



INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS

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

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying statement of standalone annual financial results of **BALASOREALLOYS LIMITED** (hereinafter referred to as the "Company"), for the three months and year ended March 31, 2021 (the "Statement"), 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").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- 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 thereunder and other accounting principles generally accepted in India, of the standalone net loss and standalone total comprehensive profit and other financial information of the Company for the three months and year ended March 31, 2021, standalone statement of assets and liabilities as at March 31, 2021 and the standalone statement of cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) 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 Results 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone annual financial results.

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. As represented by the management, since substantial pre-development activities have been completed and considering the revision in design of underground mining which shall be funded by mix of internal accruals, promoters contribution and financial tie-ups and will be completed in due course. Hence no adjustment has been carried out for carrying value of capital work in progress of ₹10,075.79 Lakhs and advances to vendors amounting to ₹15,503.08 Lacs given in earlier years at this stage.
- b) We draw attention to Note No.4 of the standalone financial results regarding certain advances of ₹7,949.66 Lakhs which are outstanding for more than one year on account of supply against materials and services. For the reasons stated therein, management is confident of getting supplies or refund and therefore, there is no need to make any adjustment at this stage.
- c) We draw attention to Note No.7 of the standalone financial results regarding trade receivable of ₹4,977.39 Lakhs which are outstanding for more than one year from its due date. For the reasons



stated therein, management is confident of realizing the amount and therefore, no adjustment has been made in the financial statements.

- d) We draw attention to Note no 6 of the standalone financial results, whereby the Company during the year, has worked out a plan to use Inventory of Tailings lying at captive mines accumulated from more than 10 years which is a by-product of Chrome Ore Benefication Process (COB) in nearby future being very cost effective and simplified process. Considering same company has valued the aforesaid inventory amounting to ₹ 13,602.52 lacs.
- e) We draw attention to Note no.9 of the standalone financial results, where the Company has during year, made provision for doubtful debts and advances amounting to ₹2,359.04 Lacs, for the advance given to vendors in earlier years on account of supply of material/services, as the same seems doubtful, and have been shown under the head other expenses in profit and loss statement.
- f) The Company in earlier years had invested in 12,17,200 nos of 9% unsecured redeemable non-convertible debentures of a body corporate amounting to ₹1,217.20 Lakhs, however the company has not accounted for accrued interest on said debentures.
- g) The confirmations of trade receivables, trade payables and 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.
- h) We draw attention to the fact that the Company had given loan to a body corporate amounting to ₹1,746.68 Lakhs in earlier years, however during the year, interest amounting to ₹157.20 Lakhs has not been charged by the Company on said loan. As per information and explanation given to us, due to Covid Pandemic outbreak all over the world, the said body corporate has requested the Company to waive off the interest. Hence no interest has been booked in the current financial year.

Our opinion in respect of above matters are not modified.

Going Concern

We draw attention to Note No.8 of the standalone financial results which indicates that the Company has incurred operating losses as on March 31, 2021, disconnection of power by NESCO, shut down of plant, 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, 2021 that may cast significant doubt on the Company's ability to continue as a going concern. However as mentioned in Note 10 of the financial results, before signing of this report, significant events took place like funds has been infused in the company, power being restored in plant and plant production being started, hence accounts have been prepared on going concern basis.

Management's Responsibilities for the Standalone Financial Results

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, 2021. 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 scepticism 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 Matters

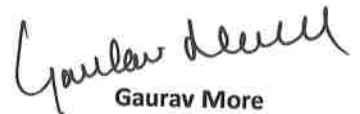
We did not audit the financial statements of two subsidiaries whose financial statement reflects total assets of ₹ (167.57 lakhs) as at March 31, 2021, total revenue of ₹ Nil lakhs, total net loss after tax of ₹(10.68 lacs) and total comprehensive loss of ₹ (10.68lakhs) and net cash flow of ₹NIL lakhs 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.

The consolidated financial statements include the Group's share of net loss of ₹ Nil Lacs for the year ended March 31, 2021 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.

