

BAL Balasore Alloys Limited

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Website : www.balasorealloys.com

CIN : L27101OR1984PLC001354

30th May, 2024

To,
The Secretary
Bombay Stock Exchange of India
Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001

Ref: Script Code:513142

To,
The Secretary
The Calcutta Stock Exchange Limited
7 Lyons Range,
Kolkata - 700 001

Ref. Scrip Code: 10019059

Sub: Outcome of 191st Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Resolutions, 2015.

Meeting commencement time	12:45 P.M.
Meeting conclusion time	05:30 P.M.

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at its meeting held today, the 30th of May 2024 has, inter-alia:

- I. Approved the Audited Financial Results of Balasore Alloys Limited (Standalone & Consolidated) for the 4th quarter and Financial Year ended 31st March 2024.
- II. Please find enclosed the Audited Financial Results of Balasore Alloys Limited (Standalone & Consolidated) for the 4th quarter and Financial Year ended 31st March 2024 along with the Independent Auditors Report and Statement of Impact of Audit Qualifications (Modified Opinion).

This is for your information and record please.

Thanking You,

Yours Faithfully,

For Balasore Alloys Limited

Pankaj Kumar Agarwal

Pankaj Kumar Agarwal
Company Secretary



INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS OF BALASORE ALLOYS LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

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

Report on the Audit of Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of standalone annual financial results of **BALASORE ALLOYS LIMITED** (hereinafter referred to as the "Company"), for the year ended March 31, 2024 (the "Statement"), and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date (together referred to as 'standalone financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Except for the effect of the matters disclosed in paragraph 'Basis of Qualified Opinion' below, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and;
- b) gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian Accounting Standard ("IND AS") prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued there under and other accounting principles generally accepted in India, of the standalone net loss and standalone total comprehensive loss and other financial information of the Company for the year ended March 31, 2024, standalone statement of assets and liabilities as at March 31, 2024 and the standalone statement of cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) We draw attention to Note no 8 of the standalone financial statement, whereby the Company during the previous year FY 2022-23, has received funds from one of the foreign promoter company amounting to USD 64.58 million equivalent to ₹ 52,831.41 Lakhs. The Company has shown the same as long term borrowings under non-current liabilities. The Company has send a letter to State Bank of India being an AD Bank seeking RBI approval for receipt of such funds under ECB route, and pending such approval no interest has been provided in the books of account on such ECB. Due to non provisioning of interest amounting to ₹ 1,393.60 Lakhs and ₹ 5,586.61 for the quarter and year ended March 31, 2024 respectively, the loss for the quarter and year ended March 31, 2024 is understated to that extent, and reserve and surplus as at March 31, 2024 is overstated to extent of ₹ 7,245.97 Lakhs.



Emphasis of Matter

We draw attention to the following matters:

- a) We draw attention to Note No.5 of the standalone financial results regarding slow implementation of underground mining project at its captive mines situated at Sukinda, Odisha. For this the Company in earlier years had made capital advances for supply of capital goods for underground mining project to one bodies corporate limited amounting to ₹ 15,581.51 Lakhs. The said advances are standing in books for more than 3 years. Further, the company is also carrying in its books Capital WIP amounting to ₹ 10,075.79 Lakhs which are standing for more than 3 years. However, no adjustment has been made to its carrying value as per IND As 36 'Impairment of Assets' for the reasons stated in said note. Hence any material impact on the standalone financial statement due to same cannot be ascertained presently.
- b) We draw attention to Note No.6 of the standalone financial results which indicates that the Company has incurred operating losses as on March 31, 2023 and continued during quarter and year ended March 31, 2024, and Company's current liabilities exceeds its current assets. These conditions, along with other matters as stated in said note indicate that a material uncertainty existed as on March 31, 2024 that may cast significant doubt on the Company's ability to continue as a going concern.
- c) We draw attention to Note No.3 of the standalone financial results, which states that trade receivable of ₹ 6,361.35 Lakhs which are outstanding for more than one year from its due date. Further out this trade receivable amounting to ₹ 2,822.87 Lakhs is outstanding for more than 3 years for which confirmation/reconciliation/schedule of payment in respect of certain customers is not made available to us. The Company, however has made provision of ₹ 124.29 Lakhs only during the year for bad and doubtful debts for the reasons stated in said note. Hence any material impact on the standalone financial statement due to same cannot be ascertained presently.
- d) We draw attention to Note No.4 of the standalone financial results, which states that the advances of ₹ 6,813.27 Lakhs which are outstanding for more than one year on account of supply against materials and services. Further out this, advances amounting to ₹ 5,202.06 Lakhs is outstanding for more than 3 years for which confirmation/reconciliation/schedule of repayment/schedule of supply of material in respect of certain vendors is not made available to us. The Company, however has made provision of ₹ 314.42 Lakhs only during the year for doubtful advances for the reasons stated in said note. Hence any material impact on the standalone financial statement due to same cannot be ascertained presently.
- e) The confirmations of trade receivables, trade payables, advances to suppliers, advances from customers', are subject to confirmation/reconciliation. Hence any material impact as on the reporting date cannot be ascertained.
- f) We draw attention to Note no 7 of the standalone financial results, in relation to Statutory Stage-II forest clearance, where the DDM, Jajpur on 06.06.2022 issued a letter to suspend mining operations, The Company has taken a legal recourse and the Hon'ble Orissa High Court vide order dated 3rd November 2023 in the writ petition of 14204/2023 has directed the Union of India, "to grand necessary Stage II forest clearance. Finally, the Ministry of Environment, Forests & Climate Change vide its order dated 4th December, 2023 imposed certain conditions. The Company has complied with the conditions imposed and got temporary working permission from Divisional Forest Office, Cuttack vide its order dated 3rd February 2024, for a period of one year till 2nd February 2025. The company has to take the formally Stage II permission from the authorities within this one year period. Further The Company has applied to State Pollution Control Board and Deputy Director Mines for resumption of operation for the one year period till 2nd February, 2025. Subsequently Company got Consent to operate (CTO) from State Pollution Control Board , Odisha up to 2.2.2025 and vide letter dated 15.02.2024, DDM Jajpur Road has revoked the suspension order and allowed mining operation from 15.02.2024.



Now Company has complied with the all conditions of MOEF letter dated 4th December 2023 and necessary compliance has been forwarded by DFO , Cuttack to PCCF, Nodal and in turn PCCF, Nodal has forwarded to MOEF Delhi vide letter dated 20th May 2024 . Now the same compliance will be processed at Forest & Environment department of the State for onward submission to MOEF. Thereafter MOEF will processed for issue of Stage II clearance.

Further, as per letter dated 4th Dec 2023, MOEF & CC has asked two conditions to be complied in respect of our forest clearance over 64.119 hecsts sabik forest land. One of the conditions was to raise penal Compensatory afforestation (CA) over land utilised in violation of the Forest Conservation Act 1980. To speedy up the process, as decided by the management, the Company have earmarked 7.403 hecsts of land situated at the Balasore plant for this purpose and accordingly financial outlay of ₹ 90.37 Lakhs as approved by PCCF, Nodal, Bhubaneswar. After handover the land to concerned authority, the Company have got temporary working permission from DFO Cuttack and mining operation was resumed wef 15.02.2024.

