

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/S FERRO ALLOYS CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of M/s Ferro Alloys Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, of its loss (including other comprehensive income), changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

- 1. We refer to Note 9 to the Financial Statements regarding the management's opinion that there is no decline in the carrying value of loan amounting to Rs. 381.58 crores advanced to the wholly owned subsidiary M/s Facor Power Limited as it represents a loan assigned from Rural Electrification Corporation in accordance with the approved Scheme of CIRP even though the net worth of the subsidiary is fully eroded, for the reasons stated therein.***
- 2. The minutes of the Steering Committee were found to be not authenticated (formally signed-off) due to virtual meetings being only held because of mobility restrictions and Covid-19 limitations.***

Our opinion is not modified in respect of the above matters.



Information Other than Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibility of management and those charged with governance for financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them



all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) rules, 2015 as amended;
 - e. On the basis of the written representations received from the directors as at March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. As the company has not paid/provided for any managerial remuneration, accordingly the provision of section 197 read with schedule V of the act are not applicable to the company;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The financial statements disclose the impact of pending litigations on the financial position of the Company -Refer Note 39 to the financial statements.
 - b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses:



- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

UDIN: 21097820AAAAHV7739

New Delhi, dated the

19th April 2021



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the period ended March 31, 2021, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management and material discrepancies were noticed on such physical verification and have been properly dealt with in the books of account.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deed / transfer deed / conveyance deed / other documents evidencing title of the Company, we report that the title deeds of all the immovable properties of land and buildings which are freehold, other than self-constructed buildings, included in the property, plant and equipment are held in the name of the Company as at the Balance Sheet date.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at Balance Sheet date.

2. The inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed in the physical verification.
3. According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act. Accordingly, the clause (iii) of paragraph 3 of the Order is not applicable to the Company.
4. According to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the clause (v) of paragraph 3 of the Order is not applicable to the Company and hence not comment upon.
6. We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.



7. (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax, Cess and any other statutory dues with the appropriate authorities though there has been slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax, Goods and Services Tax as on 31st March 2021 which have not been deposited on account of disputes.

Particulars	Rs. In Lacs (Net of payment)*	Forum Where the Dispute is Pending	Period
CUSTOMS DUTY	10.16	Dy. Commissioner of Customs, Paradip, orissa	1990-91 & 2000-01
	57.92	Asst. Commissioner Central Excise, Customs & Service Tax, Balasore, orissa	1981-82, 1982-83, 1983-84, 1988-89, 1990-91, 1996-97, 1999-2000
	64.96	Commissioner of Customs (Appeals), Kolkata	1983-84
	0.38	Hon'ble High Court, Odisha	1997-98
	8.15	Jt. Secretary (Review) MOF, GOI, CBEC, Delhi	1994-95
	1,609.29	Asst. Commissioner of Dhamra Custom Division	1999-2003
CENTRAL EXCISE & SERVICE TAX	2.20	Asst. Commissioner Central Excise, Customs & Service Tax, Balasore	1981
	22.88	Central Excise and Service Tax Appellate Tribunal, West Zone Bench, Mumbai	2001-02 & 2002-03
	1,190.47	Customs Excise & Service Tax Appellate Tribunal, Kolkata	2007-08 & 2008-09
	79.14	Commissioner, Central Excise, Customs & Service Tax, Bhubaneswar-II	2008-09, 2009-10 & 2010-11
	61.46	Commissioner (Appeal), GST & CE, Bhubaneswar	2016-17 & 2017-18
	79.88	Commissioner (Appeal) Central Excise Customs & Service Tax, Bhubaneswar	2005-06, 2007-08, 2008-09 & 2009-10
	85.11	Jt. Commsr., Central Excise Customs & Service Tax, Bhubaneswar-II	2011-12, 2012-13 & 2013-14
	6,089.72	Commissioner Central Excise Customs & Service Tax, Bhubaneswar-II	2009-10, 2010-11, 2011-12, 2012-13 & 2013-14 & 2014-15