The standalone annual financial results include the results for the quarter ended March 31, 2021 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.



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


Gaurav More

Partner

Membership no-306466

UDIN- 23306466BGSAHS1070

Place: Kolkata

Date: April 26, 2023

Balasore Alloys Limited
Registered Office : Balgopalpur 756020, Dist. Balasore, Odisha
CIN : L27101OR1984PLC001354
Tel : +91-6782-27581-85, Fax: +91-6782-275724, Website : www.balasorealloys.com, e-mail : mail@balasorealloys.com
Audited Standalone Financial Results for the Quarter and Year ended 31st March, 2021

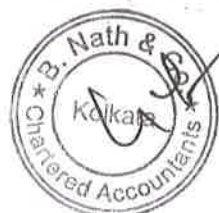
Particulars		Quarter Ended			Year Ended	
		31-03-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2020 (Unaudited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Income					
	a Revenue from Operations	184.65	225.02	13,208.46	10,017.47	76,746.28
	b Other Income	302.80	17.46	277.25	538.98	2,313.14
	Total Income [1(a)+1(b)]	487.44	242.48	13,485.71	10,556.45	79,059.42
2	Expenses					
	a Cost of Material Consumed	37.81	18.84	5,459.72	1,956.60	32,556.29
	b Purchase of Stock -in- Trade	-	-	-	3,625.76	-
	c Change in inventories of finished goods and work in progress	138.14	126.25	25.89	(11,448.88)	632.46
	d Power	853.63	1,080.72	6,160.02	5,728.59	28,104.31
	e Employee benefits expense	737.01	785.17	1,307.87	3,801.53	5,518.85
	g Finance Cost (Net)	1,137.04	898.08	1,285.01	3,776.00	4,938.59
	f Depreciation and amortisation expense	664.70	709.37	811.39	2,862.04	3,028.57
	h Other expenses	186.48	611.50	4,766.35	5,625.01	17,120.44
	Total Expense [2(a) to 2(h)]	3,754.82	4,229.91	19,816.25	15,926.64	91,919.51
3	Profit/(Loss) from operations before exceptional item (1-2)	(3,267.38)	(3,987.44)	(6,330.54)	(5,370.19)	(12,860.09)
4	Exceptional Item	-	-	-	-	3,022.35
5	Profit from operations before exceptional item and before tax (3-4)	(3,267.38)	(3,987.44)	(6,330.54)	(5,370.19)	(14,882.44)
6	Tax Expense	(802.18)	(970.94)	(1,838.74)	(1,308.37)	(4,041.24)
7	Net Profit/ (Loss) For The Period (5-6)	(2,465.20)	(3,016.50)	(4,491.80)	(4,061.82)	(10,841.20)
8	Other Comprehensive Income					
	(a) Items that will not be Reclassified to Profit & Loss					
	FVTOCI of Employee Benefit Expenses	785.46	-	52.08	785.46	52.08
9	Total Comprehensive Income (7+8)	(1,679.74)	(3,016.50)	(4,439.72)	(3,276.36)	(10,789.12)
10	Paid up Equity Share Capital (Face value of ₹ 5/- each)	4,666.27	4,666.27	4,666.27	4,666.27	4,666.27
11	Other Equity	-	-	-	74,043.76	77,290.52
12	Earnings per Share (Face value of ₹ 5/- each)					
	- Basic & diluted (not annualised)	(2.64)	(3.23)	(4.81)	(4.35)	(11.62)



Statement of Assets and Liabilities as at ended 31st March, 2021

(₹ in Lacs)

