

BAL Balasore Alloys Limited

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E-mail : mail@balasorealloys.com
Website : www.balasorealloys.com
CIN : L27101OR1984PLC001354

14th November, 2023

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

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

Ref: Script Code :513142

Sub: Outcome of 187th Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Resolutions. 2015.

Meeting commencement time	11:30 A.M.
Meeting conclusion time	01:30 P.M.

Dear Sir,

This is to inform you that the Board of Directors of the Company in its meeting held today, the 14th of November 2023 has inter-alia:

- I. Approved the un-audited financial results for the quarter and half year ended 30th September 2023**

Please find enclosed financial results for the quarter and half year ended 30th September 2023 along with the Independent Auditors Limited Review Report.

This is for your information and record.

Thanking You,

Yours Faithfully,

For Balasore Alloys Limited

Pankaj Kumar Agarwal

Pankaj Kumar Agarwal
Company Secretary





Limited Review Report on Unaudited Standalone Financial Results of Balasore Alloys Limited for the quarter and half year ended September 30, 2023 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

To,
The Board of Directors of
Balasore Alloys Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Balasore Alloys Limited** (the 'Company') for the quarter and half year ended 30th September, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulation").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company on November 14, 2023. Our responsibility is to issue a conclusion on the financial results based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**
 - a) We draw attention to Note no 9 of the financial statement, whereby the Company during the previous year FY 2022-23, has received funds from one of the foreign companies amounting to USD 64.58 million equivalent to ₹ 52,831.41 Lacs. The Company has shown the same as long term borrowings under non current liabilities. The Company is in process of getting approval from RBI 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 ₹ 1394.54 Lacs and ₹ 2,785.75 for the quarter and half year ended September 30, 2023 respectively, the loss for the quarter and half year ended September 30, 2023 is understated to that extent, and reserve and surplus for the quarter ended September 30, 2023 is overstated to the extent of ₹1394.54 Lacs (for half year ended September 30, 2023 ₹2785.75 lacs and accumulated as at September 30, 2023 is amounting to ₹4441.18 lacs).
 - b) We draw attention to note 10 of the standalone financial results, wherein trade receivable includes ₹ 2,293.06 Lacs receivable from a customer for more than three years. Further during the previous years, 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 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'.



Further, as explained to us by the management, regarding trade receivable amounting to Rs. 2293.06 lacs, the Company is in process of taking legal steps to recover the amount from the customer, however no provision has been made in financial results. Any material impact on the financials due to outcome of said legal steps cannot be ascertained presently.

5. 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 ₹ 15,777.10 Lacs given in earlier years at this stage.
- 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 half year ended September 30, 2023, 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 September 30, 2023 that may cast significant doubt on the Company's ability to continue as a going concern. However as, significant events took place like funds has been infused in the company, power being restored in plant and plant production being started, and management has considered the loss as aforesaid as temporary, financial statements have been prepared on going concern basis.
- c) We draw attention to Note No.3 of the standalone financial results regarding trade receivable of ₹6,463.97 Lakhs (other than trade receivable mentioned in Note no 4b above) which are outstanding for more than one year from its due date. Further out this trade receivable amounting to ₹2,724.60 lacs (other than trade receivable mentioned in Note no 4b above) is outstanding for more than 3 years for which confirmation/reconciliation is not made available to us and provision for the same has been made in the books of accounts, as management is hopeful of recovery of said trade receivables. Hence any material impact on financial statement due to non booking of provision cannot be ascertained presently.
- d) We draw attention to Note No.4 of the standalone financial results regarding certain advances of ₹7,677.08 Lakhs which are outstanding for more than one year on account of supply against materials and services. Out of this, advances amounting to ₹7,477.38 are outstanding for than 3 years, however no provision has been made in the books of accounts for the same, as management is hopeful of supply or recovery from respective vendors. Hence any material impact on financial statement due to non booking of provision 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 8 of the financial results, the Company in the previous year had received a notice from DDM Jajpur for suspension of the mining operation of the Company. 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. Hence any material effect due to this cannot be ascertained presently.

Our opinion is not modified in respect of above matters.



6. Based on our review conducted as above, *except for the effects of our observation stated in paragraph 4 'Basis of Qualified Opinion'*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material mismanagement.