- g) We draw attention to Note no.10 of the standalone financial statements, which states that the trading in the securities of the Company was suspended w.e.f. March 15, 2021 in terms of and in accordance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Pursuant to the Bombay Stock Exchange (BSE) Order dated 21.11.2023, the Company has complied with the formalities/requirements including payment of fees and SOP fines within the timelines prescribed for revocation of suspension of securities of the Company. However, BSE vide its Order mailed on 24.01.2024 has compulsorily delisted the trading in securities of the Company w.e.f. 25.01.2024 against which the Company has filed an Appeal before the Securities Appellate Tribunal (SAT) on 5th February 2024. Hence any material impact on the financial statement cannot be ascertained presently.
- h) We draw attention to the fact that the Company is carrying WIP stock of tailing as at March 31, 2024 amounting to ₹ 13,602.52 Lakhs which as per management has worked out a plan to use Inventory of Tailings lying at captive mines accumulated over the years which is a by-product of Chrome Ore Beneficiation Process (COB) in nearby future being very cost effective and simplified process. However there has been no movement of such stock over last three years due shut down of mining operations. As per technical evaluation/physical evaluation conducted by the technical engineer, the management has informed that tailing stock is usable and the net realizable value of crome that would be generated from it would much higher than the value at which it is presently been valued at. Hence no provision has been made in the books and any material impact due to same cannot be ascertained.
- i) We draw attention to note no 9 of the financial statement, during the previous years, customer has got an arbitration award in the International Court of Arbitration against company and seeking additional compensations for the costs incurred by it on company behalf amounting to USD 30,35,249 equivalent to ₹2,495.49 Lakhs. The said customer had approached Hon'ble High Court of Calcutta for enforcing the said order. The Hon'ble High Court of Calcutta had directed the Company to deposit ₹2,208.75 Lakhs as deposit till the final hearing is complete. The Company did not honour the said order and the customer filed the appeal to Hon'ble Supreme Court. The Hon'ble Supreme Court had directed the Company to deposit the said amount. The Company during the previous quarters had deposited funds amounting to ₹2,208.75 Lakhs against the said order. The Company continue to show the same under deposits under assets side.
- Further, as explained to us by the management, regarding trade receivable amounting to ₹ 2,293.06 Lakhs, the Company during the year, based on the court order, has expensed off the same, as the same is no more realisable.

Our opinion is not modified in respect of above matters.



Management's Responsibilities for the Standalone Financial Results

These standalone annual results have been prepared on the basis of the standalone financial statements. This Statement, is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of standalone financial statements for the year ended March 31, 2024. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is 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 this Standalone Financial Results.

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 Results, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.



- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Company 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 Statement 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 Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Results.

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.

Other Matter

The accompanying Statement include the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the listing regulations. Our opinion on the Audit of the Standalone Financial Results for the year ended March 31, 2024 is not modified in respect of this matter.

For B Nath & Co

Chartered Accountants

Registration number-307057E



Gaurav More
Gaurav More

Partner

Membership no-306466

UDIN-24306466BKDHIT2293

Place: Kolkata

Date: May 30, 2024

Balasore Alloys Limited Registered Office : Balgopalpur 756020, Dist. Balasore, Odisha CIN : L27101OR1984PLC001354 Tel : +91-6782-275781/2/3/5, Website : www.balasorealloys.com, e-mail : mail@balasorealloys.com Audited Standalone Statement of Financial Results for the Quarter and Year ended March 31, 2024							(Rs in Lacs)	
Particulars		Quarter Ended			Year Ended			
		31-03-2024 (Audited)	31-12-2023 (Unaudited)	31-03-2023 (Audited)	31-03-2024 (Audited)	31-03-2023 (Audited)		
1	Income							
	a. Revenue from Operations	18,975.37	19,729.39	28,970.88	1,12,289.78	38,155.90		
	b. Other Income	3,386.18	151.05	1,623.93	4,007.77	1,977.05		
	Total Income {1(a)+1(b)}	22,361.55	19,880.44	30,594.81	1,16,297.55	40,132.95		
2	Expenses							
	a. Cost of Material Consumed	11,137.62	15,470.14	20,343.84	77,437.43	25,419.69		
	b. Purchase of Stock -in- Trade	-	-	-	-	1,311.04		
	c. Change in inventories of finished goods and work in progress	(993.61)	1,379.00	(2,221.16)	1,466.19	(3,722.34)		
	d. Power	4,993.68	4,694.24	7,789.90	25,837.29	8,899.57		
	e. Employee benefits expense	1,296.50	949.46	790.44	4,258.38	2,243.84		
	f. Finance Cost (Net)	284.68	547.53	2,997.90	2,330.78	7,196.13		
	g. Depreciation and amortisation expense	598.30	574.54	555.80	2,305.95	2,430.59		
	h. Other expenses	6,432.41	2,181.36	2,767.39	15,541.32	9,037.64		
	Total Expense {2(a) to 2(h)}	23,749.59	25,796.27	33,024.10	1,29,177.35	52,816.16		
3	Profit from operations before exceptional item (1-2)	(1,388.04)	(5,915.83)	(2,429.29)	(12,879.80)	(12,683.20)		
4	Exceptional Item	-	-	(9,756.06)	-	(9,756.06)		
5	Profit from operations After exceptional item and before tax (3-4)	(1,388.04)	(5,915.83)	(12,185.35)	(12,879.80)	(22,439.26)		
6	Tax Expense							
	a. Deferred Tax	(151.67)	(2,621.91)	(1,744.37)	(3,996.53)	(5,305.55)		
	b. Income Tax Relating to Earlier Years	(4,264.20)	-	-	(4,264.20)	-		
7	Net Profit/Loss for the period (5-6)	3,027.83	(3,293.92)	(10,440.98)	(4,619.07)	(17,133.71)		
8	Other Comprehensive Income							
	FVTOCI of Employee Benefit Obligation	0.34	60.30	52.23	113.43	208.93		
9	Total Comprehensive Income (7+8)	3,028.16	(3,233.62)	(10,388.75)	(4,505.65)	(16,924.78)		
10	Paid up Equity Share Capital (Face value of Rs. 5/- each)	4,666.27	4,666.27	4,666.27	4,666.27	4,666.27		
11	Other Equity				47,026.32	51,531.97		
12	Earnings per Share (Face value of Rs. 5/- each)							
	- Basic & diluted (not annualised) (in Rs.)	3.24	(3.53)	(11.19)	(4.95)	(18.36)		



Statement of Assets and Liabilities as at 31st March, 2024

(Rs in Lacs)