Particulars	Year Ended	
	2020-21 (Audited)	2019-20 (Audited)
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	27,833.01	29,911.64
(b) Right of Use an Assets	54,612.41	54,724.03
(c) Intangible Assets	4,909.33	5,560.85
(d) Capital Work in Progress	11,748.39	11,702.69
(e) Financial Assets		
(i) Investments	1,713.01	1,763.11
(ii) Other Financial Assets	810.73	810.73
(f) Deferred Tax Assets (Net)	2,577.15	1,532.98
(g) Other Non Current Assets	15,767.03	16,137.49
Total Non-Current Assets	1,19,971.06	1,22,143.52
Current Assets		
(a) Inventories	27,759.38	15,074.05
(b) Financial assets:		
(i) Trade Receivables	5,330.29	5,614.29
(ii) Cash and Cash Equivalants	197.49	361.52
iii) Bank balances other than above	824.72	3,158.32
(iv) Loans	1,856.14	1,878.80
(v) Other Financial Assets	3,665.54	3,660.02
(C) Other Current Assets	16,694.65	18,709.86
Total Current Assets	56,328.21	48,456.85
Total Assets	1,76,299.27	1,70,600.37
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	4,666.27	4,666.27
(b) Other Equity	74,014.16	77,290.52
Total Equity	78,680.43	81,956.79
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	0.00	30.39
(i) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22,705.17	13,903.25
(b) Long Term Provision	1,229.41	2,137.13
Total Non Current Liabilities	23,934.58	16,070.77
Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	20,031.39	19,387.47
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	71.40	86.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	21,821.72	22,799.84
(ii) Other financial Liabilities	4,324.72	3,987.59
(b) Other current liabilities	14,734.38	13,369.65
(c) Short Term Provision	12,700.65	12,941.39
Total Current Liabilities	73,684.26	72,572.81
Total Equity and Liabilities	1,76,299.27	1,70,600.37



Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26th April, 2023. The results for the Year ended March 31, 2020 has been subjected to Limited Review by the Statutory Auditors.
- 2 Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities. In continuance of such lockdown and restrictions being imposed by government, operations of the Company have been remained adversely impacted.
- 3 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.
- 4 Advances under Other Assets include ₹ 7,949.66 Lacs which are outstanding for more than a year on account of supply against materials and services. Balance in respect of these customers are subject to confirmation/reconciliation but however, based on various discussions with vendors, management is confident of getting the supplies or refund in near future. Considering the above factors no adjustments to the carrying value of advances is considered.
- 5 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, 2021 company has incurred cost of ₹ 10,075.79 Lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,503.08 Lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project, of which substantial vendors have confirmed that materials will be supplied as and when required by the company.

Looking into current affairs and situation of the Company and in order to secure the minerals to have uninterrupted production, company has reworked its Underground Mining Plan as compared to earlier plan and now decided to start decline at +45mRL which is cost effective and less time consuming and can be funded through mix of internal accruals, equity/quasi equity from promoter group and other financial tie-ups.

Since majority of expenditure has been incurred towards pre-development activities and substantial advances have been given to vendors for supplying of equipment, Management is confident that they would succeed in same and will be able to extract Chrome Ore through Underground mechanism before fully exhausting Chrome Ore from Open Cast/Boundary Pillar Mining Method in coming years.