For **B Nath & Co**
Chartered Accountants
Firm Registration No: 307057E


Gaurav More

Partner

Membership No.:306466

UDIN-23206466 BG SAM 2091

Place: Kolkata

Date: November 14, 2023

Balasure Alloys Limited

Registered Office : Balgopalpur 756020, Dist. Balasore, Odisha

CIN : L27101OR1984PLC001354

Tel : +91-6782-27581-85, Fax: +91-6782-275724, Website : www.balasurealloys.com, e-mail :mail@balasurealloys.com

Unaudited Standalone Statement of Financial Results for the Quarter and Half Year ended September 30, 2023

(₹ in Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-09-2023 (Unaudited)	30-06-2023 (Unaudited)	30-09-2022 (Unaudited)	30-09-2023 (Unaudited)	30-09-2022 (Unaudited)	31-03-2023 (Audited)
1 Income						
a. Revenue from Operations	33,467.20	40,117.82	618.85	73,585.02	5,912.33	38,155.90
b. Other Income	226.21	244.33	104.30	470.54	270.22	1,977.05
Total Income (1(a)+1(b))	33,693.41	40,362.15	723.15	74,055.56	6,182.55	40,132.95
2 Expenses						
a. Cost of Material Consumed	24,340.52	26,489.15	927.76	50,829.67	1,361.14	25,419.69
b. Purchase of Stock -in- Trade	-	-	-	-	1,311.04	1,311.04
c. Change in inventories of finished goods and work In progress	379.57	701.23	(168.65)	1,080.80	-168.65	-3,722.34
d. Power	7,573.95	8,575.42	88.42	16,149.37	166.18	8,899.57
e. Employee benefits expense	1,104.53	907.89	478.02	2,012.42	933.61	2,243.84
f. Finance Cost (Net)	748.32	750.25	1,372.72	1,498.57	2,486.30	7,196.13
g. Depreciation and amortisation expense	569.39	563.72	631.08	1,133.11	1,247.09	2,430.59
h. Other expenses	4,197.27	2,730.28	1,592.28	6,927.55	2,985.92	9,037.64
Total Expense (2(a) to 2(h))	38,913.56	40,717.94	4,921.63	79,631.50	10,322.63	52,816.16
3 Profit from operations before exceptional item (1-2)	(5,220.15)	(355.79)	(4,198.48)	(5,575.94)	(4,140.08)	(12,683.21)
4 Exceptional Item	-	-	-	-	-	-9,756.06
5 Profit from operations before exceptional item and before tax (3-4)	(5,220.15)	(355.79)	(4,198.48)	(5,575.94)	(4,140.08)	(22,439.26)
6 Tax Expense	(1,222.24)	-0.71	1,939.72	(1,222.95)	1,991.46	-5,305.55
7 Net Profit/Loss for the period (5-6)	(3,997.91)	(355.08)	(6,138.21)	(4,352.99)	(6,131.54)	(17,133.71)
8 Other Comprehensive Income						
FVTOCI of Employee Benefit Obligation	0.56	52.23	52.23	52.79	104.47	208.93
9 Total Comprehensive Income (7+8)	(3,997.35)	(302.85)	(6,085.98)	(4,300.20)	(6,027.07)	(16,924.78)
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	4,666.27
11 Other Equity						51,531.97
12 Earnings per Share (Face value of ₹ 5/- each)						
- Basic & diluted (not annualised)	(4.28)	(0.38)	(6.58)	(4.66)	(6.57)	(18.36)

Unaudited Statement of Assets and Liabilities as on 30th September, 2023

(₹ in Lacs)