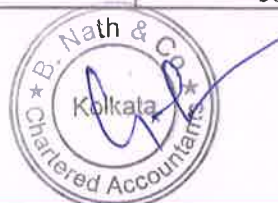
Particulars	Year Ended	
	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	22,496.74	24,030.98
(b) Right of Use an Assets	55,996.43	54,588.37
(c) Intangible Assets	3,319.42	3,692.90
(d) Capital Work in Progress	12,536.55	11,748.38
(e) Financial Assets		
(i) Investments	1,618.01	1,618.01
(ii) Other Financial Assets	851.50	788.33
(f) Deferred Tax Assets (Net)	12,489.36	8,530.99
(g) Other Non Current Assets	15,752.54	15,777.22
Total Non-Current Assets	1,25,060.55	1,20,775.18
Current Assets		
(a) Inventories	25,903.22	28,611.36
(b) Financial assets:		
(i) Trade Receivables	7,716.34	13,367.97
(ii) Cash and Cash Equivalants	304.06	2,380.60
(iii) Bank Balances other than above	1,844.52	667.00
(iv) Loans	1,746.68	1,746.28
(v) Other Financial Assets	5,852.18	5,248.35
(C) Other Current Assets	13,493.23	18,093.49
Total Current Assets	56,860.23	70,115.06
Total Assets	1,81,920.78	1,90,890.23
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	4,666.27	4,666.27
(b) Other Equity	47,026.32	51,531.97
Total Equity	51,692.59	56,198.24
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	53,850.75	53,103.45
(i) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8,125.15	11,484.99
(b) Long Term Provision	895.57	935.21
	62,871.47	65,523.65
Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	3,716.66	4,643.45
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	108.92	92.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22,553.31	27,669.28
(ii) Other financial Liabilities	5,827.18	6,493.51
(b) Other current liabilities	24,896.18	17,832.63
(c) Short Term Provision	10,254.48	12,436.70
	67,356.71	69,168.33
Total Liabilities	1,30,228.19	1,34,691.98
Total Equity and Liabilities	1,81,920.78	1,90,890.23



Cash Flow Statement for the Year ended 31st March, 2024

(Rs in Lacs)

Particulars	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(12,879.80)	(22,439.26)
Adjustments for :		
Depreciation & Amortization Expense	2,305.95	2,430.59
Loss / (Profit) on Sale/Transfer of Plant, Property and Equipment (Net)	(1,408.53)	-
Unrealised Foreign Exchange Gain/Loss	965.78	127.70
Unspent Liabilities no Longer Required Written Back	(1,979.90)	(1,327.96)
Irrecoverable Debts , Deposits & Advances Written Off	190.96	118.75
Provision for Doubtful Debts/Advances	638.04	9,756.06
Interest Expense	2,283.16	7,169.43
Interest Income	(616.98)	(494.37)
Operating Profit before Working Capital Changes	(10,501.31)	(4,659.07)
Adjustments for:		
Increase/ (Decrease) in Trade Payables and Other Current Liabilities	2,645.30	3,074.62
Increase/ (Decrease) in Provisions	(39.64)	(124.02)
Decrease / (Increase) in Trade Receivables	5,527.33	(4,518.91)
Decrease / (Increase) In Inventories	2,708.14	(2,963.86)
Decrease / (Increase) in Loans & Advances and Other Assets	3,700.01	(19,611.43)
Cash Generated from Operations	4,039.84	(28,802.67)
Tax Paid	(486.17)	(106.20)
Net Cash (Outflow)/Inflow from Operating Activities	3,553.67	(28,908.87)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Transfer of Property, Plant and Equipment (Including CWIP and Capital Advances)	(1,666.30)	510.76
Proceeds From Sale of Fixed Assets	7.01	-
Maturity of/(Investment) in Fixed Deposit	(1,177.52)	(304.59)
Interest Received	296.74	96.02
Net Cash (Outflow)/Inflow from Investing Activities	(2,540.06)	302.20
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	-	(217.95)
Proceeds of Long-Term Borrowings	-	53,103.45
Net Movement in Short Term Borrowings	(926.81)	(15,409.91)
Interest and Other Finance charges paid	(2,163.33)	(6,775.95)
Net Cash Inflow/(Out flow) from Financing Activities	(3,090.13)	30,699.63
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)	(2,076.53)	2,092.96
Cash & Cash Equivalents as at Opening	2,380.60	287.62
Cash & Cash Equivalents as at Closing	304.06	2,380.60
Cash & Cash Equivalents as at the End of the Year Includes		
Cash-on-Hand	6.06	10.76
Balances with Banks:		
In Current Accounts	166.49	2,238.33
In Unpaid Dividend Account	131.51	131.51
Cash and Cash Equivalents at the End of the Year	304.06	2,380.60



Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held
- 2 The Company is mainly engaged in the Manufacturing of Ferro Chrome. As such there are no separate reportable segments as per the Ind-AS 108 Segment Reporting.
- 3 Trade Receivable includes ₹6361.35 Lacs, which are outstanding for more than one year from its due date. Balance in respect of these customers are subject to confirmation/reconciliation. The Company during the quarter and year ended March 31, 2024, considering the prudence and taking conservative approach, has made a provision for bad and doubtful debts amounting to ₹124.29 Lacs due to non availability of confirmation/reconciliation/schedule of payment with customers. The Company, however, will continue to take steps for the recovery of the same.
- 4 Advances under Other Assets include ₹ 6,813.27 Lacs which are outstanding for more than a year on account of supply against materials and services. Balance in respect of these Vendors are subject to confirmation/reconciliation. The Company during the quarter and year ended March 31, 2024, considering the prudence and taking conservative approach, has made a provision for bad and doubtful advances amounting to ₹ 314.42 Lacs due to non availability of confirmation/reconciliation/schedule of payment or supply of goods/services. The Company however, will continue to take steps for the recovery of the same.
- 5 The Company has embarked on a strategic initiative to ensure a steady supply of raw materials for its ferro chrome plants by developing underground mines in Sukinda. As of March 31, 2024 the company has invested ₹10,075.79 Lacs in the development of these mines, which is reflected as Capital Work in Progress. Additionally, the company has advanced ₹15,752.54 Lacs to vendors for equipment and services related to the project, with assurances from significant vendors regarding timely material supply. In response to current market dynamics and the company's operational needs, a revised Underground Mining Plan has been formulated. The new plan entails commencing a decline at +45mRL, deemed more cost-effective and efficient, with funding sourced from internal accruals, equity/quasi-equity from the promoter group, and other financial arrangements. Given that the majority of expenses have been allocated to pre-development activities and substantial advances have been made to vendors for equipment procurement, the management is confident in the successful execution of the project. It is anticipated that chrome ore extraction through underground mining will commence before the depletion of resources from the existing open-cast/boundary pillar mining methods in the upcoming years. In light of these considerations, the company has concluded that no adjustments to the carrying value of Capital Work in Progress and advances related to the project are warranted.
- 6 The Company has incurred losses during the previous year, and its current liabilities exceed current assets that may create uncertainties. Due to same cash flow mismatch has arisen which further led to non-payment of statutory liabilities, salaries overdue, working capital deficiencies and subsequent to shut down of plant operations due to disconnection of power by NESCO in September 2020. However, various cost saving initiatives undertaken by the Company in addition to optimize revenue opportunities and realization from its non-core assets is expected to result in improved operating performance. Further, Company's continued thrust to improve operational efficiency and unconditional support from its Promoters' Group by way of infusion of funds into Company have resulted in increased cash flows to address uncertainties and restoration of power supply by TPNODL (erstwhile NESCO). Accordingly, the financial statements continue to be prepared on a going concern basis.
- 7 Following a suspension of mining operations by the DDM, Jajpur Road in June 2022, the Company pursued legal action resulting in a directive from the Orissa High Court in November 2023, compelling the Union of India to grant necessary Stage II Forest clearance. MOEF & CC issued conditions in December 2023, which the Company duly fulfilled, securing temporary working permission until February 2025. Subsequently, the DDM Jajpur Road revoked the suspension order in February 2024. Compliance documentation has been forwarded through appropriate channels for Stage II clearance. As per the December 4, 2023 letter from MOEF & CC, two conditions were stipulated regarding forest clearance for 64.119 hectares of Subik forest land. One condition necessitated the establishment of penal Compensatory Afforestation (CA) for land used in violation of the Forest Conservation Act 1980. To expedite this, the company allocated 7.403 hectares of land at the Balasore plant, with an approved financial outlay of ₹90.37 lakhs by PCCF Nodal, Bhubaneswar. Upon handing over the land to the relevant authority, the company obtained temporary working permission from DFO Cuttack, allowing mining operations to resume from February 15, 2024. Necessary adjustment in the financials has been carried out during the quarter and year ended 31st March 2024.



