



DEL/SEC/119

May 29th, 2018

The Secretary
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI-400 001.

The General Manager
Department of Corporate Services
The Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Fort
MUMBAI-400 001.

Dear Sirs,

SCRIP CODE : 500141

Sub: Audited Financial Results for the Quarter and Year ended 31st March, 2018 under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015

Pursuant to the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 the Resolution Professional ("RP") on 29th May, 2018 has considered and taken on record the audited financial results and for the quarter and year ended 31st March, 2018.

The audited financial statements and Audit report is enclosed herewith.

Since the company is under Corporate Insolvency Resolution Process, the resolution professional reviewed and considered the results and approved the same for filing as per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

Please acknowledge receipt.

Thanking you,

Yours faithfully,

for **Ferro Alloys Corporation Limited**

Ritesh Chaudhry
Sr. General Manager (Legal) &
Company Secretary

FERRO ALLOYS CORPORATION LIMITED

CIN No. L45201OR1955PLC008400

Corp. Office : FACOR HOUSE, A-45-50, Sector-16, Noida, District Gautam Buddh Nagar, Uttar Pradesh-201 301 India • T +91-120-417 1000 • F +91-120-425 6700 • E.: facordelhi@facorgroup.in

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Statement of Standalone and Consolidated Financial Results for the Quarter and Year Ended 31st March 2018

Sl. No.	Particulars	Quarter Ended				Year Ended				Consolidated Year Ended
		31.03.2018 (Refer Note 6)	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	
1	Revenue	11,064.53	14,085.79	21,652.72	54,542.70	6,402.48	64,542.70	64,026.45	64,026.45	
2	Other income	37.57	183.29	247.46	571.10	528.03	571.10	528.03	528.03	
3	Total Income (1+2)	11,201.70	14,271.99	21,900.17	55,113.80	6,455.44	64,555.44	64,555.44	64,555.44	
4	Expenses									
	a) Cost of materials consumed	4,386.48	4,101.53	7,603.75	18,144.89	25,024.54	18,144.89	25,024.54	25,024.54	
	b) Change in Inventory of finished goods and stock in progress	(1,298.93)	(802.20)	446.71	(907.90)	352.28	(907.90)	352.28	352.28	
	c) Excise Duty Expenses			782.01	514.45	2982.24	634.45	2982.24	2982.24	
	d) Employee Benefits expense	574.94	1,201.64	1,087.21	4,340.25	4,184.44	4,340.25	4,184.44	4,184.44	
	e) Finance costs	219.89	276.71	419.29	989.48	1,072.04	989.48	1,072.04	989.48	
	f) Depreciation and amortization expenses	144.35	143.39	155.47	575.05	653.06	575.05	653.06	653.06	
	g) Power and Fuel	3,475.53	3,975.11	3,519.03	14,492.11	13,871.27	14,492.11	13,871.27	13,871.27	
	h) Mining, handling and other production expenses	1,109.61	1,524.58	684.56	4,053.71	2,982.4	4,053.71	2,982.4	2,982.4	
	i) Royalty	652.12	726.40	1,185.35	2,742.90	2,416.38	2,742.90	2,416.38	2,416.38	
	j) Wages Expenses	551.80	451.28	600.95	2,048.39	1,954.04	2,048.39	1,954.04	1,954.04	
	k) Other expenses	1,086.29	1,680.17	1,839.90	5,971.61	6,552.24	5,971.61	6,552.24	6,552.24	
	Total Expenses	10,894.95	12,562.26	18,383.24	51,114.02	60,797.51	51,114.02	60,797.51	60,797.51	
5	Profit/(Loss) before Exceptional items and tax (3-4)	707.35	1,309.73	3,506.93	3,999.78	3,758.99	3,438.30	3,758.99	3,758.99	
6	Exceptional Items	0.03		50.11	2,467.57	36.51	2,467.57	36.51	36.51	
7	Profit/(Loss) on sale of fixed assets	707.38	1,309.73	4,037.04	6,467.35	3,795.24	6,467.35	3,795.24	3,795.24	
8	Share of Profit/(Loss) of Associate after tax									
9	Profit/(Loss) before tax and share of profit of associate (7+8)	707.38	1,309.73	4,037.04	6,467.35	3,795.24	6,467.35	3,795.24	3,795.24	
10	Tax expense:									
	a) Current tax	369.17	282.00	652.83	1,403.27	622.83	1,403.27	622.83	622.83	
	b) Tax for earlier years	(3.99)			(3.99)		(3.99)		(3.99)	
	c) Deferred tax	(481.00)	44.09	990.25	(450.74)	500.15	(450.74)	500.15	500.15	
11	Profit/(Loss) for the period (9-10)	949.24	969.64	1,874.81	5,563.17	2,159.87	5,563.17	2,159.87	2,201.02	
12	Other Comprehensive Income									
	Items that will not be reclassified to Profit or Loss									
	Re-measurement of defined benefit plans	(73.14)	(314.23)	(13.14)	(314.23)	(314.23)	(314.23)	(314.23)	(314.23)	
	Fair Value of Investment	(1.90)	(4.50)	9.95	(8.03)	16.30	(8.03)	16.30	16.30	
	Income tax on items that will not be reclassified to Profit and Loss	23.51	115.69	115.69	25.31	115.69	25.31	115.69	115.69	
	Items that will be reclassified subsequently to statement of Profit or Loss									
	Foreign currency translation reserve									
	Income Tax on Translation Reserve									
	Total Other Comprehensive Income for the period	(52.73)	(41.50)	(209.24)	(55.88)	(209.24)	(55.88)	(209.24)	(209.24)	
13	Total Comprehensive Income for the period (11+12)	896.51	929.14	1,665.57	5,482.29	1,950.63	5,482.29	1,950.63	1,999.84	
	Profit attributable to:									
	• Shareholders of the company									
	• Non-Controlling Interests									
	Other Comprehensive Income attributable to:									
	• Shareholders of the company									
	• Non-Controlling Interests									
	Total Comprehensive Income attributable to:									
	• Shareholders of the company									
	• Non-Controlling Interests									
14	Paid up Share Capital (Face Value of ₹ 1 each)	1,852.68	1,852.68	1,852.68	1,852.68	1,852.68	1,852.68	1,852.68	1,852.68	
15	Reserve per Share (not annualised)									
	• Basic	0.51	0.53	1.01	2.99	1.19	2.99	1.19	1.19	
	• Diluted	0.51	0.53	1.01	2.99	1.19	2.99	1.19	1.19	