Particulars	As at September 30, 2023	As at March 31, 2023
	ASSETS	
Non-Current Assets		
(a) Property, plant and equipment	23,302.42	24,031.02
(b) Right of Use an Assets	54,587.75	54,588.36
(c) Intangible Assets	3,443.73	3,692.87
(d) Capital Work in Progress	12,114.14	11,748.38
(e) Financial Assets		
(f) Investments	1,618.01	1,618.01
(ii) Other Financial Assets	788.33	788.33
(f) Deferred Tax Assets (Net)	9,736.18	8,530.99
(g) Other Non Current Assets	15,842.10	15,777.22
Total Non-Current Assets	1,21,432.66	1,20,775.17
Current Assets		
(a) Inventories	27,372.40	28,611.36
(b) Financial assets:		
(i) Trade Receivables	11,409.10	13,367.97
(ii) Cash and Cash Equivalents	345.75	2,380.60
(iii) Bank Balances other than above	374.52	667.00
(iv) Loans	1,746.68	1,746.28
(v) Other Financial Assets	5,801.19	5,248.35
(C) Other Current Assets	20,685.10	18,093.49
Total Current Assets	67,734.74	70,115.06
Total Assets	1,89,167.40	1,90,890.23
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	4,666.27	4,666.27
(b) Other Equity	47,231.77	51,531.97
Total Equity	51,898.04	56,198.24
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	53,628.63	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	7,831.36	11,484.99
(b) Long Term Provision	933.59	935.21
Total Non Current Liabilities	62,393.57	65,523.65
Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	2,231.81	4,643.46
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises;	92.33	92.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	28,165.12	27,669.28
(ii) Other financial Liabilities	6,351.31	6,493.51
(b) Other current liabilities	25,692.34	17,832.63
(c) Short Term Provision	12,342.86	12,436.70
Total Current liabilities	74,875.79	69,168.34
Total Liabilities	1,37,269.36	1,34,691.99
Total Equity and Liabilities	1,89,167.40	1,90,890.23



Unaudited Statement of Cash Flow as on 30th September, 2023

(₹ In Lacs)

Particulars	Half Year Ended September 30, 2023		Half Year Ended September 30, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax		(5,575.94)		(4,140.08)
Adjustments for :				
Depreciation & Amortization Expense	1,133.11		1,247.09	
Loss on Sale of Plant, Property and Equipment (Net)	(4.98)		-	
Unrealised Foreign Exchange Gain/Loss	525.18		-	
Interest Expenses	1,498.57		2,486.30	
Interest Income	(321.20)		(243.59)	
Dividend Income		2,830.68		3,489.80
Operating Profit before Working Capital Changes		(2,745.25)		(650.28)
Adjustments for:				
(Increase)/Decrease In Trade Receivable	1,958.87		(3,244.68)	
(Increase)/Decrease In Inventories	1,238.96		1,618.53	
(Increase)/Decrease In Other Current Financial Assets	(2,852.36)		(6,294.79)	
(Increase)/Decrease In Other Non Current Financial Assets	(64.88)		0.15	
(Increase)/Decrease In Trade Payable	(3,158.23)		472.31	
Increase/(Decrease) In Other Current Financial Liabilities	(1,402.10)		(1,232.19)	
Increase/(Decrease) In Other Current Liabilities	7,834.79	3,555.06	6,275.20	(2,405.47)
Cash Generated from Operations		809.80		(3,055.75)
Tax Paid				-
Net Cash (Outflow)/Inflow from Operating Activities		809.80		(3,055.75)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Fixed Assets	7.05		-	
Purchase of Plant, Property and Equipment	(156.85)		-	
Interest Received	321.20		243.59	
Acquisition of Capital work In Progress	(365.76)		-	
Sale of Investments		(194.35)		243.59
Net Cash (Outflow)/Inflow from Investing Activities		(194.35)		243.59
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Borrowings	(2,411.65)		7,433.60	
Interest and Other Finance charges paid	(238.66)	(2,650.31)	(2,486.30)	4,947.30
Net Cash Inflow/(Out flow) from Financing Activities		(2,650.31)		4,947.30
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)		(2,034.83)		2,135.14
Cash & Cash Equivalents as at Opening		2,380.60		287.62
Cash & Cash Equivalents as at Closing		345.75		2,422.76



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 November 14, 2023. The results for the quarter and half year ended September 30, 2023 has been subjected to Limited Review by the Statutory Auditors.
- 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 ₹ 6,463.97 Lacs (other than trade receivable mentioned in Note no 10 below) 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.
- 4 Advances under Other Assets include ₹ 7,677.08 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.
- 5 Company started incurring cost for development of underground mines at Sukinda to secure the raw materials for its ferro chrome plants. As at September 30, 2023 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 ₹ 15,777.10 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 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 in previous year FY 2022-23, 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 During the previous years, 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, the Company has successfully paid off the entire loan amount, including interest, to Indian Bank, amounting to ₹ 4,204.26 Lacs, and obtained a No Objection Certificate (NOC) from them. Additionally, the Company has also made the payment of entire loan amount, including interest of ₹ 1,74,84.09 Lacs to State Bank of India and letter for closure and No Objection Certificate (NOC) of CC account has been received from SBI to that effect.

