Director.		
7	Appointment of Mr. Akula Nagendra Kumar (DIN: 08462253), as the Whole-time Director of the Company.		
8	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.		
9	Payment of remuneration to Mr. Dhiren Kumar Nath (DIN: 08022082), Director-Operations for the period from April 01, 2018 to March 31, 2021.		
10	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.		
11	Ratification of remuneration of Cost Auditor of the Company for the financial year 2019-20.		

Signed this day of, 2019.

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 31st 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.

BALASORE ALLOYS LIMITED**CIN: L27101OR1984PLC001354****Registered Office: Balgopalpur - 756020, Dist. Balasore, Odisha.****Website :www.balasorealloys.com; Email: mail@balasorealloys.com****Phone:+91-6782-275781-85 Fax:+91-6782-275724**Date: 13thAugust, 2019**Sub: Voting through electronic means**

Dear Members,

Pursuant to Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide voting facility by electronic means ('remote e-voting') to the members in relation to the businesses to be transacted at the 31st Annual General Meeting to be held at the Registered Office of the Company at Balgopalpur – 756 020, Dist. Balasore, Odisha on Friday, 27th September, 2019 at 9.30 A.M.

The Company has engaged the services of Central Depository Services (India) Ltd. (CDSL) to provide e-voting. The e-voting facility is available at the link www.evotingindia.com

The e-voting facility will be available during the following voting period:-

Commencement of e-voting	From: 9.00 a.m. of 24 th September, 2019 (Tuesday)
End of e-voting period	Upto: 5.00 p.m. of 26 th September, 2019 (Thursday)

E-voting shall not be allowed beyond 5.00 p.m. of 26th September, 2019. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their votes electronically.

The cut-off date for the purpose of remote e-voting is Friday, 20th September, 2019.

Please read the instructions given herein below for exercising vote.

These details and instructions form an integral part of the Notice for the 31st Annual General Meeting to be held on Friday, 27th September, 2019.

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the below mentioned instructions to cast their vote through e-voting:

- (i) The voting period begins on Tuesday, 24th September, 2019 at 9.00 a.m. and ends on Thursday, 26th September, 2019 at 5.00 p.m. 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) on Friday, 20th September, 2019 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.



BALASORE ALLOYS LIMITED

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login.</p> <ul style="list-style-type: none"> 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 as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN (190816005) of BALASORE ALLOYS LTD.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Kindly note that once you have cast your vote, you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

Mr. Raj Kumar Banthia, Practicing Company Secretary (COP No.18428) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutiniser shall, immediately after the conclusion of voting at the 31st Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than forty eight hours of conclusion of the meeting, a consolidated scrutinizers report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall counter sign the same.

The results of e-voting will be announced by the Company on its website and also on the website of CDSL. The same will be informed to the stock exchanges immediately after the result is declared by the Chairman or a person authorized by him in writing. The results of e-voting shall also be displayed on the Notice Board of the company at its Registered Office and its Administrative Office.

Administrative Office:

"Park Plaza"
71 Park Street, 1st Floor,
Kolkata – 700 016,
Phone: +91-33-4029 7000
Fax: +91-33-2229 5693
Email: mail@balasorealloys.com
investorshelpline@balasorealloys.com

Registrar and Share Transfer Agent:

MCS Share Transfer Agent Limited
(Unit: Balasore Alloys Ltd.)
383 Lake Gardens,
1st Floor, Kolkata-700 045, India
Phone: +91-33 4072 4051/4052/4053
Fax: +91-33 4072 405
Email: mcssta@rediffmail.com