Considering the above factors no adjustments to the carrying value of capital work in progress and advances relating to project is considered.
- 6 During the year, the company has reworked its strategy of operations considering inadequate supply from Mines and shutdown of plant due to non-availability of power and worked out a plan to use Inventory of Tailings lying at captive mines accumulated from more than 10 years which is a by-product of Chrome Ore Beneficiation Process (COB) in near by future being very cost effective and simplified process. Considering same company has valued the aforesaid inventory amounting to ₹ 13,602.52 Lacs and shown under Stock in process.
- 7 Trade Receivable includes ₹ 4,977.39 Lacs (including amount shown under note no 42) which are outstanding for more than one year from its due date. Balance in respect of these customers are subject to confirmation/reconciliation. However, based on various discussion with the customers, management is confident of recovering these dues in near future. Considering the above factors no adjustments to the carrying value of receivables is considered.
- 8 The Company has incurred losses during the year and its current liabilities exceed current assets that may create uncertainties. Due to same cash flow mismatch has arisen which further led to non-payment of statutory liabilities, salaries overdue, working capital deficiencies and subsequent to 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 in FY 2022-23 before signing of the accounts for FY 2020-21, 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.
- 9 During the year ended March 31, 2021, the Company has made provision for doubtful debts and advances amounting to ₹ 2,359.04 Lacs, for the advance given to vendors in earlier years on account of supply of material/services, as the same seems doubtful, and have been shown under the head other expenses in profit and loss statement.
- 10 **Event Occurring after Balance Sheet Date**
a) The Company has entered into outstanding dues settlement with TP Northern Odisha Distribution Limited ("TPNODL") wherein outstanding dues were freezed and detailed payment schedule was worked out where upfront payment was to be made by the Company and the remaining balance be divided into an equal number of agreed installements. Subsequent to upfront payment, Power was restored at Balasore Plant and operations were resumed in the month of December, 2022. Accordingly, outstanding of TPNODL has been reclassified into current and non-current liability based on an agreed schedule.
b) Promoter group entities has infused long term funds amounting to ₹ 52,831.41 lacs into the company which was 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.
c) During the year, the Company encountered difficulties in meeting its obligations to Banks and financial institutions, resulting in default on repayments. As a consequence of non-payment of interest and principal on time, the Company's Working Capital Loan was classified as a Non-Performing Asset (NPA) effective from November 28, 2020. However, from February 2022 until April 24, 2023, prior to the signing of this standalone financial statement, the Company has successfully paid off the entire loan amount, including interest, to Indian Bank, amounting to ₹ 4204.26 Lacs, and obtained a No Objection Certificate (NOC) from them. Additionally, the Company has also made a payment of ₹ 15,585.59 Lacs to State Bank of India on account of outstanding dues.
d) In relation to Statutory Stage-II forest clearance, where the DDM, Jajpur on 06.06.2022 issued letter to suspend mining operations, the Company has filed I.A. No.8591/2022 to direct the Opp.Parties/ State to permit transportation of excavated ore from mines site to factory and also has filed I.A. No. 10918/2022 for addition of Dept. of Steel & Mines and Director of Mines, Odisha as Opp. Parties to the writ petition. Further, the Company has submitted the compliances report as per the terms of Stage-I clearance and submitted the application for Stage-II Clearance, before the DFO, subsequently approved by PCCF vide letter dated 08.12.2022, which is under process at the Central Govt/ MoEF level.
- 11 The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2021/ March 31, 2020 and unaudited published year to date of the end of the third quarter of the financial year respectively which were subject to limited review as required under the Listing Regulations.
- 12 Previous year/ period figures have been rearranged / regrouped wherever necessary to make them comparable with current period figures

Place: Kolkata
Date: 26th April 2023



For Balasore Alloys Limited

Akula Nagendra Kumar
Managing Director
DIN:08462253



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS
OF BALASORE ALLOYS LIMITED****Report on the Audit of Consolidated Financial Results****Opinion**

We have audited the accompanying statement of consolidated annual financial results of **BALASORE ALLOYS LIMITED** (hereinafter referred to as the "Company"), for the three months and year ended March 31, 2021 (the "Statement"), 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").

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 (c) 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 thereunder and other accounting principles generally accepted in India, of the consolidated net loss and consolidated total comprehensive profit and other financial information of the Company for the three months and year ended March 31, 2021, consolidated statement of assets and liabilities as at March 31, 2021 and the consolidated statement of cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA's") 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 Results 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated annual financial results.

Emphasis of Matter

We draw attention to the following matters:

- a) We draw attention to Note No.5 of the Consolidated financial results regarding slow implementation of underground mining project at its captive mines situated at Sukinda, Odisha. As represented by the management, since substantial pre-development activities have been completed and considering the revision in design of underground mining which shall be funded by mix of internal accruals, promoters contribution and financial tie-ups and will be completed in due course. Hence no adjustment has been carried out for carrying value of capital work in progress of ₹10,075.79 Lakhs and advances to vendors amounting to ₹ 15,503.08 Lacs given in earlier years at this stage.



services. For the reasons stated therein, management is confident of getting supplies or refund and therefore, there is no need to make any adjustment at this stage.