- 8 During the previous year FY 2022-23, M/s Direct Investments Limited (DIL), a promoter group company have infused long term funds amounting to USD 64.58 million equivalent to ₹ 52,831.41 lacs into the company. The remittances from DIL were inadvertently received, reflected and recorded for the purpose of issuance of compulsory convertible debentures to DIL and instead the same should have been received, reflected and recorded in the form of an External Commercial Borrowings from DIL in terms of the provisions of Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended. The said funds have been used for resuming plant operations both at Balasore and Sukiuda by way of making payments to TPNODL for power restoration , for plant overhauling, to critical vendors , repayment of overdue banks borrowings etc. Company management is in the process of complying with applicable laws and regulations in respect of said infusion of funds. The Company has shown the same as long term borrowings under non current liabilities. The Company has send a letter to State Bank of India being an AD Bank seeking RBI approval for receipt of such funds under ECB route, and pending such approval interest has not been charged amounting to ₹ 1,393.60 lacs and ₹ 5,586.61 lacs for the quarter and year ended March 31, 2024 (aggregate as on March 31, 2024 ₹ 7245.97 lacs) in the books on account of such ECB.
- 9 During the previous years, a customer has got an arbitration award in the International Court of Arbitration against the company seeking additional compensations for the costs incurred by it amounting to USD 30,35,249. The said customer had approached Hon'ble High Court of Calcutta for enforcing the said order. The Hon'ble High Court of Calcutta had directed the Company to deposit ₹2208.75 Lacs, till the final hearing is completed. Thereafter the Company filed the Special Leave petition in the Hon'ble Supreme Court, wherein the Hon'ble Court had directed the Company to deposit the said amount. The Company during the previous quarter had deposited funds amounting to ₹2,208.75 against the said order to the Registrar of Hon'ble High Court of Calcutta. The said deposit has been shown under the head 'Balance with Government Authorities'.
- 10 The trading in the securities of the Company was suspended w.e.f. March 15, 2021 in terms of and in accordance with SEBI Circular No. SEBI/HO/CFD/CMD/CIRP/2020/12 dated January 22, 2020. Pursuant to the Bombay Stock Exchange (BSE) Order dated 21.11.2023, the Company has complied with the formalities/requirements including payment of fees and SOP fines within the timelines prescribed for revocation of suspension of securities of the Company. However, BSE vide its Order mailed on 24.01.2024 has compulsorily delisted the trading in securities of the Company w.e.f. 25.01.2024 against which the Company has filed an Appeal before the Securities Appellate Tribunal (SAT) on 5th February 2024 and hearing is under process.
- 11 The figures for the quarter ended March 31, 2024 represents the derived figures between the audited figures in respect of the year ended March 31, 2024 and the unaudited published period to date figures upto December 31, 2023, which was subjected to limited review.
- 12 Previous year/ period figures have been rearranged / regrouped wherever necessary to make them

Place: Sukiuda
Date: May 30, 2024



For Balasore Alloys Limited



BALASORE ALLOYS LIMITED**(B) (A) (L)**

CIN-L27101OR1984PLC001344

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results-Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I. Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	1,16,297.55	1,16,297.55
2.	Total Expenditure	1,29,177.35	1,34,763.96
3.	Net Profit/(Loss)	(4619.07)	(10,205.68)
4.	Earnings Per Share	(4.95)	(9.38)
5.	Total Assets	1,81,920.78	1,81,920.78
6.	Total Liabilities	1,81,920.78	1,81,920.78
7.	Net Worth	50.532.01	43,286.04
8.	Any other financial item(s) (as felt appropriate by the management)		
II. Audit Qualification (each audit qualification separately):			
1.	<p>a. Details of Audit Qualification:</p> <p>(i) The Company during the previous year FY 2022-23, has received funds from one of the foreign promoter company amounting to USD 64.58 million equivalent to Rs. 52,831.41 Lakhs. The Company has shown the same as long term borrowings under non-current liabilities. The Company has send a letter to State Bank of India being an AD Bank seeking RBI approval for receipt of such funds under ECB route, and pending such approval no interest has been provided in the books of account on such ECB. Due to non provisioning of interest amounting to Rs 1,393.60 Lakhs and Rs 5,586.61 for the quarter and year ended March 31, 2024 respectively, the loss for the quarter and year ended March 31, 2024 is understated to that extent, and reserve and surplus as at March 31, 2024 is overstated to extent of Rs 7,245.97 Lakhs.</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: appeared second time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor,</p> <p>(i) Management's Views: During the previous FY 2022-23 Promoters have infused long term funds amounting to USD 64.58 million equivalent to Rs. 52,831.41</p>		

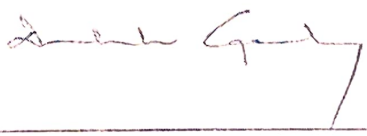

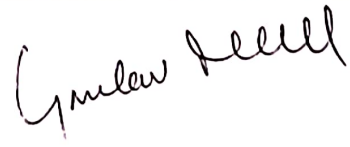
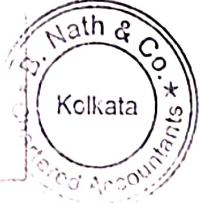
BALASORE ALLOYS LIMITED

(B) (A) (L)

CIN-L27101OR1984PLC001354

lacs into the company. The remittances from Direct Investment Limited ("DIL") were inadvertently received, reflected and recorded for the purpose of issuance of compulsory convertible debentures to "DIL" and instead the same should have been received, reflected and recorded in the form of an External Commercial Borrowings from "DIL" in terms of the provisions of Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended. The said funds have been used for resuming plant operations both at Balasore and Sukinda by way of making payments to TPNODL for power restoration, for plant overhauling, to critical vendors, repayment of overdue banks borrowings etc. Company management is in the process of complying with applicable laws and regulations in respect of said infusion of funds. The Company has shown the same as long term borrowings under non-current liabilities. The Company is in process of getting approval from RBI through AD bank under ECB route and pending such approval no interest has been charged in the books on account of such ECB.