	3,513.47	Commissioner, GST & Central Excise, Bhubaneswar	2015-16, 2013 to 2018
	75.87	Asst. Commissioner, Balasore	2013-14 & 2014-15
	716.16	Commissioner, GST & CE, BBSR.	2016-17 & 2017-18
SALES TAX	1.00	Additional Commsr Sales Tax, Cuttack	1988-89 & 2006-07
	10.69	Sales Tax Tribunal, Cuttack	2000-01 & 2003-04
	2.28	Addl. Commissioner of Sales Tax, Cuttack	1980-81 & 1981-82
	49.44	Joint Commissioner Commercial Taxes, Balasore	1999-2000 & 2007-08
	458.55	Appeal before Commissioner (Appeal), Balasore	2019-2020

* Net of protest

Note:

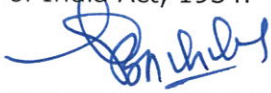
Pursuant to the approval of the order by the Hon'ble NCLT, and as per the terms of the Resolution Plan, the above claims were not admitted by the Resolution Professional.

8. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debentures holders. The Company did not have any outstanding loans or borrowing dues in respect of a bank, financial institutions or to government during the year.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. As the Company has not paid or provided for any managerial remuneration during the year, accordingly clauses (xi) of paragraph 3 of the Order is not applicable to the Company.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company
13. According to the information and explanation given by the management, all transaction with related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to financial Statement, as required by the applicable accounting standards. The provision of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the company and hence not commented upon.
14. According to the information and explanations given by the management, the Company has complied with provisions of section 23, 42, 62 (1)(c) of the Companies Act, 2013 in respect of the private placement of share capital and debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
15. According to the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him



as referred to in section 192 of companies act, 2013 and accordingly the provision of clause (xv) of the Order is not applicable to the company and hence not commented upon.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

UDIN:21097820AAAAHV7739

New Delhi, dated the

19th April 2021



Annexure- "B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Ferro Alloys Corporation Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting:



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

UDIN:21097820AAAAHV7739

New Delhi, dated the

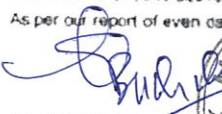
19th April, 2021

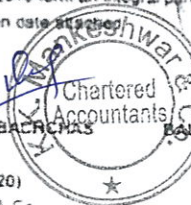


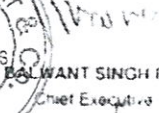
STANDALONE ACCOUNTS
(₹ in Crores)

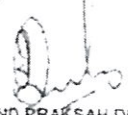
	Note Nos	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Property, Plant & Equipment	4	150.88	154.45
Capital Work-in-Progress	5	8.55	6.96
Assets held for Sale		0.01	-
Intangible Assets	6	9.81	10.71
Investment in Subsidiaries and Associates	7	0.09	0.09
Financial Assets			
Investments - Others	8	0.11	0.06
Other Financial Assets	9	369.11	9.21
Other Non-Current Assets	10	-	10.95
Total Non-Current Assets		558.66	182.43
Current Assets			
Inventories	11	48.65	56.28
Financial Assets			
(i) Investments	12	-	-
(ii) Trade Receivables	13	2.13	15.21
(iii) Cash and Cash Equivalents	14	20.25	57.39
(iv) Other Financial Assets	15	1.04	0.83
Current Tax Assets (Net)	16	-	2.76
Other Current Assets	17	29.17	22.26
Total Current Assets		102.24	158.75
Total Assets		660.90	349.18
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	34.00	18.53
Other equity	19	343.48	202.98
Total Equity		377.48	221.51
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	20	128.35	-
Provisions	21	3.30	3.33
Deferred tax liabilities (Net)	22	10.26	4.38
Other Non-Current Liabilities	23	-	2.16
Total Non-Current Liabilities		141.91	9.87
Current Liabilities			
Financial liabilities			
(i) Borrowings	24	-	23.38
(ii) Trade Payables	25	-	-
Micro Small and Medium Enterprises		0.63	-
Others		37.52	24.22
(iii) Other Financial Liabilities	26	64.80	34.02
Other Current Liabilities	27	9.04	24.30
Provisions	28	1.09	11.79
Current Tax Liabilities (Net)	16	28.43	-
Total Current Liabilities		141.51	117.80
Total Liabilities		283.42	127.67
Total Equity and Liabilities		660.90	349.18
Notes on Financial Statements	1 to 50		