- c) We draw attention to Note No.7 of the Consolidated financial results regarding trade receivable of ₹4,977.39 Lakhs which are outstanding for more than one year from its due date. For the reasons stated therein, management is confident of realizing the amount and therefore, no adjustment has been made in the financial statements.
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- g) The confirmations of trade receivables, trade payables and 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.
- h) We draw attention to the fact that the Company had given loan to a body corporate amounting to ₹1,746.68 Lakhs in earlier years, however during the year, interest amounting to ₹157.20 Lakhs has not been charged by the Company on said loan. As per information and explanation given to us, due to Covid Pandemic outbreak all over the world, the said body corporate has requested the Company to waive off the interest. Hence no interest has been booked in the current financial year.

Our opinion in respect of above matters are not modified.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statement reflects total assets of ₹ (167.57 lakhs) as at March 31, 2021, total revenue of ₹ Nil lakhs, total net loss after tax of ₹ (10.68 lacs) and total comprehensive loss of ₹ (10.68 lakhs) and net cash flow of ₹ NIL 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.

The consolidated financial statements include the Group's share of net loss of ₹ Nil Lacs for the year ended March31,2021 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.

The consolidated annual financial results include the results for the quarter ended March 31, 2021 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.

Going Concern



- 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
Gaurav More

Partner

Membership no-306466

UDIN-23306466B6SAHw4414

Place: Kolkata

Date: April 26, 2023

Balasore Alloys Limited
Registered Office : Balgopalpur 756020, Dist. Balasore, Odisha
CIN : L27101OR1984PLC001354
Tel : +91-6782-27581-85, Fax: +91-6782-275724, Website : www.balasorealloys.com, e-mail : mail@balasorealloys.com
Audited Consolidated Financial Results for the Quarter and Year ended 31st March, 2021

Particulars		Quarter Ended			Year Ended	
		31-03-2021 (Unaudited)	31-12-2020 (Unaudited)	31-03-2020 (Unaudited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Income					
	a. Revenue from Operations	184.65	225.02	13,208.46	10,017.47	76,746.28
	b. Other Income	302.80	17.46	277.25	538.98	2,313.14
	Total Income {1(a)+1(b)}	487.44	242.48	13,485.71	10,556.45	79,059.42
2	Expenses					
	a. Cost of Material Consumed	37.81	18.84	5,459.74	1,956.60	32,556.29
	b. Purchase of Stock -in- Trade	-	-	-	3,625.76	-
	c. Change in inventories of finished goods and work in progress	-	-	-	(11,448.88)	-
	d. Power	138.14	126.25	25.90	-	632.46
	e. Employee benefits expense	853.63	1,080.72	6,160.02	5,728.59	28,104.31
	g. Finance Cost (Net)	737.01	785.17	1,307.86	3,801.53	5,518.85
	f. Depreciation and amortisation expense	1,137.04	898.08	1,285.08	3,776.00	4,958.59
	h. Other expenses	664.70	709.37	811.38	2,862.04	3,028.57
	Total Expense {2(a) to 2(h)}	189.14	622.17	4,818.77	5,635.67	17,180.92
3	Profit/(Loss) from operations before exceptional item (1-2)	3,757.48	4,240.58	19,868.72	15,937.30	91,979.99
4	Exceptional Item	(3,270.04)	(3,998.11)	(6,383.01)	(5,380.86)	(12,920.57)
5	Profit from operations before exceptional item and before tax (3-4)	-	-	-	-	2,022.35
6	Tax Expense	(3,270.04)	(3,998.11)	(6,383.01)	(5,380.86)	(14,942.92)
7	Net Profit/ (Loss) For The Period (5-6)	(802.18)	(973.54)	(1,838.74)	(1,308.37)	(4,041.24)
8	Other Comprehensive Income	(2,467.86)	(3,024.58)	(4,544.27)	(4,072.49)	(10,901.68)
	(a) Items that will not be Reclassified to Profit & Loss					
	FVTOCI of Employee Benefit Expenses	785.46	-	52.08	785.46	52.08
9	Total Comprehensive Income (7+8)	(1,682.40)	(3,024.58)	(4,492.19)	(3,287.02)	(10,849.60)
10	Paid up Equity Share Capital (Face value of ₹ 5/- each)	4,666.27	4,666.27	4,666.27	4,666.27	4,666.27
11	Other Equity				74,043.76	77,137.90
12	Earnings per Share (Face value of ₹ 5/- each)					
	- Basic & diluted (not annualised)	(2.64)	(3.24)	(4.82)	(4.56)	(11.63)