- e. For Audit Qualification(s) where the impact is not quantified by the auditor:
- (i) Management's estimation on the impact of audit qualification: NA
 - (ii) If management is unable to estimate the impact, reasons for the same: NA
 - (iii) Auditors' Comment on (i) or (ii) above - NA

III Signatories	
Mr. Debasish Ganguly Managing Director DIN: 10104368	
Mr. Shiv Kumar Dabriwala CFO	
Mr. Ramen Ray Mandal Audit Committee Chairman DIN: 00700908	RAMEN RAY MANDAL Digitally signed by RAMEN RAY MANDAL Date: 2024.05.30 17:34:30 +05'30'
For. B Nath and Co. Chartered Accountants FRN: 307057E Gaurav More Partner Membership no. 306466	 

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS OF BALASORE ALLOYS LIMITED PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

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

Report on the Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of consolidated annual financial results of **BALASORE ALLOYS LIMITED** (hereinafter referred to as the "Company"), for the year ended March 31, 2024 (the "Statement"), and the consolidated statement of assets and liabilities and consolidated statement of cash flows as at and for the year ended on that date (together referred to as 'consolidated financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Except for the effect of the matters disclosed in paragraph 'Basis of Qualified Opinion' below, 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 unaudited financial statements/financial information of the subsidiary and associate as certified by the management, the aforesaid consolidated financial results:

- a) includes financial results of subsidiaries (a) Balasore Metals Pte Limited (b) Milton Holdings Limited and associates (a) Balasore Energy Limited.
- b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard and;
- c) gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian Accounting Standard ("IND AS") prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued there under and other accounting principles generally accepted in India, of the consolidated net loss and consolidated total comprehensive income and other financial information of the Company for the year ended March 31, 2024, consolidated statement of assets and liabilities as at March 31, 2024 and the consolidated statement of cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note no 8 of the consolidated financial statement, whereby the parent Company during the previous year FY 2022-23, has received funds from one of the foreign promoter company amounting to USD 64.58 million equivalent to ₹52,831.41 Lakhs. The Company has shown the same as long term borrowings under non current liabilities. The Company has send a letter to State Bank of India being an AD Bank seeking RBI approval for receipt of such funds under ECB route, and pending such approval no interest has been provided in the books of account on such ECB. Due to non provisioning of interest amounting to ₹1,393.60 Lakhs and ₹5,586.61 for the quarter and year ended March 31, 2024 respectively, the loss for the quarter and year ended March 31, 2024 is understated to that extent, and reserve and surplus as at March 31, 2024 is overstated to extent of ₹7,245.97 Lakhs



Emphasis of Matter

We draw attention to the following matters:

- a) We draw attention to Note No.5 of the consolidated financial results, in respect of parent company, regarding slow implementation of underground mining project at its captive mines situated at Sukinda, Odisha. For this the Company in earlier years had made capital advances for supply of capital goods for underground mining project to one bodies corporate limited amounting to ₹ 15,581.51 Lakhs. The said advances are standing in books for more than 3 years. Further, the company is also carrying in its books Capital WIP amounting to ₹ 10,075.79 Lakhs which are standing for more than 3 years. However, no adjustment has been made to its carrying value as per IND As 36 'Impairment of Assets' for the reasons stated in said note. Hence any material impact on the consolidated financial statement due to same cannot be ascertained presently.
- b) We draw attention to Note No.6 of the consolidated financial results which indicates that the Company has incurred operating losses as on March 31, 2023 and continued during quarter and year ended March 31, 2024, and Company's current liabilities exceeds its current assets. These conditions, along with other matters as stated in said note indicate that a material uncertainty existed as on March 31, 2024 that may cast significant doubt on the parent Company's ability to continue as a going concern.
- c) We draw attention to Note No.4 of the consolidated financial results, which states that trade receivable of ₹ 6,361.35 Lakhs which are outstanding for more than one year from its due date. Further out this trade receivable amounting to ₹ 2,822.87 Lakhs is outstanding for more than 3 years for which confirmation/reconciliation/schedule of payment in respect of certain customers is not made available to us. The Company, however has made provision of ₹ 124.29 Lakhs only during the year for bad and doubtful debts for the reasons stated in said note. Hence any material impact on the consolidated financial statement due to same cannot be ascertained presently.
- d) We draw attention to Note No.4 of the consolidated financial results, which states that the advances of ₹ 6,813.27 Lakhs which are outstanding for more than one year on account of supply against materials and services. Further out this, advances amounting to ₹ 5,202.06 Lakhs is outstanding for more than 3 years for which confirmation/reconciliation/schedule of re-payment/schedule of supply of material in respect of certain vendors is not made available to us. The Company, however has made provision of ₹ 314.42 Lakhs only during the year for doubtful advances for the reasons stated in said note. Hence any material impact on the consolidated financial statement due to same cannot be ascertained presently.
- e) The confirmations of trade receivables, trade payables, advances to suppliers and advances from customers' are subject to confirmation and reconciliation. Hence any material impact as on the reporting date cannot be ascertained.
- f) We draw attention to Note no 7 of the consolidated financial results, in relation to Statutory Stage-II forest clearance, where the DDM, Jajpur on 06.06.2022 issued a letter to suspend mining operations, The Company has taken a legal recourse and the Hon'ble Orissa High Court vide order dated 3rd November 2023 in the writ petition of 14204/2023 has directed the Union of India, "to grant necessary Stage II forest clearance. Finally, the Ministry of Environment, Forests & Climate Change vide its order dated 4th December, 2023 imposed certain conditions. The Company has complied with the conditions imposed and got temporary working permission from Divisional Forest Office, Cuttack vide its order dated 3rd February 2024, for a period of one year till 2nd February 2025. The company has to take the formally Stage II permission from the authorities within this one year period. Further The Company has applied to State Pollution Control Board and Deputy Director Mines for resumption of operation for the one year period till 2nd February, 2025. Subsequently Company got Consent to operate (CTO) from State



Pollution Control Board , Odisha up to 2.2.2025 and vide letter dated 15.02.2024, DDM Jajpur Road has revoked the suspension order and allowed mining operation from 15.02.2024.

Now Company has complied with the all conditions of MOEF letter dated 4th December 2023 and necessary compliance has been forwarded by DFO , Cuttack to PCCF, Nodal and in turn PCCF, Nodal has forwarded to MOEF Delhi vide letter dated 20th May 2024 . Now the same compliance will be processed at Forest & Environment department of the State for onward submission to MOEF. Thereafter MOEF will processed for issue of Stage II clearance.

Further, as per letter dated 4th Dec 2023, MOEF & CC has asked two conditions to be complied in respect of our forest clearance over 64.119 hecets sabik forest land. One of the conditions was to raise penal Compensatory afforestation (CA) over land utilised in violation of the Forest Conservation Act 1980. To speedy up the process, as decided by the management, the Company have earmarked 7.403 hecets of land situated at the Balasore plant for this purpose and accordingly financial outlay of ₹ 90.37 Lakhs as approved by PCCF, Nodal, Bhubaneswar. After handover the land to concerned authority, the Company have got temporary working permission from DFO Cuttack and mining operation was resumed wef 15.02.2024.