The notes referred to above form an integral part of the Balance sheet
As per our report of even date attached

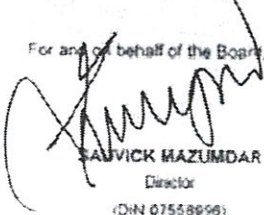

C.A. DINESH KUMAR BACHHAV
Partner
(Membership No. 097820)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn No. 106209W)





BALWANT SINGH RATHORE
Chief Executive Officer


ANAND PRAKASH DUBEY
Chief Financial Officer

For and on behalf of the Board


SANVICK MAZUMDAR
Director
(DIN 07558996)


RAHUL TRIVEDI
Director
(DIN 06675433)

Place: Bhopal
Date: 19/04/2021


SAMBIT SARANGI
Company Secretary

FERRO ALLOYS CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021




	Note Nos	STANDALONE ACCOUNTS (₹ in Crores)	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
Revenue			
Revenue from Operations	29	503.30	458.89
Other Income	30	33.40	6.35
Total Income		536.70	465.24
Expenses			
Cost of Materials Consumed	31	169.23	207.71
Changes in Inventories of Finished Goods and Stock in Progress	32	13.65	(19.37)
Employee Benefits Expense	33	24.81	32.85
Finance Costs	34	(5.89)	4.90
Depreciation and Amortization Expense	35	3.63	5.43
Other Expenses	36	246.78	243.75
Total Expenses		442.21	476.27
Profit/(Loss) Before Exceptional Items and Tax		94.49	(11.03)
Exceptional Items			
Profit/(Loss) on Fixed Asset Sold/Discarded (Net)		(1.90)	-
Gain on modification of financial instruments		50.38	-
Gain/Loss on implementation of resolution plan		(47.34)	-
Loss on impairment of financial assets		(848.33)	-
Profit/(Loss) Before Tax		(752.76)	(11.03)
Tax Expenses			
Current Tax		31.78	-
Tax for Earlier Years		0.06	-
Deferred tax		4.48	(4.29)
Profit/(Loss) for the period (A)		(789.08)	(6.77)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit plans		4.01	(0.03)
Fair Value of Investment		0.05	(0.04)
Income Tax on items that will not be reclassified to Profit and Loss		(1.40)	(0.01)
Total Other Comprehensive income for the period (B)		2.66	(0.06)
Total Comprehensive Income for the period (A + B)		(786.42)	(6.83)
Earnings per equity share of face value of ₹ 1/- each	38		
Basic		(23.21)	(0.37)
Diluted		(23.21)	(0.37)
Notes on Financial Statements	1 to 50		


The accompanying notes are an integral part of these financial statements

As per our report of even date attached

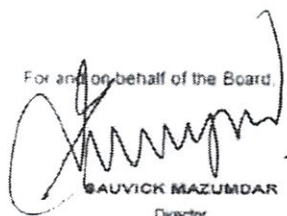

C. A. DINESH KUMAR BACHCHAS
Partner
(Membership No.097820)
For K.K.Mankeshwar & Co.
Chartered Accountants
(Firm's Regn No 106009VV)





BALWANT SINGH RATHORE
Chief Executive Officer



ANAND PRAKASH DUBEY
Chief Financial Officer

For and on behalf of the Board


SAURVICK MAZUMDAR
Director
(DIN 07558986)


RAHUL TRIVEDI
Director
(DIN 06675433)

Place: Bhubaneswar
Date: 19/04/2021


SAMBIT SARANGI
Company Secretary

FERRO ALLOYS CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021



STANDALONE ACCOUNTS
(₹ in Crores)

