



DEL/SEC/120

February 8<sup>th</sup>, 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.  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J. Towers  
Dalal Street, Fort  
MUMBAI-400 001.

Dear Sirs,

**SCRIP CODE : 500141**

**Sub: Un-audited Financial Results for the Quarter and Nine Months ended 31<sup>st</sup> December, 2017 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 8<sup>th</sup> February, 2018 has considered and taken on record the un-audited financial results and limited review report for the quarter and nine months ended 31<sup>st</sup> December, 2017.

The Un-audited financial statements and limited review 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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**Head Office :** Shreeram Bhawan, TUMSAR - 441 912, Dist. Bhandara, Maharashtra, India • T+91-7183-232233, & 233090 • F+91-7183-232271 • E.: facorho@facorgroup.in

**www.facorgroup.in**

**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 Nine Months Ended 31st Dec, 2017**

Particulars	Quarter Ended			Nine Months Ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
<b>Revenue</b>					
Revenue from operations	14,088.79	14,313.05	15,131.76	42,878.37	42,373.76
Other income	183.20	188.91	180.28	533.73	282.51
<b>Total income</b>	<b>14,271.99</b>	<b>14,501.96</b>	<b>15,312.04</b>	<b>43,412.10</b>	<b>42,656.27</b>
<b>Expenses</b>					
Cost of materials consumed	4,101.53	4,893.63	5,906.69	13,798.40	17,917.91
Change in Inventory of finished goods and stock in progress	(502.20)	2,211.00	(608.05)	389.06	(591.57)
Excise Duty Expenses	-	-	776.99	634.45	2,100.23
Employee benefits expense	1,204.64	1,228.01	1,177.03	3,572.01	3,097.23
Finance costs	276.71	200.93	426.46	766.59	1,182.75
Depreciation and amortization expense	143.99	143.24	162.90	430.70	507.59
Power and Fuel	3,975.11	3,535.18	3,072.08	11,016.58	9,952.24
Mining, handling and other production expenses	1,524.58	786.18	836.91	2,950.10	2,008.84
Royalty	726.45	564.27	547.90	2,189.78	1,231.63
Work Expenses	451.28	370.23	478.19	1,486.59	1,344.08
Other expenses	1,060.17	899.54	1,736.26	2,885.41	3,653.34
<b>Total Expenses</b>	<b>12,962.26</b>	<b>14,832.21</b>	<b>14,513.36</b>	<b>40,119.67</b>	<b>42,404.27</b>
<b>Profit/ (Loss) before tax</b>	<b>1,309.73</b>	<b>(330.25)</b>	<b>798.68</b>	<b>3,292.43</b>	<b>252.00</b>
<b>Exceptional Items</b>					
Profit/ (Loss) on sale of fixed assets	-	3.83	(14.14)	2,487.84	(13.80)
<b>Profit/ (Loss) before tax</b>	<b>1,309.73</b>	<b>(326.42)</b>	<b>784.54</b>	<b>5,780.27</b>	<b>238.20</b>
<b>Tax expense:</b>					
Current tax	282.00	(67.17)	-	1,241.10	-
Tax for earlier years	-	-	(73.23)	-	(93.69)
Deferred tax	44.09	(68.98)	263.73	(59.76)	8.83
<b>Profit/ (loss) for the period (A)</b>	<b>983.64</b>	<b>(190.27)</b>	<b>594.04</b>	<b>4,598.93</b>	<b>323.06</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to Profit or Loss					
Fair Value of Investment	(4.50)	2.90	3.40	(3.15)	6.95
<b>Total Other Comprehensive income for the period (B)</b>	<b>(4.50)</b>	<b>2.90</b>	<b>3.40</b>	<b>(3.15)</b>	<b>6.95</b>
<b>Total Comprehensive Income for the period (A + B)</b>	<b>979.14</b>	<b>(187.37)</b>	<b>597.44</b>	<b>4,595.78</b>	<b>330.01</b>
<b>Paid up Share Capital (Face Value of Rs. 1 each)</b>	<b>1852.68</b>	<b>1852.68</b>	<b>1852.68</b>	<b>1,852.68</b>	<b>1,852.68</b>
<b>Earning per Share (not annualised)</b>					
- Basic	0.53	(0.10)	0.32	2.48	0.17
- Diluted	0.53	(0.10)	0.32	2.48	0.17

**Notes :**

- 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 has been further extended by 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.
- 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.
- Pursuant to Regulation 29 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Resolution Professional on Thursday, 8th February, 2018, has considered the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2017, duly authenticated and signed by the authorized officials of the Company as per the law.
- 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 and in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34 – Interim Financial Reporting. The Ind AS compliant financial result, pertaining to the quarter and nine months ended 31st December, 2016 has not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure the financial result provide a true and fair view of its affairs.
- 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 nine months ended December 31, 2016 along with the financial results for the quarter and nine months ended December 31, 2017.
- 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 nine months ended December 31, 2016 is as under:

Particulars	Quarter Ended 31st December 2016	Nine Months Ended 31st December 2016
Net Profit after tax as per previous GAAP	604.32	335.07
Interest Impact on financial assets	14.44	43.4
Depreciation and amortization - Increase due to upward revaluation of leasehold land	1.27	3.81
Capitalisation of Capital Spare Parts	-	(28.84)
Deferred tax impact	(5.43)	(6.35)
Net Profit after tax for the period as per Ind AS	594.04	323.06
Add: Other comprehensive income - Equity instruments measured through OCI	3.40	6.95
Total Comprehensive income as per IND AS	597.44	330.01

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 9 months ended December 31, 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.