- 8 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. Further, the Hon'ble High Court vide its judgement dated November 03, 2023, has directed the competent authorities to grant necessary Stage-II Forest Clearance in respect of the Subject Mineral Block over an area 64.463 hectares situated in Kaliapani Village in Sukinda Tehsil of Jajpur District in the State of Odisha by complying all the formalities.

- 9 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 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 under ECB route, and pending such approval interest has not been charged amounting to ₹ 1,394.54 lacs and ₹ 2,785.75 lacs for the quarter and half year ended September 30, 2023 (aggregate as on September 30, 2023 ₹ 4441.18 lacs) in the books on account of such ECB. The Statutory auditors have qualified their limited review report in this regard.

- 10 Trade Receivable includes ₹ 2,293.06 Lacs receivable from a customer for more than three year. Further during the previous years, 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 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'. Further regarding trade receivable amounting to ₹ 2293.06 lacs, the Company is in process of taking legal steps to recover the amount from the customer. Till such time no provision for doubtful debts has been made in the books of accounts. The Statutory auditors have qualified their limited review report in this regard.

- 11 Previous year/ period figures have been rearranged / regrouped wherever necessary to make them comparable with current period figures.

For Balasore Alloys Limited

Parakh

R K Parakh
Managing Director
DIN 00459699





Limited Review Report on Unaudited Consolidated Financial Results of Balasore Alloys Limited for the Quarter and Half Year Ended September 30, 2023 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Balasore Alloys Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Balasore Alloys Limited** (the 'Group') for the quarter and half year ended September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulation").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company on November 14, 2023. Our responsibility is to issue a conclusion on the financial results based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis of Qualified Conclusion**
 - a) We draw attention to Note no 9 of the financial statement, whereby the Parent Company during the previous year FY 2022-23, has received funds from one of the foreign companies amounting to USD 64.58 million equivalent to ₹ 52,831.41 Lacs. The Parent Company has shown the same as long term borrowings under non current liabilities. The Company is in process of getting approval from RBI 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 ₹ 1394.54 Lacs and ₹ 2,785.75 for the quarter and half year ended September 30, 2023 respectively, the loss for the quarter and half year months ended September 30, 2023 is understated to that extent, and reserve and surplus for the quarter and half year ended September 30, 2023 is overstated to the extent of ₹1394.54 Lacs (for six months ended September 30, 2023 ₹2,785.75 lacs and accumulated as at September 30, 2023 is amounting to ₹4441.18 lacs).
 - b) We draw attention to note 10 of the standalone financial results, wherein trade receivable includes ₹ 2,293.06 Lacs receivable from a customer for more than three years. Further during the previous years, 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 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'.

Further, as explained to us by the management, regarding trade receivable amounting to ₹ 2293.06 lacs, the Company is in process of taking legal steps to recover the amount from the customer, however no provision has been made in financial results. Any material impact on the financials due to outcome of said legal steps cannot be ascertained presently.

5. 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 ₹ 15,777.10 Lacs given in earlier years at this stage.
- b) We draw attention to Note No.6 of the consolidated financial results which indicates that the parent Company has incurred operating losses as on March 31, 2023 and continued during quarter and half year ended September 30, 2023, and parent 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 September 30, 2023 that may cast significant doubt on the parent Company's ability to continue as a going concern. However as, significant events took place like funds has been infused in the company, power being restored in plant and plant production being started, and management has considered the loss as aforesaid as temporary, financial statements have been prepared on going concern basis.
- c) We draw attention to Note No.3 of the consolidated financial results regarding trade receivable of ₹6,463.97 Lakhs (other than trade receivable mentioned in Note no 4b above) which are outstanding for more than one year from its due date. Further out this trade receivable amounting to ₹2,724.60 lacs (other than trade receivable mentioned in Note no 4b above) is outstanding for more than 3 years for which confirmation/reconciliation is not made available to us and provision for the same has been made in the books of accounts, as management is hopeful of recovery of said trade receivables. Hence any material impact on financial statement due to non booking of provision cannot be ascertained presently.
- d) We draw attention to Note No.4 of the consolidated financial results regarding certain advances of ₹7,677.08 Lakhs which are outstanding for more than one year on account of supply against materials and services. Out of this, advances amounting to ₹7,477.38 are outstanding for than 3 years, however no provision has been made in the books of accounts for the same, as management is hopeful of supply or recovery from respective vendors. Hence any material impact on financial statement due to non booking of provision 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 8 of the financial results, the Parent Company in the previous year had received a notice from DDM Jajpur for suspension of the mining operation of the Company. 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. Hence any material effect due to this cannot be ascertained presently.