Thanking you,

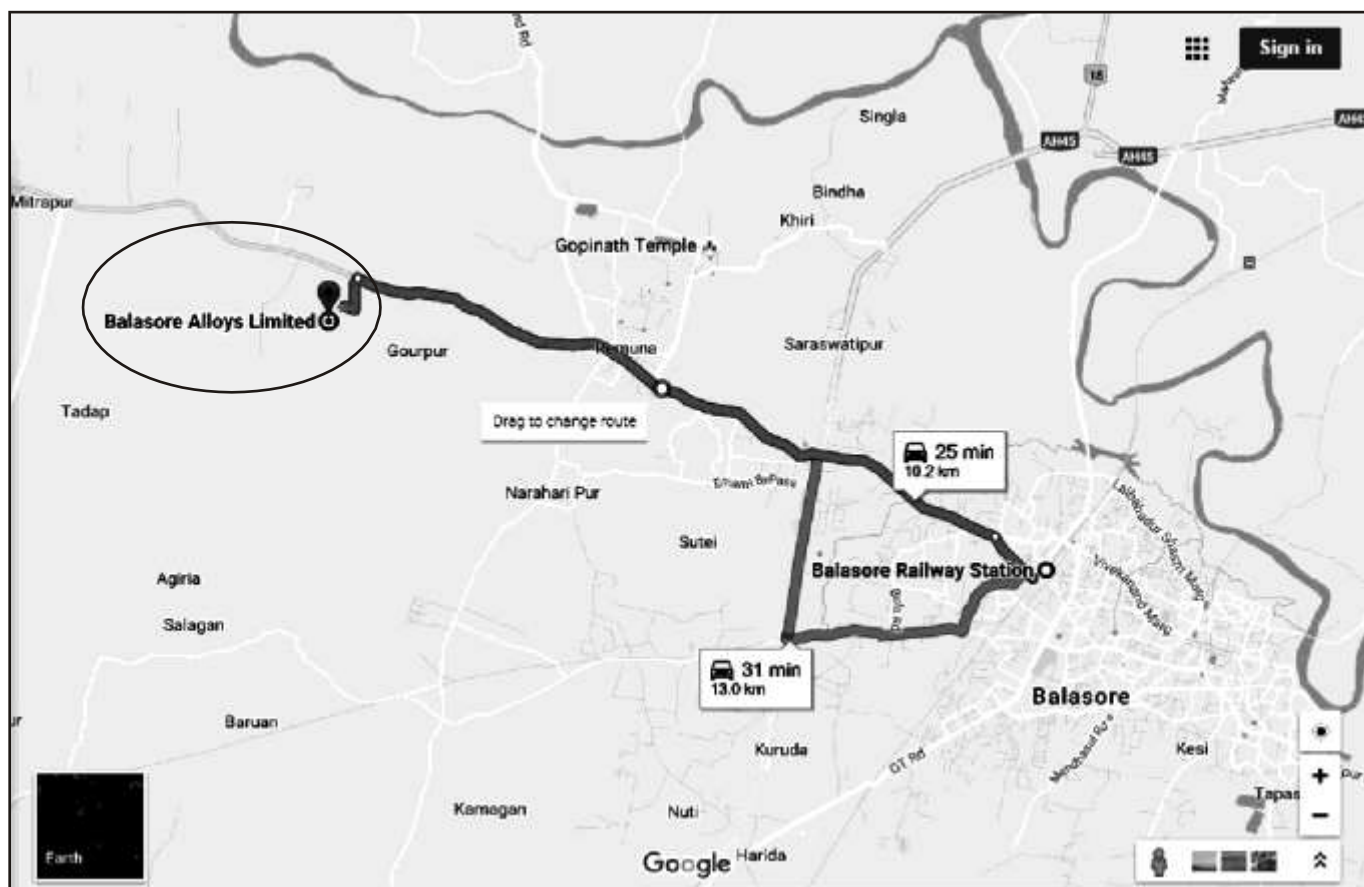
Yours faithfully,

For Balasore Alloys Limited

Sd/-
Trilochan Sharma
President & Company Secretary



Route Map to the venue of the 31st AGM of Balasore Alloys Limited



BALASORE ALLOYS LIMITED

Balgopalpur - 756 020

Dist. Balasore, Odisha



Dr. Swarup Panda, Sr. Vice President-Corporate Affairs receiving **"Kalinga Safety Award" (Silver)** from the **Governor of Odisha, Prof. Ganeshi Lal** in SHE (Safety, Health and Environment) Management category during **"ODISHA STATE SAFETY CONCLAVE - 2018"** at Bhubaneswar.



"Odisha Mining Environment and Mineral Conservation (MEMC) week celebration" under aegis of IBM (Indian Bureau of Mines), Bhubaneswar:

- First prize in waste dump management.
- First prize in mineral beneficiation.
- Second prize in overall performance.
- Second prize in sustainable development.

BOOK POST

If undelivered please return to:

MCS SHARE TRANSFER AGENT LIMITED

(Unit: Balasore Alloys Ltd.)

383 Lake Gardens, 1st Floor, Kolkata - 700045