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Balance sheet as at 31st March 2018		(₹ in Lacs)			
Particulars	Standalone		Consolidated		
	March 31st, 2018	March 31st, 2017	March 31st, 2018	March 31st, 2017	
ASSETS					
Non-current assets					
Property, Plant and Equipment	16,446.79	18,080.62	16,446.79	18,080.62	
Capital Work-in-Progress	700.06	957.75	700.06	957.75	
Assets held for Sale	15.14	29.97	15.14	29.97	
Intangible Assets	1,249.64	1,399.01	1,249.64	1,399.01	
Investments in Subsidiaries and Associates	10.38	10.42	10.38	10.42	
Financial Assets					
Investments	18.25	22.10	18.25	22.10	
Other Financial Assets	812.25	866.09	812.25	866.09	
Other Non-Current Assets	1,070.08	644.36	1,070.08	644.36	
Total Non-Current Assets	20,422.58	21,050.32	20,414.23	21,941.91	
Current Assets					
Inventories	7,866.92	7,774.91	7,306.92	7,774.91	
Financial Assets					
(i) Trade Receivables	850.86	5,585.22	850.86	5,585.22	
(ii) Cash and Cash Equivalents	1,428.96	501.46	1,424.65	507.71	
(iii) Other Bank Balances	2.34	4.42	2.34	4.42	
(iv) Other Financial Assets	51.01	59.58	51.01	59.58	
Other Current Assets	3,023.89	3,390.03	3,023.89	3,500.03	
Current Tax Assets (Net)	82.93	-	82.93	-	
Total Current Assets	12,866.33	16,515.09	12,812.03	16,521.27	
Total Assets	33,228.91	38,465.34	33,226.85	38,463.18	
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	1,852.68	1,852.68	1,852.68	1,852.68	
Other Equity	16,236.83	12,744.54	16,219.73	12,739.83	
Total Equity	20,089.51	14,597.22	20,072.41	14,592.51	
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
(i) Borrowings	1,619.01	1,831.55	1,619.01	1,831.55	
Deferred Tax Liabilities (Net)	334.87	820.99	334.87	820.99	
Provisions	226.05	302.83	226.06	302.83	
Other Non-Current Liabilities	218.65	218.65	218.65	218.65	
Total Non-Current Liabilities	2,471.59	3,173.96	2,471.59	3,173.96	
Current Liabilities					
Financial Liabilities					
(i) Borrowings	2,312.18	9,211.71	2,312.18	9,211.71	
(ii) Trade Payables	4,234.11	7,500.37	4,231.11	7,500.37	
(iii) Other Financial Liabilities	1,060.53	1,069.64	1,060.63	1,069.64	
Other Current Liabilities	2,105.25	1,524.61	2,100.30	1,527.03	
Provisions	895.63	1,242.72	895.63	1,242.72	
Current Tax Liabilities (Net)	84.31	84.31	84.31	84.31	
Total Current Liabilities	10,667.81	20,694.15	10,662.85	20,696.71	
Total Liabilities	13,139.40	23,868.12	13,154.44	23,870.67	
Total Equity and Liabilities	33,228.91	38,465.34	33,226.85	38,463.18	

