

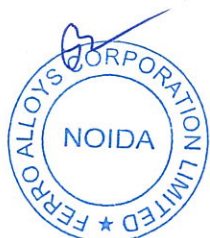
FERRO ALLOYS CORPORATION LIMITED

Regd Office: D.P. Nagar, Randia- 756 135 Dist: Bhadrak (Odisha) CIN: L45201OR1955PLC008400
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(₹ in lacs)

Statement of Standalone Unaudited Financial Results For The Quarter and Six Months Ended 30th Sept, 2017

Particulars	Quarter Ended			Six Months Ended	
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
Revenue					
Revenue from operations	14,313.05	14,476.53	13,521.75	28,789.58	27,242.00
Other income	188.91	161.62	70.68	350.53	102.23
Total income	14,501.96	14,638.15	13,592.43	29,140.11	27,344.23
Expenses					
Cost of materials consumed	4,946.60	4,734.81	5,600.02	9,681.41	11,395.09
Change in Inventory of finished goods and stock in progress	2,158.03	(1,251.31)	409.73	906.72	632.61
Excise Duty Expenses	-	634.45	564.97	634.45	1,323.24
Employee benefits expense	1,228.01	1,139.36	974.68	2,367.37	1,920.20
Finance costs	200.93	288.94	355.87	489.87	756.29
Depreciation and amortization expense	143.24	143.47	195.35	286.71	344.69
Power and Fuel	3,535.18	3,506.30	3,405.94	7,041.48	6,880.16
Mining, handling and other production expenses	786.18	639.34	389.73	1,425.52	1,171.93
Royalty	564.27	899.05	362.34	1,463.32	683.74
Work Expenses	370.23	665.08	487.22	1,035.31	865.89
Other expenses	899.54	925.70	1,090.63	1,825.24	1,917.08
Total Expenses	14,832.21	12,325.19	13,836.48	27,157.40	27,890.92
Profit/ (Loss) before tax	(330.25)	2,312.96	(244.05)	1,982.71	(546.69)
Exceptional Items					
Profit/ (Loss) on sale of fixed assets	3.83	2,484.01	0.40	2,487.84	0.34
Profit/ (Loss) before tax	(326.42)	4,796.97	(243.65)	4,470.55	(546.35)
Tax expense:					
Current tax	(67.17)	1,026.27	-	959.10	-
Tax for earlier years	-	-	0.00	-	(20.46)
Deferred tax	(68.98)	(34.86)	(126.71)	(103.84)	(254.90)
Profit/ (loss) for the period (A)	(190.27)	3,805.56	(116.94)	3,615.29	(270.99)
Other Comprehensive Income					
Items that will not be reclassified to Profit or Loss	-	-	-	-	-
Fair Value of Investment	2.90	(1.55)	2.90	1.35	3.55
Total Other Comprehensive income for the period (B)	2.90	(1.55)	2.90	1.35	3.55
Total Comprehensive Income for the period (A + B)	(187.37)	3,804.01	(114.04)	3,616.64	(267.44)
Paid up Share Capital Capital (Face Value of Rs. 1 each)	1852.68	1852.68	1852.68	1,852.68	1,852.68
Earning per Share (not annualised)					
- Basic	(0.10)	2.05	(0.06)	1.95	(0.15)
- Diluted	(0.10)	2.05	(0.06)	1.95	(0.15)



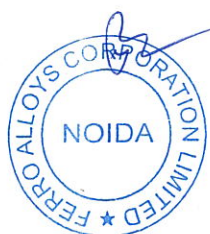
For Ferro Alloys Corporation Limited
Ritesh Chaudhry
 Ritesh Chaudhry
 Company Secretary

For Ferro Alloys Corporation Ltd.