- g) We draw attention to Note no.10 of the consolidated financial statements, which states that the trading in the securities of the Company was suspended w.e.f. March 15, 2021 in terms of and in accordance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Pursuant to the Bombay Stock Exchange (BSE) Order dated 21.11.2023, the Company has complied with the formalities/requirements including payment of fees and SOP fines within the timelines prescribed for revocation of suspension of securities of the Company. However, BSE vide its Order mailed on 24.01.2024 has compulsorily delisted the trading in securities of the Company w.e.f. 25.01.2024 against which the Company has filed an Appeal before the Securities Appellate Tribunal (SAT) on 5th February 2024. Hence any material impact on the financial statement cannot be ascertained presently.
- h) We draw attention to the fact that the Company is carrying WIP stock of tailing as at March 31, 2024 amounting to ₹ 13,602.52 Lakhs which as per management has worked out a plan to use Inventory of Tailings lying at captive mines accumulated over the years which is a by-product of Chrome Ore Beneficiation Process (COB) in nearby future being very cost effective and simplified process. However there has been no movement of such stock over last three years due shut down of mining operations. As per technical evaluation/physical evaluation conducted by the technical engineer, the management has informed that tailing stock is usable and the net realizable value of crome that would be generated from it would much higher than the value at which it is presently been valued at. Hence no provision has been made in the books and any material impact due to same cannot be ascertained.
- i) We draw attention to note no 9 of the financial statement, during the previous years, customer has got an arbitration award in the International Court of Arbitration against parent company and seeking additional compensations for the costs incurred by it on company behalf amounting to USD 30,35,249 equivalent to ₹2,495.49 Lakhs. The said customer had approached Hon'ble High Court of Calcutta for enforcing the said order. The Hon'ble High Court of Calcutta had directed the Company to deposit ₹2,208.75 Lakhs as deposit till the final hearing is complete. The Company did not honour the said order and the customer filed the appeal to Hon'ble Supreme Court. The Hon'ble Supreme Court had directed the Company to deposit the said amount. The Company during the previous quarters had deposited funds amounting to ₹2,208.75 Lakhs against the said order. The Company continue to show the same under deposits under assets side.



Further, as explained to us by the management, regarding trade receivable amounting to ₹ 2,293.06 Lakhs, the Company during the year, based on the court order, has expensed off the same, as the same is no more realisable

Our opinion is not modified in respect of above matters.

Other Matter

- a) We did not audit the financial statements of two subsidiaries whose financial statement reflects total assets of ₹ 3,919.30 lakhs as at March 31, 2024, total revenue of ₹ 3,701.17 lakhs, total net profit after tax of ₹ 22.45 lacs and total comprehensive loss of ₹ 22.45 lakhs and net cash flow of ₹ 0.17 lakhs 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. Our opinion is not modified in respect of this matter.
- b) The consolidated financial statements include the Group's share of net loss of ₹ Nil Lacs for the year ended March 31, 2024 as considered in the consolidated financial statements, in respect of one associate, whose financial statement has not been audited by us. This financial statements have been furnished to us by the management. Our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial results certified by the management 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 is not modified in respect of this matter
- c) The accompanying Statement include the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the listing regulations. Our opinion on the Audit of the Consolidated Financial Results for the year ended March 31, 2024 is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

These consolidated annual results have been prepared on the basis of the consolidated financial statements. This Statement, is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of consolidated financial statements for the year ended March 31, 2024. The Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole is 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 this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Company 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 Statement 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 Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Financial Results of the Company to express an opinion on the Consolidated Financial Results.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results 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 Results.

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.



For B Nath & Co
Chartered Accountants
Registration number-307057E


Gaurav More

Partner
Membership no-306466
UDIN- 24306466BKDHU2128

Place: Kolkata
Date: May 30, 2024

(Rs in Lacs)

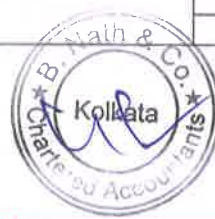
Particulars		Quarter Ended			Year Ended	
		31-03-2024 (Audited)	31-12-2023 (Unaudited)	31-03-2023 (Audited)	31-03-2024 (Audited)	31-03-2023 (Audited)
1	Income					
	a. Revenue from Operations	18,975.37	19,729.39	28,970.88	1,12,289.78	38,155.90
	b. Other Income	7,100.88	151.05	1,623.93	7,722.47	1,977.05
	Total Income {1(a)+1(b)}	26,076.25	19,880.44	30,594.81	1,20,012.25	40,132.95
2	Expenses					
	a. Cost of Material Consumed	11,137.62	15,470.14	20,343.84	77,437.43	25,419.69
	b. Purchase of Stock -in- Trade	-	-	-	-	1,311.04
	c. Change in inventories of finished goods and work in progress	(993.61)	1,379.00	(2,221.16)	1,466.19	(3,722.34)
	d. Power	4,993.68	4,694.24	7,789.90	25,837.29	8,899.57
	e. Employee benefits expense	1,296.50	949.46	790.44	4,258.38	2,243.84
	f. Finance Cost (Net)	284.68	547.53	2,997.90	2,330.78	7,196.13
	g. Depreciation and amortisation expense	598.30	574.54	555.80	2,305.95	2,430.59
	h. Other expenses	6,439.63	2,190.20	2,770.40	15,563.77	9,049.74
	Total Expense {2(a) to 2(h)}	23,756.81	25,805.11	33,027.11	1,29,199.80	52,828.26
3	Profit from operations before exceptional item (1-2)	2,319.44	(5,924.67)	(2,432.30)	(9,187.55)	(12,695.30)
4	Exceptional Item	-	-	(9,756.06)	-	(9,756.06)
5	Profit from operations After exceptional item and before tax (3-4)	2,319.44	(5,924.67)	(12,188.36)	(9,187.55)	(22,451.36)
6	Tax Expense					
	a. Deferred Tax	(151.67)	(2,621.91)	(1,747.52)	(3,996.53)	(5,308.70)
	b. Income Tax Relating to Earlier Years	(4,264.20)	-	-	(4,264.20)	-
7	Net Profit/Loss for the period (5-6)	6,735.31	(3,302.76)	(10,440.84)	(926.82)	(17,142.66)
8	Other Comprehensive Income					
	FVTOCI of Employee Benefit Obligation	0.34	60.30	52.23	113.43	208.93
9	Total Comprehensive Income (7+8)	6,735.65	(3,242.46)	(10,388.61)	(813.39)	(16,933.73)
10	Paid up Equity Share Capital (Face value of Rs. 5/- each)	4,666.27	4,666.27	4,666.27	4,666.27	4,666.27
11	Other Equity				50,508.49	51,324.68
12	Earnings per Share (Face value of Rs. 5/- each) - Basic & diluted (not annualised) (In Rs.)	7.22	(3.54)	(11.19)	(0.99)	(18.37)



Consolidated Statement of Assets and Liabilities as on 31st March, 2024

(Rs in Lacs)