Reconciliation of total equity as at 31 March 2017

Particulars	(₹ in Lacs)	
	Standalone 31 March 2017	Consolidated 31 March 2017
Total equity (shareholder's funds) as per previous GAAP	27462.68	2432.11
Adjustments:		
Impact on account of fair valuation of fixed assets	8893.28	8893.28
Impact on account of impairment of Investment in Subsidiary and Associates	(21,900.45)	(21,714.20)
Impact of interest charged as per EIR Method	(63.43)	(63.43)
Impact of interest charged as per EIR Method in Equity component	276.65	276.65
Impact of Depreciation and Amortisation	(5.05)	(5.05)
Impact of Impairment of Goodwill	-	(288.43)
Impact on account of fair valuation of investment through OCI	15.30	15.30
Impact on account of provision of loans and advances	(37.02)	-
Impact of Factor Power Limited not consolidated	-	35,090.88
Other Adjustment	28.84	28.84
Tax effects of adjustments	(83.60)	(83.60)
Total adjustments	(12,865.45)	12,160.40
Total equity as per Ind AS	14,597.23	14,592.51

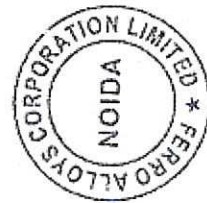
Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Standalone		Consolidated
	Quarter ended March 2017	Year ended March 2017	Year ended March 2017
Profit after tax under India GAAP	1681.75	2018.92	(6,581.18)
Adjustments			
Impact on account of fair valuation Fixed Assets	(1.27)	(3.50)	(3.50)
Impact of Provision for doubtful advances	(16.59)	(16.59)	(16.59)
Impact on account of impairment of Investment in Subsidiary and Associates	(3.14)	(0.14)	-
Impact on account of capitalisation of Shares	-	27.22	27.22
Impact of reclassification of remeasurement of employee benefit expenses	331.75	334.75	334.25
Impact of interest charged as per EIR Method	(13.78)	(67.10)	(67.10)
Impact of Factor Power profit not considered for consolidation	-	-	8685.00
Impact of Other Adjustments	-	-	0.45
Tax effects of adjustments	(139.47)	(104.12)	(104.12)
Total adjustments	159.06	180.45	8782.20
Profit after tax as per Ind AS	1873.81	2196.67	3201.02
Other Comprehensive Income	-	-	-
Fair Valuation of Investment	9.35	16.30	16.30
Impact of reclassification of remeasurement of employee benefit expenses (of tax)	(218.56)	(218.56)	(218.56)
Impact of PCTD	-	-	0.91
Total Comprehensive income for the year	1664.65	1994.68	1598.64