Chairman and Managing Director

Balance Sheet as at 30.09.2017

Particulars	As at 30.09.2017 (Unaudited)
Non-current assets	
Property, plant and equipment	
Tangible Assets	15,772.80
Capital work-in-progress	1,634.95
Assets held for Sale	15.14
Intangible assets	1,294.33
Investments (accounted for using equity method)	34.01
Financial assets	
(i) Other non-current financial assets	879.65
Other non-current assets	1,059.18
Total non-current assets	20,690.06
Current assets	
Inventories	5,284.07
Financial assets	
(i) Trade receivables	2,901.09
(ii) Cash and cash equivalents	1,097.94
(iii) Other bank balances	4.41
(iv) Other current financial assets	51.49
Other current assets	3,263.06
Total current assets	12,602.06
Total assets	33,292.12
EQUITY AND LIABILITIES	
Equity	
Equity share capital	1,852.68
Other equity	16,387.67
Total equity	18,240.35
Liabilities	
Non-current liabilities	
Financial liabilities	
(i) Borrowings	1,597.47
Other Non Current Financial Liabilities	218.65
Deferred Tax Liabilities (Net)	713.87
Long-term provisions	274.34
Total non-current liabilities	2,804.33
Current liabilities	
Financial liabilities	
(i) Borrowings	3,560.47
(ii) Trade payables	3,915.10
(ii) Other financial liabilities	867.60
Other current liabilities	1,059.28
Short-term provisions	1,864.19
Current tax liabilities (net)	980.80
Total Current liabilities	12,247.44
Total liabilities	15,051.77
Total equity and liabilities	33,292.12



For Ferro Alloys Corporation Limited
Ritesh Chaudhry
 Ritesh Chaudhry
 Company Secretary

For Ferro Alloys Corporation Ltd.
Ritesh Chaudhry

Chairman and Managing Director

Notes :

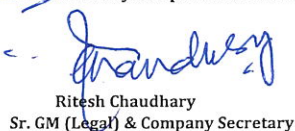
- 1 The Company is under Corporate Insolvency Resolution process (CIRP) vide National Company Law Tribunal, Kolkata Bench (NCLT) order dated 6th July, 2017. Mr. K.G.Somani has been appointed as Resolution Professional for the Company. The time allowed for resolution is 180 days from 6th July, 2017, which can be extended by further period of 90 days in terms of section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board stands suspended with effect from 6th July, 2017 and are now being exercised by the Resolution Professional.
- 2 Under the current CIRP, a resolution plan needs to be presented and approved by the Committee of Creditors (COC) and thereafter will need to be approved by the National Company Law Tribunal (NCLT) to keep the Corporate Debtor (Ferro Alloys Corporation Limited) as a going concern. Currently, the resolution plan is under formulation and is to be presented for approval of COC. The Financial Statements of the Company are prepared on the going concern basis.
- 3 Pursuant to Regulation 29 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Resolution Professional on Tuesday, 21st November, 2017, has considered the Unaudited Financial Results of the Company for the quarter and six months ended 30th September, 2017, duly authenticated and signed by the authorized officials of the Company as per the law.
- 4 The Company has adopted, Indian Accounting Standards, prescribed under Section 133 of The Companies Act, 2013 (Ind As) from April 1, 2017 and accordingly, these financial results and all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 - Interim Financial Reporting read with relevant rules issued thereunder and the other accounting principles generally accepted in India and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereon. The opening Balance Sheet as at April 1, 2016 and results for the subsequent periods would be finalized and will be subject to audit at the time of annual financial statement for the year ended 31st March, 2018.
- 5 The Company has opted to avail the relaxations provided by the Securities and Exchange Board of India, vide its circular no. CIR/CFD/FAC/62/2016 dated 5.7.2016 (circular), as available to listed entities. Accordingly, the company has provided Ind As compliant financial results only for the previous quarter and half year ended September 30, 2016 along with the financial results for the quarter and half year ended September 30, 2017. Further, in accordance with the relaxations provided in the aforesaid circular, the results for the previous quarter and half year ended September 30, 2016 have not been subjected to limited review or audit by the statutory auditors. However, the Company's management has exercised necessary due diligence to ensure that the financial results provide a true and fair view.
- 6 Actuarial valuation of Employees Defined Benefit plan is being carried on annual basis and for quarterly financial these expenses will be accounted for on provisional basis. Actuarial gain/loss on the same will be accounted for in other comprehensive income on annual basis on the basis of annual actuarial valuation.
- 7 The reconciliation of net profit as previously reported referred to as 'previous GAAP' and the total comprehensive income/(loss) as per Ind AS for the quarter and half year ended September 30, 2016 is as under:

Particulars	₹ In Lacs	
	3 Months ended 30.09.2016 (Unaudited)	6 Months ended 30.09.2016 (Unaudited)
Net Profit after tax as per previous GAAP	(125.51)	(269.25)
Interest Impact on financial assets	(14.46)	(28.96)
Depreciation and amortization - Increase due to upward revaluation of leasehold land	(1.27)	(2.54)
Capitalisation of Capital Spare Parts	28.84	28.84
Deferred tax impact	(4.54)	0.92
Net Profit after tax for the period as per Ind AS	(116.94)	(270.99)
Add: Other comprehensive income - Equity instruments measured through OCI	2.90	3.55
Total Comprehensive income as per IND AS	(114.04)	(267.44)

- 8 Post the applicability of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operations is disclosed net of GST. Accordingly, revenue from operations and excise duty expenses for the quarter and 6 months ended September 30, 2017 are not comparable with the previous periods presented in the results.
- 9 As the Company's business activities fall within a single significant primary business segment i.e. "Ferro Alloys", no separate segment information is disclosed.
- 10 (a) The claim under Corporate guarantee for Rs.142.40 Crores given by the Company for Facor Steels Limited with Facor Alloys Limited has been invoked to the extent of Rs.33.82 Crores which liability, the Company is contesting.
(b) The Corporate Guarantee given by the Company for its subsidiary Facor Power Limited to Rural Electrification Corporation Ltd. (REC) has been invoked amounting to Rs. 510.98 Crores and interest of Rs.220.40 Crores as on 30 th September, 2017 which liability, the Company is contesting.
(c) In view of the decision dated August 2, 2017 of the Supreme Court of India, DDM issued a demand notice for Rs.10.41Crores and Rs. 176.23 Crores towards compensation for excess mining during the period from 2002-03 to 2009-10 and 2000-01 to 2010-11 respectively. Subsequently, in the hearing of common cause writ petition for clarification of judgment, Supreme Court has directed vide its Order dated 24.10.2017 to iron out anomalies with regard to the calculation by November 30, 2017. The Company has made representation with the DDM for calculation of compensation in accordance with the spirit of the decision of the Supreme Court. Meanwhile, the Company has not provided for compensation in the accounts in absence of exact/correct amount which is to be worked out by DDM.
(d) A demand of Rs.63.27 Crores (including penalty of Rs.31.63 Crores) has been raised by Commissioner, GST & Central Excise, Bhubaneswar vide its order dated 31.10.2017, levying service tax in respect of Corporate Guarantee issued by the Company to Fin. Institutions/Banks for the loans/facilities sanctioned in favour of its subsidiary. The same is not provided for as the Company is contesting the same.
- 11 During the current quarter and half year, Chrome ore Inventory has been valued at cost of production including direct expenses incurred at mines as against valuing it at transfer price till last year. This has resulted in decrease in profit by Rs. 415.50 lacs in the current quarter due to difference in valuation of Closing stock as at 31st March, 2017, Rs. 87.52 lakhs in the preceding quarter and by Rs.503.02 lakhs in the current half year.
- 12 The company has adopted IndAS with effect from April 1, 2017 with comparatives restated.

By Order of the Resolution Professional
For Ferro Alloys Corporation Limited


Yashpal Mehta
Chief Financial Officer


Ritesh Chaudhary
Sr. GM (Legal) & Company Secretary


R K Saraf
Chairman & Managing Director
DIN 00006102

Place : Noida, UP
Date : 21st November, 2017

Corporate Office: Plot No A-45 to A-50, Ground Floor, Sector 16, Noida 201 301, Uttar Pradesh