Our conclusion is not modified in respect of above matters.



6. The statement includes the interim financial results/financial informations of two foreign subsidiaries which have not been reviewed by their auditors, whose financial results/informations reflect total assets of ₹ 0.16 lakh (before consolidation adjustments) and total net assets of ₹(218.92) lakh (before consolidation adjustments) as at September 30, 2023 and total revenue of ₹ NIL and ₹ NIL (before consolidation adjustments), total net profit/(loss) of ₹ (3.23) lakh and ₹ (6.39) lakh (before consolidation adjustments) and total comprehensive income/(loss) of ₹ (3.23) lakh and ₹ (6.39) lakh (before consolidation adjustments) for the quarter and half year ended September 30, 2023, respectively, and net cash inflow/(outflow) of ` NIL for the half year ended September 30, 2023, as considered in the unaudited consolidated financial results. The Holding Company's Management has converted the financial results/informations of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our conclusion on the Statement, in so far as it relates to the balances affairs of such subsidiaries located outside India, is solely on such unaudited financial results/informations certified by the Holding Company's Management. According to the informations and explanations given to us by the Holding Company's Management, these interim financial results/informations are not material to the Group.

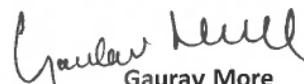
The consolidated financial results include the Group's share of net loss of ₹ Nil Lacs for the quarter and half year ended September 30, 2023 as considered in the consolidated financial results, in respect of one associate, whose financial statement has not been audited by us. This financial statements 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.

7. **Basis of Qualified Conclusion**

Based on our review conducted as above, except for the effects of our observation stated in paragraph 4 'Basis of Qualified Opinion', nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ("Ind AS") specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 and 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