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- 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 total time allowed of 270 days (including extended period) which expired on 2nd April, 2018 has been further extended to 5th June, 2018. In terms of Section 1 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 The Financial Statements of the Company are prepared on the going concern basis.
- 3 The Resolution Professional on Tuesday, 29th May, 2018, has considered the Audited Results for the quarter and year ended 31st March, 2018.
- 4 The Company has adopted, Indian Accounting Standards (Ind AS) from April 1, 2017 as prescribed under Section 133 of The Companies Act, 2013 read with relevant rules thereunder. Accordingly, the relevant quarterly and annual financial results of the previous years are restated as per Ind AS.
- 5 The Company does not have more than one reportable segment. Accordingly, segment information is not required to be provided.
- 6 The Figures for last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year.
- 7 Post the applicability of Goods and Service Tax (GST) w.e.f. 1st July, 2017, the total income from operations are disclosed net of GST. Accordingly, total income from operations for the quarter ended 31st March, 2018 and 31st December, 2017 are not comparable with the quarter and year ended 31st March, 2017.
- 8 (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 thereon, which liability, the Company is contesting.
- (c) The Revisional Authority, DDM has issued a demand notices for Rs. 200.56 Crores (with respect to Ostapal mine toward compensation for excess mining during the period from 2009-01 to 2006-07) and Rs.9.55 crores (being the price towards compensation vis 21(6) of MMDR Act, 1957 for production without a excess of the environmental clearance for the period from 2009-01 to 2010-11) in respect of Kait Mine. The revisional authority, Ministry of Mines New Delhi vide order dttd 10.05.2018 has ordered stay of the aforesaid demands till the next date of hearing.
- (d) A demand of Rs. 63.27 Crores (including penalty of Rs 31.63 Crores) has been raised by Commissioner, GST & Central Excise, Bahwaneshwar vide its order dated 31.10.2017, levying service tax in lieu of Corporate Guarantee issued by the Company to Fin. Institutions / Banks for the loans / facilities sanctioned in favour of the subsidiary. The same is not provided for as the Company is contesting the same.
- (e) A demand of Rs. 28.38 Crores has been raised by The Commissioner, GST & Central Excise, Bahwaneshwar vide its order dated 15.05.2018 related to availment and transfer of Service Tax for the period from April, 2019 to June, 2017, which liability, the Company is contesting.
- 9 Facor Power Limited (FPL), subsidiary of the Company, defaulted in repayment of term loan to REC. REC invoked the provisions of SARAFIEST and have taken physical possession w.e.f. 7th November, 2017 of the Assets and Book of Accounts. Due to loss of control and influence and curtailment of shareholders rights, FPL has lost the status of Subsidiary Company of Ferro Alloys Corporations, therefore, the financials of the FPL has not been consolidated in the year ending 31st March, 2017 and 31st March, 2018.
- 10 Previous period figures are regrouped/rearranged wherever necessary to facilitate comparison.



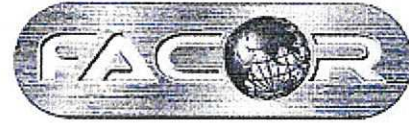
By Order of the Resolution Professional
For Ferro Alloys Corporation Limited.

Rakesh Chaudhry
Rakesh Chaudhry
Sr. General Manager (Legal) & Company Secretary

Rajpal Mehta
Rajpal Mehta
Chief Financial Officer

Place: NOIDA
Date: 29.05.2018

Manoj Saraf
Manoj Saraf
Managing Director
(DIN: 00234570)



DEL/SEC/119
29th May, 2018

The Secretary
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI- 400 001.

The General Manager
Department of Corporate Services
The Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Fort
MUMBAI- 400 001.

Re: Scrip Code : 500141

**Sub: Declaration u/r 33(3) (d) of the Securities & Exchange Board of India (SEBI)
(Listing Obligations & Disclosure Requirements), Regulations, 2015**

Dear Sir,

Pursuant to the provisions of Regulation 33(3)(d) of the SEBI LODR Regulations read with Circular no. SEBI/LAD-NRO-GN/20/16-17/001 dated 25/5/2016 and Circular no. CIR/CFD/CMD/56/2016 dated 27/5/2016, issued by the Securities & Exchange Board of India (SEBI), we hereby declare that the Auditors' Report as submitted by M/s K.K. Mankeshwar & Co. Statutory, Auditors on the Audited Standalone Financial Statement for the year ended 31st March, 2018 and the Audited Consolidated Financial Statement for the year ended 31st March 2018 are with un-modified opinion.