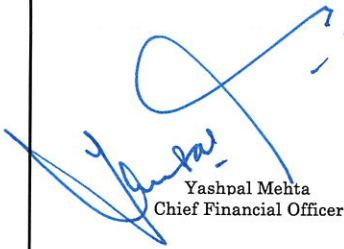
(b) The Corporate Guarantee given by the Company for its subsidiary Facor Power Limited to Rural Electrification Corporation Ltd. (REC) has been invoked amounting to Rs. 510.98 Crores and interest of Rs. 237.65 Crores as on 31st Dec., 2017 which liability, the Company is contesting.

(c) In view of the decision from Revisional Authority dated October 11, 2017, DDM issued a demand / show cause notice for Rs.176.23 Crores and Rs.40.75 Crores towards compensation for excess mining from Ostapal Mines and Boula Mines during the period from 2000-01 to 2010-11 and from 2000-01 to 2009-10 respectively. Meanwhile, the Company has represented to the DDM for recomputation and accordingly have not provided for compensation in the accounts in absence of exact/correct amount which is to be worked out by DDM.

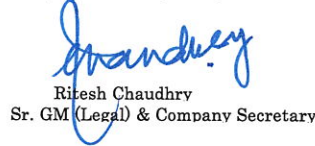
(d) A demand of Rs. 63.27 Crores (including penalty of Rs.31.63 Crores) has been raised by Commissioner, GST & Central Excise, Buhwaneshwar vide its order dated 31.10.2017, levying service tax in respect of Corporate Guarantee issued by the Company to Fin. Institutions / Banks for the loans / facilities sanctioned in favour of its subsidiary. The same is not provided for as the Company is contesting the same.

11 Steel & Mines Dept., State Govt. of Odisha, vide its proceedings dated 29th December, 2017 has made a finding on the lapse of lease of Kathpal Chromite Mines. Company has filed an application for revival of lease for Kathpal Mines. Since the mining operations at the Kathpal Mines have remained suspended for over 2 years, the same does not adversely affect the operations of the Company.

12 Previous period figures are regrouped/rearranged wherever necessary to facilitate comparison.

  
Yashpal Mehta  
Chief Financial Officer

By Order of the Resolution Professional  
For Ferro Alloys Corporation Limited

  
Ritesh Chaudhry  
Sr. GM (Legal) & Company Secretary

  
R K Saraf  
Chairman & Managing Director  
DIN 00006102

Place : Noida, UP  
Date : 8th February, 2018

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

**INDEPENDENT AUDITORS' REVIEW REPORT**

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

1. The Honorable 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 6<sup>th</sup> 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 4<sup>th</sup> 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 6<sup>th</sup> July, 2017 (Corporate Insolvency Resolution commencement date) as per the provisions of the Code.
3. We have reviewed the accompanying statement of Unaudited Financial Results ("Statement") of Ferro Alloys Corporation Limited ('the Company') for the quarter and nine months ended 31<sup>st</sup> December, 2017, 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. 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 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 Financial Statements are 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.
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



**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.
- 29, KALIANDAS UDYOG BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI - 400025.
- PRABHATARA APTS, 3rd FLOOR, WR. PARANJAPE LANE, NEAR HOTEL VAISHALI, SHIVAJINAGAR PUNE - 411004



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 10(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 of Rs. 237.65 Crores as on 31<sup>st</sup> December, 2017 which liability, the Company is contesting.
  - c. As per Note 10(c) of the Financial Results, in view of decision dated 11<sup>th</sup> October, 2017 of the Revisional Authority, DDM has issued a demand notice for Rs. 176.23 Crores and Rs. 40.75 Crores toward compensation for excess mining during the period from 2000-01 to 2010-11 and 2000-01 to 2009-10 respectively. Meanwhile the Company has represented to the DDM for recomputation and accordingly have not provided for compensation in the accounts in the absence of exact/correct amount which is to be worked out by DDM.
  - d. As per Note 10(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 31<sup>st</sup> October, 2017, levying service tax in respect of Corporate Guarantee issued by the Company to Financial Institutions/Banks for the Loans/facilities sanctioned in favor 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 the 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 i.e Ind AS and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in term of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. 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 31<sup>st</sup> December, 2016 were reviewed by the previous auditor, M/s Salve & Co. and have expressed an unmodified opinion 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  
08<sup>th</sup> February, 2018