Particulars	Year Ended	
	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	22,496.74	24,030.98
(b) Right of Use an Assets	55,996.43	54,588.37
(c) Intangible Assets	3,319.42	3,692.90
(d) Capital Work In Progress	12,536.55	11,748.38
(e) Financial Assets		
(i) Investments	1,618.01	1,618.01
(ii) Other Financial Assets	851.50	788.33
(f) Deferred Tax Assets (Net)	12,492.51	8,534.13
(g) Other Non Current Assets	15,752.54	15,777.22
Total Non-Current Assets	1,25,063.70	1,20,778.32
Current Assets		
(a) Inventories	25,903.22	28,611.36
(b) Financial assets:		
(i) Trade Receivables	7,716.34	13,367.97
(ii) Cash and Cash Equivalants	304.23	2,380.76
(iii) Bank Balances other than above	1,844.52	667.00
(iv) Loans	1,746.68	1,746.28
(v) Other Financial Assets	5,852.18	5,248.35
(C) Other Current Assets	17,412.36	18,093.50
Total Current Assets	60,779.53	70,115.23
Total Assets	1,85,843.23	1,90,893.55
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	4,666.27	4,666.27
(b) Other Equity	50,508.49	51,324.68
Total Equity	55,174.76	55,990.95
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	53,850.75	53,103.45
(i) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,471.51	11,484.99
(b) Long Term Provision	895.57	935.21
	59,217.84	65,523.65
Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	3,716.66	4,643.46
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	108.92	92.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	26,647.22	27,879.89
(ii) Other financial Liabilities	5,827.18	6,493.51
(b) Other current liabilities	24,896.19	17,832.63
(c) Short Term Provision	10,254.48	12,436.70
	71,450.63	69,378.94
Total Equity and Liabilities	1,85,843.23	1,90,893.55



Consolidated Cash Flow statement for the year ended 31st March, 2024

(Rs in Lacs)

Particulars	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(9,187.55)	(22,451.36)
Adjustments for :		
Depreciation & Amortization Expense	2,305.95	2,430.59
Loss/ (Profit) on Sale/ Transfer of Plant, Property and Equipment (Net)	(1,408.53)	-
Unrealised Foreign Exchange Gain/Loss	965.78	126.97
Unspent Liabilities no Longer Required Written Back	(1,993.43)	(1,327.96)
Irrecoverable Debts , Deposits & Advances Written Off	190.96	118.75
Provision for Doubtful Debts/Advances	638.04	9,756.06
Interest Expense	2,283.16	7,169.43
Interest Income	(616.98)	(494.37)
Operating Profit before Working Capital Changes	(6,822.59)	(4,671.90)
Adjustments for:		
Increase/(Decrease) in Trade Payable and Other Current Liabilities	2,888.51	3,107.13
Increase/(Decrease) in Provisions	(39.64)	(124.02)
(Increase)/Decrease in Trade Receivable	5,527.34	(4,518.15)
(Increase)/Decrease in Inventories	2,708.14	(2,963.86)
(Increase)/Decrease in Loans & Advances and Other Assets	(219.12)	(19,611.44)
Cash Generated from Operations	4,042.65	(28,782.24)
Tax Paid	(486.17)	(106.20)
Net Cash (Outflow)/Inflow from Operating Activities (A)	3,556.47	(28,888.44)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Tranfer of Property, Plant and Equipment (Including CWIP and Capital Adv	(1,666.30)	510.76
Proceeds from Sale of Fixed Assets	7.01	-
Maturity of /(Investment in) Fixed Deposits	(1,177.52)	(304.59)
Interest Received	296.74	96.02
Net Cash (Outflow)/Inflow from Investing Activities (B)	(2,540.07)	302.19
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term Borrowings	-	(217.95)
Proceeds from Long term Borrowings	-	53,103.45
Net Movement in Short Term Borrowings	(926.81)	(15,409.91)
Interest Paid	(2,163.33)	(6,775.95)
Net Cash Inflow/(Out flow) from Financing Activities (C)	(3,090.14)	30,699.63
Exchange Difference or Transaction of Foreign Subsidiaries (D)	(2.79)	(20.40)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C + D)	(2,076.52)	2,092.98
Cash & Cash Equivalents as at Opening	2,380.76	287.77
Cash & Cash Equivalents as at Closing	304.23	2,380.76
Cash & Cash Equivalents as at the End of the Year Includes		
Cash-on-Hand	6.06	10.92
Balances with Banks:		
In Current Accounts	166.66	2,238.33
In Unpaid Dividend Account	131.51	131.51
Cash and Cash Equivalents at the End of the Year	304.23	2,380.76



Notes:

- 1 The above consolidated Financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 30, 2024.
- 2 The Company is mainly engaged in the Manufacturing of Ferro Chrome. As such there are no separate reportable segments as per the Ind-AS 108 Segment Reporting.
- 3 In respect of parent company, Trade Receivable includes ₹6361.35 Lacs, which are outstanding for more than one year from its due date. Balance in respect of these customers are subject to confirmation/reconciliation. The Company during the quarter and year ended March 31, 2024, considering the prudence and taking conservative approach, has made a provision for bad and doubtful debts amounting to ₹124.29 Lacs due to non availability of confirmation/reconciliation/schedule of payment with customers. The Company, however, will continue to take steps for the recovery of the same.
- 4 In respect of parent company, Advances under Other Assets include ₹ 6,813.27 Lacs which are outstanding for more than a year on account of supply against materials and services. Balance in respect of these Vendors are subject to confirmation/reconciliation. The Company during the quarter and year ended March 31, 2024, considering the prudence and taking conservative approach, has made a provision for bad and doubtful advances amounting to ₹ 314.42 Lacs due to non availability of confirmation/reconciliation/schedule of payment or supply of goods/services. The Company however, will continue to take steps for the recovery of the same.
- 5 The parent Company has embarked on a strategic initiative to ensure a steady supply of raw materials for its ferro chrome plants by developing underground mines in Sukinda. As of March 31, 2024 the company has invested ₹10,075.79 Lacs in the development of these mines, which is reflected as Capital Work in Progress. Additionally, the company has advanced ₹15,752.34 Lacs to vendors for equipment and services related to the project, with assurances from significant vendors regarding timely material supply. In response to current market dynamics and the company's operational needs, a revised Underground Mining Plan has been formulated. The new plan entails commencing a decline at +45mRL, deemed more cost-effective and efficient, with funding sourced from internal accruals, equity/quasi-equity from the promoter group, and other financial arrangements. Given that the majority of expenses have been allocated to pre-development activities and substantial advances have been made to vendors for equipment procurement, the management is confident in the successful execution of the project. It is anticipated that chrome ore extraction through underground mining will commence before the depletion of resources from the existing open-pit/boundary pillar mining methods in the upcoming years. In light of these considerations, the company has concluded that no adjustments to the carrying value of Capital Work in Progress and advances related to the project are warranted.
- 6 The parent Company has incurred losses during the previous year, and its current liabilities exceed current assets that may create uncertainties. Due to same cash flow mismatch has arisen which further led to non-payment of statutory liabilities, salaries overdue, working capital deficiencies and subsequent to shut down of plant operations due to disconnection of power by NESCO in September 2020. However, various cost saving initiatives undertaken by the Company in addition to optimize revenue opportunities and realization from its non-core assets is expected to result in improved operating performance. Further, Company's continued thrust to improve operational efficiency and unconditional support from its Promoters' Group by way of infusion of funds into Company have resulted in increased cash flows to address uncertainties and restoration of power supply by TPNODL (erstwhile NESCO). Accordingly, the financial statements continue to be prepared on a going concern basis.
- 7 Following a suspension of mining operations by the DDM, Jajpur Road in June 2022, the parent Company pursued legal action resulting in a directive from the Orissa High Court in November 2023, compelling the Union of India to grant necessary Stage II Forest clearance. MOEF & CC issued conditions in December 2023, which the Company duly fulfilled, securing temporary working permission until February 2025. Subsequently, the DDM Jajpur Road revoked the suspension order in February 2024. Compliance documentation has been forwarded through appropriate channels for Stage II clearance. As per the December 4, 2023 letter from MOEF & CC, two conditions were stipulated regarding forest clearance for 64,119 hectares of Sabik forest land. One condition necessitated the establishment of penal Compensatory Afforestation (CA) for land used in violation of the Forest Conservation Act 1980. To expedite this, the company allocated 7403 hectares of land at the Balasore plant, with an approved financial outlay of ₹90.37 lakhs by PCCF Nodal, Bhubaneswar. Upon handing over the land to the relevant authority, the company obtained temporary working permission from DFO Cuttack, allowing mining operations to resume from February 15, 2024. Necessary adjustment in the financials has been carried out during the quarter and year ended 31st March 2024.