For **B Nath & Co**
Chartered Accountants
Firm Registration No: 307057E


Gaurav More
Partner

Membership No.:306466

UDIN- 23306466 BBSA MM 4226

Place: Kolkata

Date: November 14, 2023

Balasure Alloys Limited						
Registered Office : Bhalgalpur 756020, Dist. Balasure, Odisha CIN : L27101OR1984PLC001354						
Tel : +91-6782-27581-85, Fax: +91-6782-275724, Website : www.balasurealloys.com, e-mail : mail@balasurealloys.com						
Unaudited Statement of Consolidated Financial Results for the Quarter and Half Year ended September 30, 2023						
(₹ in Lacs)						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-09-2023 (Unaudited)	30-06-2023 (Unaudited)	30-09-2022 (Unaudited)	30-09-2023 (Unaudited)	30-09-2022 (Unaudited)	31-03-2023 (Audited)
1 Income						
a. Revenue from Operations	33,467.20	40,117.82	618.65	73,585.02	5,912.33	38,155.90
b. Other Income	226.21	244.33	104.30	470.54	270.22	1,977.05
Total Income {1(a)+1(b)}	33,693.41	40,362.15	723.15	74,055.56	6,182.55	40,132.95
2 Expenses						
a. Cost of Material Consumed	24,340.52	26,489.15	927.76	50,829.67	1,361.14	25,419.69
b. Purchase of Stock -in- Trade	-	-	-	-	1,311.04	1,311.04
c. Change in Inventories of finished goods and work in progress	379.57	701.23	(168.65)	1,080.80	(168.65)	(3,722.34)
d. Power	7,573.95	8,575.42	88.42	16,149.37	166.18	8,899.57
e. Employee benefits expense	1,104.53	907.89	478.02	2,012.42	933.61	2,243.84
f. Finance Cost (Net)	748.32	750.25	1,372.72	1,498.57	2,486.30	7,196.13
g. Depreciation and amortisation expense	569.39	563.72	631.08	1,133.11	1,247.09	2,430.59
h. Other expenses	4,200.50	2,733.44	1,595.31	6,933.94	2,991.98	9,049.74
Total Expense {2(a) to 2(h)}	38,916.79	40,721.10	4,924.67	79,637.89	10,328.69	52,828.26
3 Profit from operations before exceptional item (1-2)	(5,223.38)	(358.95)	(4,201.51)	(5,582.33)	(4,146.14)	(12,695.31)
4 Exceptional Item	-	-	-	-	-	9,756.06
5 Profit from operations before exceptional item and before tax (3-4)	(5,223.38)	(358.95)	(4,201.51)	(5,582.33)	(4,146.14)	(22,451.37)
6 Tax Expense	(1,222.24)	(0.71)	1,939.72	(1,222.95)	1,991.46	(5,308.70)
7 Net Profit/Loss for the period (5-6)	(4,001.14)	(358.24)	(6,141.24)	(4,359.38)	(6,137.60)	(17,142.67)
8 Other Comprehensive Income						
FVTOCI of Employee Benefit Obligation	0.56	52.23	52.23	52.79	104.47	208.93
9 Total Comprehensive Income (7+8)	(4,000.58)	(306.01)	(6,089.01)	(4,306.59)	(6,033.13)	(16,933.74)
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	4,666.27
11 Earnings per Share (Face value of ₹ 5/- each)						
- Basic & diluted (not annualised)	(4.29)	(0.38)	(6.58)	(4.67)	(6.58)	(18.37)

Unaudited Statement of Assets and Liabilities as on 30th September, 2023		
(₹ in Lacs)		
Particulars	As at	As at
	September 30, 2023	March 31, 2023
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	23,302.42	24,031.02
(b) Right of Use an Assets	54,587.75	54,588.36
(c) Intangible Assets	3,443.73	3,692.87
(d) Capital Work in Progress	12,114.14	11,748.38
(e) Financial Assets		
(i) Investments	1,618.01	1,618.01
(ii) Other Financial Assets	788.33	788.33
(f) Deferred Tax Assets (Net)	9,736.18	8,534.13
(g) Other Non Current Assets	15,842.10	15,777.22
Total Non-Current Assets	1,21,432.66	1,20,778.32
Current Assets		
(a) Inventories	27,372.40	28,611.36
(b) Financial assets:		
(i) Trade Receivables	11,409.10	13,367.97
(ii) Cash and Cash Equivalents	345.92	2,380.76
(iii) Bank balances other than above	374.52	667.00
(iv) Loans	1,746.68	1,746.28
(v) Other Financial Assets	5,801.19	5,248.35
(C) Other Current Assets	20,685.10	18,093.50
Total Current Assets	67,734.90	70,115.23
Total Assets	1,89,167.56	1,90,893.55
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	4,666.27	4,666.27
(b) Other Equity	47,012.85	51,324.68
Total Equity	51,679.12	55,990.95
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	53,628.63	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	7,831.36	11,484.99
(b) Long Term Provision	933.59	935.21
Current liabilities		
(a) Financial liabilities:		
(i) Borrowings	2,231.81	4,643.46
(ii) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises;	92.33	92.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	28,384.21	27,879.89
(ii) Other financial Liabilities	6,351.31	6,493.51
(b) Other current liabilities	25,692.34	17,832.63
(c) Short Term Provision	12,342.86	12,436.70
Total Current Liabilities	1,37,488.44	1,34,902.60
Total Equity and Liabilities	1,89,167.56	1,90,893.55



Unaudited Consolidated Statement of Cash Flow as on 30th September, 2023

(₹ in Lacs)