Consolidated Statement of Assets and Liabilities as at ended 31st March, 2021

(₹ in Lacs)

Particulars	Year Ended	
	2020-21 (Audited)	2019-20 (Audited)
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	27,833.01	29,911.64
(b) Right of Use an Assets	54,612.41	54,724.03
(c) Intangible Assets	4,909.33	5,560.85
(d) Capital Work in Progress	11,748.39	11,702.69
(e) Financial Assets		
(i) Investments	1,713.01	1,763.11
(ii) Other Financial Assets	810.73	810.73
(f) Deferred Tax Assets (Net)	2,577.15	1,532.98
(g) Other Non Current Assets	15,767.03	16,137.49
Total Non-Current Assets	1,19,971.06	1,22,143.52
Current Assets		
(a) Inventories	27,759.38	15,074.05
(b) Financial assets:		
(i) Trade Receivables	5,330.29	5,614.29
(ii) Cash and Cash Equivalants	197.64	361.66
iii) Bank balances other than above	824.72	3,158.32
(iv) Loans	1,856.14	1,878.80
(v) Other Financial Assets	3,665.54	3,660.02
(C) Other Current Assets	16,694.65	18,709.86
Total Current Assets	56,328.36	48,456.99
Total Assets	1,76,299.42	1,70,600.51
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	4,666.27	4,666.27
(b) Other Equity	74,011.64	77,137.90
Total Equity	78,677.91	81,804.17
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	0.00	30.39
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22,705.17	13,903.25
(b) Long Term Provision	1,229.41	2,137.13
Total Non Current Liabilities	23,934.58	16,070.77
Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	20,031.39	19,387.47
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	71.40	86.87
- Total outstanding dues of creditors other than micro enterprises and small enterprises	21,821.72	22,857.64
(ii) Other financial Liabilities	4,324.72	3,987.59
(b) Other current liabilities	14,737.05	13,464.61
(c) Short Term Provision	12,700.65	12,941.39
Total Current Liabilities	73,686.93	72,725.57
Total Equity and Liabilities	1,76,299.42	1,70,600.51



Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26th April, 2023. The results for the Year ended March 31, 2021 has been subjected to Limited Review by the Statutory Auditors.
- 2 Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities. In continuance of such lockdown and restrictions being imposed by government, operations of the Company have been remained adversely impacted.
- 3 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.
- 4 Advances under Other Assets include ₹ 7,949.66 Lacs which are outstanding for more than a year on account of supply against materials and services. Balance in respect of these customers are subject to confirmation/reconciliation but however, based on various discussions with vendors, management is confident of getting the supplies or refund in near future. Considering the above factors no adjustments to the carrying value of advances is considered.
- 5 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, 2021 company has incurred cost of ₹ 10,075.79 Lacs for development of underground mines which has been shown as Capital work in progress and has also advanced ₹ 15,503.08 Lacs to vendors which has been shown under advances to vendors for equipment and services for aforesaid project, of which substantial vendors have confirmed that materials will be supplied as and when required by the company.

Looking into current affairs and situation of the Company and in order to secure the minerals to have uninterrupted production, company has reworked its Underground Mining Plan as compared to earlier plan and now decided to start decline at +45mRL which is cost effective and less time consuming and can be funded through mix of internal accruals, equity/quasi equity from promoter group and other financial tie-ups.

Since majority of expenditure has been incurred towards pre-development activities and substantial advances have been given to vendors for supplying of equipment, Management is confident that they would succeed in same and will be able to extract Chrome Ore through Underground mechanism before fully exhausting Chrome Ore from Open Cast/ Boundary Pillar Mining Method in coming years.