This is for your information and record

Thanking you,

Yours faithfully,
for **Ferro Alloys Corporation Limited**


Manoj Saraf
Managing Director

Encl: As above

FERRO ALLOYS CORPORATION LIMITED

CIN No. L45201OR1955PLC008400

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INDEPENDENT AUDITORS' REPORT
ON STANDALONE FINANCIAL STATEMENTS
FOR QUARTER & YEAR ENDED 31ST MARCH 2018

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 the appointment of Mr. K. G. Somani as the Resolution Professional ("RP") on 4th August, 2017 to manage the affairs of Ferro Alloys Corporation Limited as per the provisions of Insolvency and Bankruptcy Code, 2016.
2. As per the Section 134 of the Companies Act, 2013 the financial statements 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 audited the accompanying statement of Standalone Financial Results ("Statement") of **Ferro Alloys Corporation Limited** ('the Company') for the quarter ended 31st March, 2018 and year to date from April 1, 2017 to March 31, 2018 attached herewith, being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and has been considered by the Resolution Professional, has been prepared on the basis of the related financial statements which are in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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 express an opinion on the same.
4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants. Those standards requires that we plan and perform the audit to obtain moderate assurance as to whether the Financial Statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

OFFICE AT :

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- A-425, "SARITA VIHAR", NEW DELHI-110076.
- 331, KALIANDAS UDYOG BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI-400025.
- 201, "FENKIN BELLEZA", OPPOSITE M. K. PLAZA, KASAR VADAVLI, GHODBUNDER ROAD, THANE (W) 400615.
- 201, "GERA GARDEN", 7-A KOREGAON ROAD, NEAR TAJ VIVANTA, KOREGAON PARK, PUNE-411001.



circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

5. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
- Are presented in accordance with the requirements of the Regulation read with the circular in this regard; and
 - gives a true and fair view of the total comprehensive income comprising of net profits and other comprehensive income and other financial information for the quarter and year ended March 31, 2018.

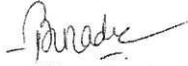
Other Matter

6. Emphasis of Matters:
- As per Note 8(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.
 - As per Note 8(b) to the Financial Results, the Corporate Guarantee given by the company for its subsidiary Facor Power Limited to Rural Electrification Corporation Limited (REC) has been invoked amounting to Rs. 510.98 Crores and interest thereon as on 31st March, 2018 for which, the Company is contesting.
 - As per Note 8(c) of the Financial Results, the Revisional Authority, DDM has issued a demand notices for Rs. 200.56 Crores (with respect to Ostapal mine toward compensation for excess mining during the period from 2000-01 to 2006-07) and Rs.0.55 crores (being the price towards compensation u/s 21(5) of MMDR Act, 1957 for production without/in excess of the environmental clearance for the period from 2000-01 to 2010-11) in respect of Kathpal Mine. The revisional authority, Ministry of Mines New Delhi vide order dtd 10.05.2018 has ordered stay of the aforesaid demands till the next date of hearing.
 - As per Note 8(d) of 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 31st October, 2017, levying service tax in respect of Corporate Guarantee issued by the Company to Financial 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.
 - As per Note 8(e) of the financial results, a demand of Rs. 28.38 Crores has been raised by The Commissioner, GST & Central Excise, Bhubaneswar vide its order dated 15.05.2018 related to availment and transfer of Service Tax for the period from April, 2013 to June, 2017, which liability, the Company is contesting.

Our opinion is not modified in respect of the above matters



7. The Financial Results of the Company for the quarter ended 31st March, 2017 were audited by the previous auditor and have expressed an unmodified opinion on the same.



Abhay Upadhye
Partner

Membership No. 049354

For and on Behalf of

K. K. Mankeshwar & Co.

Chartered Accountants

FRN: 106009W



Noida, UP dated the
29th May, 2018

**INDEPENDENT AUDITORS' REPORT
ON CONSOLIDATED FINANCIAL STATEMENTS
FOR QUARTER & YEAR ENDED 31ST MARCH 2018**

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 the appointment of Mr. K. G. Somani as the Resolution Professional ("RP") on 4th August, 2017 to manage the affairs of Ferro Alloys Corporation Limited as per the provisions of Insolvency and Bankruptcy Code, 2016.
2. As per the Section 134 of the Companies Act, 2013 the financial statements 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 audited the accompanying statement of Consolidated Financial Results ("Statement") of **Ferro Alloys Corporation Limited** ('the Holding Company') and its subsidiaries (the holding company, its subsidiaries and its associates together referred to as "the Group") for the year ended 31st March, 2018 ('the Statement') being submitted by the Holding Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and has been considered by the Resolution Professional, has been prepared on the basis of the related Consolidated financial statements which are in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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 express an opinion on the same.
4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants. Those standards requires that we plan and perform the audit to obtain moderate assurance as to whether the Financial Statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