Particulars	Half Year Ended September 30, 2023		Half Year Ended September 30, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax		(5,582.33)		(4,146.14)
Adjustments for :				
Depreciation & Amortization Expense	1,133.11		1,247.09	
Loss on Sale of Plant, Property and Equipment (Net)	(4.98)		-	
Unrealised Foreign Exchange Gain/Loss	525.18		-	
Interest Expenses	1,498.57		2,486.30	
Interest Income	(321.20)		(243.59)	
Dividend Income		2,830.68		3,489.80
Operating Profit before Working Capital Changes		(2,751.65)		(656.34)
Adjustments for:				
(Increase)/Decrease In Trade Receivable	1,958.87		(3,244.68)	
(Increase)/Decrease In Inventories	1,238.96		1,618.53	
(Increase)/Decrease In Other Current Financial Assets	(2,052.36)		(6,294.79)	
(Increase)/Decrease In Other Non Current Financial Assets	(64.88)		0.15	
(Increase)/Decrease In Trade Payable	(3,151.81)		472.31	
Increase/(Decrease) In Other Current Financial Liabilities	(1,402.10)		(1,232.19)	
Increase/(Decrease) In Other Current Liabilities	7,834.79	3,561.48	6,281.25	(2,399.42)
Cash Generated from Operations		809.83		(3,055.75)
Tax Paid		-		-
Net Cash (Outflow)/Inflow from Operating Activities		809.83		(3,055.75)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Fixed Assets	7.05		-	
Purchase of Plant, Property and Equipment	(156.85)		-	
Interest Received	321.20		243.59	
Acquisition of Capital work In Progress	(365.76)		-	
Sale of Investments	-	(194.35)	-	243.59
Net Cash (Outflow)/Inflow from Investing Activities		(194.35)		243.59
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Borrowings	(2,411.65)		7,433.60	
Interest and Other Finance charges paid	(238.66)	(2,650.31)	(2,486.30)	4,947.30
Net Cash Inflow/(Out flow) from Financing Activities		(2,650.31)		4,947.30
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)		(2,034.84)		2,135.15
Cash & Cash Equivalents as at Opening		2,380.76		287.77
Cash & Cash Equivalents as at Closing		345.92		2,422.92



Notes:

- 1 The above consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 14, 2023. The results for the quarter and half year ended September 30, 2023 has been subjected to Limited Review by the Statutory Auditors.
- 2 The group 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 ₹ 6,463.97 Lacs (other than trade receivable mentioned in Note no 10 below) 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.
- 4 In respect of parent Company, Advances under Other Assets include ₹ 7,677.08 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.
- 5 The Parent Company started incurring cost for development of underground mines at Sukinda to secure the raw materials for its ferro chrome plants. As at September 30, 2023 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 ₹ 15,777.10 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 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 in previous year FY 2022-23, 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 During the previous years, the parent 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, the Company has successfully paid off the entire loan amount, including interest, to Indian Bank, amounting to ₹ 4,204.26 Lacs, and obtained a No Objection Certificate (NOC) from them. Additionally, the Company has also made the payment of entire loan amount, including interest of ₹ 1,74,84.09 Lacs to State Bank of India and letter for closure and No Objection Certificate (NOC) of CC account has been received from SBI to that effect.

- 8 In relation to Statutory Stage-II forest clearance, where the DDM, Jajpur on 06.06.2022 issued letter to suspend mining operations, the parent 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. Further, the Hon'ble High Court vide its judgement dated November 03, 2023, has directed the competent authorities to grant necessary Stage-II Forest Clearance in respect of the Subject Mineral Block over an area 64.463 hectares situated in Kaliapani Village in Sukinda Tehsil of Jajpur District in the State of Odisha by complying all the formalities.

- 9 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 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 under ECB route, and pending such approval interest has not been charged amounting to ₹ 1,394.54 lacs and ₹ 2,785.75 lacs for the quarter and half year ended September 30, 2023 (aggregate as September 30, 2023 ₹4441.18 lacs) in the books on account of such ECB. The Statutory auditors have qualified their limited review report in this regard.

- 10 Trade Receivable includes ₹ 2,293.06 Lacs receivable from a customer for more than three year. Further during the previous years, 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 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'. Further regarding trade receivable amounting to ₹2293.06 lacs, the Company is in process of taking legal steps to recover the amount from the customer. Till such time no provision for doubtful debts has been made in the books of accounts. The Statutory auditors have qualified their limited review report in this regard.

- 11 Previous year/ period figures have been rearranged / regrouped wherever necessary to make them comparable with current period figures.