Considering the above factors no adjustments to the carrying value of capital work in progress and advances relating to project is considered.
- 6 During the year, the company has reworked its strategy of operations considering inadequate supply from Mines and shutdown of plant due to non-availability of power and worked out a plan to use Inventory of Tailings lying at captive mines accumulated from more than 10 years which is a by-product of Chrome Ore Benefication Process (COB) in near by future being very cost effective and simplified process. Considering same company has valued the aforesaid inventory amounting to ₹ 13,602.52 Lacs and shown under Stock in process.
- 7 Trade Receivable includes ₹ 4,977.39 Lacs (including amount shown under note no 42) which are outstanding for more than one year from its due date. Balance in respect of these customers are subject to confirmation/reconciliation. However, based on various discussion with the customers, management is confident of recovering these dues in near future. Considering the above factors no adjustments to the carrying value of receivables is considered.
- 8 The Company has incurred losses during the year and its current liabilities exceed current assets that may create uncertainties. Due to same cash flow mismatch has arisen which further led to non-payment of statutory liabilities, salaries overdue, working capital deficiencies and subsequent to 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 in FY 2022-23 before signing of the accounts for FY 2020-21, 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.
- 9 During the year ended March 31, 2021, the Company has made provision for doubtful debts and advances amounting to ₹ 2,359.04 Lacs, for the advance given to vendors in earlier years on account of supply of material/services, as the same seems doubtful, and have been shown under the head other expenses in profit and loss statement.
- 10 **Event Occurring after Balance Sheet Date**
 - a) The Company has entered into outstanding dues settlement with TP Northern Odisha Distribution Limited ("TPNODL") wherein outstanding dues were freed and detailed payment schedule was worked out where upfront payment was to be made by the Company and the remaining balance be divided into an equal number of agreed installements. Subsequent to upfront payment, Power was restored at Balasore Plant and operations were resumed in the month of December, 2022. Accordingly, outstanding of TPNODL has been reclassified into current and non-current liability based on an agreed schedule.
 - b) Promoter group entities has infused long term funds amounting to ₹ 52,831.41 lacs into the company which was 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.
 - c) During the year, the Company encountered difficulties in meeting its obligations to Banks and financial institutions, resulting in default on repayments. As a consequence of non-payment of interest and principal on time, the Company's Working Capital Loan was classified as a Non-Performing Asset (NPA) effective from November 28, 2020. However, from February 2022 until April 24, 2023, prior to the signing of this standalone financial statement, the Company has successfully paid off the entire loan amount, including interest, to Indian Bank, amounting to ₹ 4204.26 Lacs, and obtained a No Objection Certificate (NOC) from them. Additionally, the Company has also made a payment of ₹ 15,585.59 Lacs to State Bank of India on account of outstanding dues.
 - d) In relation to Statutory Stage-II forest clearance, where the DDM, Jajpur on 06.06.2022 issued letter to suspend mining operations, the Company has filed I.A. No.8591/2022 to direct the Opp.Parties/ State to permit transportation of excavated ore from mines site to factory and also has filed I.A. No. 10918/2022 for addition of Dept. of Steel & Mines and Director of Mines, Odisha as Opp. Parties to the writ petition. Further, the Company has submitted the compliances report as per the terms of Stage-I clearance and submitted the application for Stage-II Clearance, before the DFO, subsequently approved by PCCF vide letter dated 08.12.2022, which is under process at the Central Govt/ MoEF level.
- 11 The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year upto March 31, 2021/ March 31, 2020 and unaudited published year to date of the end of the third quarter of the financial year respectively which were subject to limited review as required under the Listing Regulations.
- 12 Previous year/ period figures have been rearranged / regrouped wherever necessary to make them comparable with current period figures.

Place: Kolkata
Date: 26th April 2023



For Balasore Alloys Limited

Akula Nagendra Kumar
Managing Director
DIN:08462253