OFFICE AT :

- 101, "SHRIKA RESIDENCY", 243, 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 BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI-400025.
- 201, "FENKIN BELLEZA", OPPOSITE M. K. PLAZA, KASAR VADAVLI, GHODBUNDER ROAD, THANE (W) 400615.
- 201, "GERA GARDEN", 7-A KOREGAON ROAD, NEAR TAJ VIVANTA, KOREGAON PARK, PUNE-411001.



5. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.
6. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 6.30 lacs as at 31st March 2018, total revenues of Rs. NIL lacs for the year ended on that date, and financial statements of associates in which the share of profit of the group is Rs. NIL lacs. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. Also management has not consolidated the financials of Facor Power Limited for the year 2017-18 since REC has invoked the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARAFESI) and have taken physical possession of the assets of the Facor Power Limited in terms of Section 13(4) and Section 13(12) of SARAFESI Act W.e.f 7th November, 2017. Due to loss of control and influence and curtailment of shareholder's rights, Facor Power Limited has lost the status of Subsidiary company of Ferro Alloys Corporation Limited (FACOR) and hence is not consolidated.
7. In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of the reports of the other auditors referred to in paragraph 6 above, the Statements:
- (a) Includes the results of the following entities:
- Subsidiaries
- i. Facor Reality and Infrastructure Ltd.
- ii. Facor Energy Ltd., Guernsey
- Associate
- i. Boula Platinum Mining Pvt. Ltd.
- (b) Is presented in accordance with the requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (c) Gives a true and fair view of the total comprehensive income comprising of net profits and other comprehensive income and other financial information for the quarter and year ended March 31, 2018.
8. As per the audit conducted by us nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards i.e Ind AS and other accounting principles generally accepted in India does not give a True and Fair view of the Net profit and other financial information of the Company for the year ended 31st March 2018.

Other Matters


9. Emphasis of Matters:



- a. As per Note 8(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.
- b. As per Note 8(b) to the Financial Results, the Corporate Guarantee given by the company for its subsidiary Facor Power Limited to Rural Electrification Corporation Limited (REC) has been invoked amounting to Rs. 510.98 Crores and interest thereon as on 31st March, 2018 for which, the Company is contesting.
- c. As per Note 8(c) of the Financial Results, the Revisional Authority, DDM has issued a demand notices for Rs. 200.56 Crores (with respect to Ostapal mine toward compensation for excess mining during the period from 2000-01 to 2006-07) and Rs.0.55 crores (being the price towards compensation u/s 21(5) of MMDR Act, 1957 for production without/in excess of the environmental clearance for the period from 2000-01 to 2010-11) in respect of Kathpal Mine. The revisional authority, Ministry of Mines New Delhi vide order dtd 10.05.2018 has ordered stay of the aforesaid demands till the next date of hearing.
- d. As per Note 8(d) of 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 31st October, 2017, levying service tax in respect of Corporate Guarantee issued by the Company to Financial 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.
- e. As per Note 8(e) of the financial results, a demand of Rs. 28.38 Crores has been raised by The Commissioner, GST & Central Excise, Bhubaneshwar vide its order dated 15.05.2018 related to availment and transfer of Service Tax for the period from April, 2013 to June, 2017, which liability, the Company is contesting.

Our opinion is not modified in respect of the above matters

10. The Financial Results of the Company for the quarter ended 31st March, 2017 were audited by the previous auditor and have expressed an unmodified opinion on the same.


Abhay Upadhye
Partner
Membership No. 049354
For and on Behalf of
K. K. Mankeshwar & Co.
Chartered Accountants
FRN: 106009W



Noida, UP dated the
29th May, 2018