LIMITED REVIEW REPORT

To,
**The Resolution Professional,
Ferro Alloys Corporation Limited**

1. The Hon'ble National Company Law Tribunal, Kolkata ("NCLT") admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against Ferro Alloys Corporation Ltd. and appointed Mr.K.G.Somani as the Interim Resolution Professional under Insolvency and Bankruptcy Code, 2016 ("Code") vide order dated 6th July 2017. Further, the Committee of Creditors ("COC") constituted during the CIRP has confirmed appointment of Mr. K.G.Somani as the Resolution Professional ("RP") on 4th August, 2017 to manage the affairs of Ferro Alloys Corporation Ltd. as per the provisions of Insolvency and Bankruptcy Code, 2016.
2. As per Section 134 of the Companies Act, 2013, the financial statement of a company are required to be authenticated by the chairperson of the board of directors, where authorized by the Board or at least two directors, of which one shall be the managing director or the CEO (being a director), the CFO and the Company Secretary where they are appointed. In view of the pendency of the CIRP, these powers are now vested with Mr. K.G.Somani in his capacity as the RP from 6th July, 2017 (Corporate Insolvency Resolution commencement date) as per the provisions of the Code.
3. We have reviewed the accompanying statements of Un-audited Standalone Financial Results of Ferro Alloys Corporation Limited ('the Company') for the quarter and half year ended 30th September 2017 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This Statement which is the responsibility of the Company's Management and has been considered by the Resolution Professional. This statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these Statements based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. Attention is invited to:
 - a) As per Note 10(a) to the Financial Results, that the Corporate Guarantee extended by the Company along with Facor Alloys Limited to the Bankers (consortium) of Facor Steels Limited for Rs.142.40 Crores has been invoked to the extent of Rs.33.82 Crores. The Company has not made any provision for the invoked amount, as the same is being contested.



OFFICES AT :

- 243, "SHRIKA RESIDENCY" CANAL ROAD, DHARAMPETH, NAGPUR- 440010.
- BLOCK-E, NEW R D A BUILDING, BOMBAY MARKET, G.E. ROAD, RAIPUR- 492001
- A- 425, SARITA VIHAR, NEW DELHI-110076.
- 331, KALIANDAS UDYOG BHAVAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI- 400025.
- PRABHATARAPTS, 3rd FLOOR, WR, PARANJAPE LANE, NEAR HOTEL VAISHALI, SHIVAJINAGAR PUNE- 411004
- COSMOS REGENCY, JUPITER II, 102 WAGHBILL NAKA GHODBUNDER ROAD, THANE-(W)- 400607

- b) As per Note 10(b) to the Financial Results, the Corporate Guarantee given by the Company for its subsidiary Facor Power Limited to Rural Electrification Corporation Ltd. (REC) has been invoked amounting to Rs. 510.98 Crores and interest of Rs.220.40 Crores as on 30th September, 2017 which liability, the Company is contesting.
- c) As per Note 10(c) to the Financial Results, in view of the decision dated August 2, 2017 of the Supreme Court of India, DDM issued a demand notice for Rs.10.41 Crores and Rs. 176.23 Crores towards compensation for excess mining during the period from 2002-03 to 2009-10 and 2000-01 to 2010-11 respectively. Subsequently, in the hearing of common cause writ petition for clarification of judgment, Supreme Court has directed vide its Order dated 24.10.2017 to iron out anomalies with regard to the calculation by November 30, 2017. The Company has made representation with the DDM for calculation of compensation in accordance with the spirit of the decision of the Supreme Court. Meanwhile, the Company has not provided for compensation in the accounts in absence of exact/correct amount which is to be worked out by DDM.
- d) As per Note 10(d) to the Financial Results, a demand of Rs.63.27 Crores (including penalty of Rs.31.63 Crores) has been raised by Commissioner, GST & Central Excise, Bhubaneswar vide its order dated 31.10.2017, levying service tax in respect of Corporate Guarantee issued by the Company to Fin. Institutions/Banks for the loans/facilities sanctioned in favour of its subsidiary. The same is not provided for as the Company is contesting the same.
6. Based on our review conducted as above, except for possible effects of the matter specified in Para 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular number CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

7. The financial results of the company for the quarter ended 30th June 2017 were reviewed by the previous auditors, M/s Salve & Co., and they have issued modified report for the quarter ended 30th June 2017 on the same.



Dinesh Kumar Bachchas
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W



Noida; dated the
21st November, 2017