- 8 During the previous year FY 2022-23, M/s Direct Investments Limited (DIL), a promoter group company have infused long term funds amounting to USD 64.58 million equivalent to ₹ 52,831.41 lacs into the parent company. The remittances from DIL were inadvertently received, reflected and recorded for the purpose of issuance of compulsory convertible debentures to DIL and instead the same should have been received, reflected and recorded in the form of an External Commercial Borrowings from DIL in terms of the provisions of Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended. The said funds have been used for resuming plant operations both at Balasore and Sukinda by way of making payments to TPNODI for power restoration, for plant overhauling, to critical vendors, repayment of overdue banks borrowings etc. Company management is in the process of complying with applicable laws and regulations in respect of said infusion of funds. The Company has shown the same as long term borrowings under non current liabilities. The Company has send a letter to State Bank of India being an AD Bank seeking RBI approval for receipt of such funds under ECB route, and pending such approval interest has not been charged amounting to ₹ 1393.60 lacs and ₹ 5,586.61 lacs for the quarter and year ended March 31, 2024 (aggregate as on March 31, 2024 ₹ 7245.97 lacs) in the books on account of such ECB.
- 9 During the previous years, a customer has got an arbitration award in the International Court of Arbitration against the parent company seeking additional compensations for the costs incurred by it amounting to USD 30,35,249. The said customer had approached Hon'ble High Court of Calcutta for enforcing the said order. The Hon'ble High Court of Calcutta had directed the Company to deposit ₹2208.75 Lacs, till the final hearing is completed. Thereafter the Company filed the Special Leave petition in the Hon'ble Supreme Court, wherein the Hon'ble Court had directed the Company to deposit the said amount. The Company during the previous quarter had deposited funds amounting to ₹2,208.75 against the said order to the Registrar of Hon'ble High Court of Calcutta. The said deposit has been shown under the head 'Balance with Government Authorities'.
- 10 The trading in the securities of the Company was suspended w.e.f. March 15, 2021 in terms of and in accordance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Pursuant to the Bombay Stock Exchange (BSE) Order dated 21.11.2023, the parent Company has complied with the formalities/requirements including payment of fees and SOP fines within the timelines prescribed for revocation of suspension of securities of the Company. However, BSE vide its Order mailed on 24.01.2024 has compulsorily delisted the trading in securities of the Company w.e.f. 25.01.2024 against which the Company has filed an Appeal before the Securities Appellate Tribunal (SAT) on 5th February 2024 and hearing is under process.
- 11 The figures for the quarter ended March 31, 2024 represents the derived figures between the audited figures in respect of the year ended March 31, 2024 and the unaudited published period to date figures upto December 31, 2023, which was subjected to limited review.
- 12 Previous year/ period figures have been rearranged / regrouped wherever necessary to make them comparable with current period figures.

Place: Sukinda
Date: May 30, 2024



For Balasore Alloys Limited



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results- Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]



I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,20,012.25	1,20,012.25
	2.	Total Expenditure	1,29,199.80	1,34,786.41
	3.	Net Profit/(Loss)	(926.82)	(6,513.43)
	4.	Earnings Per Share	(0.99)	(6.98)
	5.	Total Assets	185843.23	185843.23
	6.	Total Liabilities	185843.23	185843.23
	7.	Net Worth	54014.18	46768.21
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	1.	<p>a. Details of Audit Qualification:</p> <p>(i) The Company during the previous year FY 2022-23, has received funds from one of the foreign promoter company amounting to USD 64.58 million equivalent to Rs. 52,831.41 Lakhs. The Company has shown the same as long term borrowings under non-current liabilities. The Company has send a letter to State Bank of India being an AD Bank seeking RBI approval for receipt of such funds under ECB route, and pending such approval no interest has been provided in the books of account on such ECB. Due to non provisioning of interest amounting to Rs 1,393.60 Lakhs and Rs 5,586.61 for the quarter and year ended March 31, 2024 respectively, the loss for the quarter and year ended March 31, 2024 is understated to that extent, and reserve and surplus as at March 31, 2024 is overstated to extent of Rs 7,245.97 Lakhs.</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of qualification: Appeared second time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor,</p> <p>(i) Management's Views:</p> <p>During the FY 2022-23 Promoters have infused long term funds amounting to USD 64.58 million equivalent to Rs 52,831.41 lacs into the company. The remittances from Direct Investment Limited("DIL")</p>		

CIN-L27101OR1984PLC001354

were inadvertently received, reflected and recorded for the purpose of issuance of compulsory convertible debentures to "DIL" and instead the same should have been received, reflected and recorded in the form of an External Commercial Borrowings from "DIL" in terms of the provisions of Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended. The said funds have been used for resuming plant operations both at Balasore and Sukinda by way of making payments to TPNODL for power restoration, for plant overhauling, to critical vendors, repayment of overdue banks borrowings etc. Company management is in the process of complying with applicable laws and regulations in respect of said infusion of funds. The Company has shown the same as long term borrowings under non current liabilities. The Company is in process of getting approval from RBI through AD bank under ECB route and pending such approval no interest has been charged in the books on account of such ECB.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification: NA
- (ii) If management is unable to estimate the impact, reasons for the same: NA
- (iii) Auditors' Comment on (i) or (ii) above - NA

III	Signatories	
	Mr. Debasish Ganguly Managing Director DIN: 10104368	
	Mr. Shiv Kumar Dabriwala CFO	
	Mr. Ramen Ray Mandal Audit Committee Chairman DIN: 00700908	RAMEN RAY MANDAL Digitally signed by RAMEN RAY MANDAL Date: 2024.05.30 17:35:55 +05'30'
	For. B Nath and Co. Chartered Accountants FRN: 307057E Gaurav More Partner Membership no. 306466	