S. No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	Cash flows from operating activities		
	Net Profit/ (Loss) after Prior Period Items and before Tax	(752.76)	(11.03)
	Adjustments For:		
	a) Interest Income	(29.62)	(0.57)
	b) Depreciation	4.09	5.98
	c) Interest Expense	(5.89)	4.90
	Operating Cash Profit before Working Capital Changes	(784.18)	(0.72)
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	13.93	2.33
	b) Increase/(Decrease) in Other Current Liabilities	(15.35)	(5.44)
	c) Increase/(Decrease) in Other Non Current Liabilities	(2.16)	-
	d) Increase/(Decrease) in Other Current Financial Liabilities	41.15	12.83
	e) Increase/(Decrease) in Other Non Current Liabilities	(379.90)	(0.04)
	f) (Increase)/Decrease in Provisions	(6.71)	(3.06)
	g) (Increase)/Decrease in Other Non Current Assets	10.95	(0.36)
	h) (Increase)/Decrease in Other Current Financial Assets	-	0.01
	i) (Increase)/Decrease in Inventories	8.63	4.06
	j) (Increase)/Decrease in Trade Receivables	13.08	(1.21)
	k) (Increase)/Decrease in Other Current Assets	(6.89)	(0.60)
	Cash Generated From/ (used in) operations	(1,107.45)	7.80
	Less: Income Tax Paid (net of refunds)	0.86	1.23
	Net Cash Generated From/ (used in) Operating Activities before Extraordinary item	(1,108.11)	6.57
	Outflow for extraordinary item	1.96	-
	Net Cash Generated From/ (used in) Operating Activities(A)	(1,106.15)	6.57
B	Cash Flow from Investing Activities:		
	(Purchase) of property, plant and equipment and capital work in progress	(3.32)	(0.14)
	Net proceeds of property, plant and equipment and capital work in progress	0.04	0.02
	Interest received	29.41	0.24
	Net movement in Investments	0.00	64.41
	Net Cash Generated from/ (Used in) Investing Activities (B)	26.13	64.53
C	Cash Flow from Financing Activities:		
	Net proceeds/(Repayment) of Long Term Borrowings	104.97	(17.55)
	Interest Expense Paid	(4.48)	(0.50)
	Capital Reserve	926.92	-
	Issue of Shares	15.47	-
	Net Cash generated from/ (used in) Financing Activities (C)	1,042.88	(18.05)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(37.14)	53.05
	Cash and cash equivalents at the beginning of the year	57.39	4.34
	Cash and Cash Equivalents at the end of the year	20.25	57.39

As per our report of even date attached.

C.A. DINESH KUMAR BACHCHAS
Partner
(Membership No.097820)
For K.K.Mankeshwar & Co.
Chartered Accountants
(Firm's Regn.No.106009W)



BALWANT SINGH RATHORE
Chief Executive Officer

SAUVICK MAZUMDAR
Director
(DIN 07558996)

ANAND PRAKASH DUBEY
Chief Financial Officer

RAHUL TRIVEDI
Director
(DIN 00675433)

Place : Bhadrak
Date : 19.04.2021

SAMBIT SARANGI
Company Secretary

FERRO ALLOYS CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March 2021	As at 31st March, 2020
(a) Equity share capital		
Balance at the beginning of the year	18 53	18 53
Changes in equity share capital during the year	15 47	15 47
Balance at the end of the reporting period	34 00	34 00

(b) Other equity

	Securities Premium Account	General Reserve	Retained Earnings	Equity Portion of Borrowings	Fair Value of Investment	Reimbursement of defined benefit plans	Other Comprehensive Income	Total
Balance at 1st April 2019	4.30	192.00	13.43	2.77	0.05	(0.28)		209.80
Profit for the year 2019-20			(6.76)					(6.76)
Other comprehensive income/(loss) for the year			(6.76)		(0.04)			(10.06)
Total comprehensive income for the year			7.09	2.77	0.01	(0.02)		(6.82)
Balance at 31st March 2020	4.30	192.00	7.09	2.77	0.01	(0.28)		202.88
Profit for the period 2020-21	926.92		(789.08)					137.84
Other comprehensive income/(loss) for the year					0.05	2.61		2.66
Total comprehensive income for the year	926.92		(789.08)		0.05	2.61		140.50
Balance at 31st March 2021	931.31	192.00	(781.99)	2.77	0.06	(0.67)		343.48

As per our report of even date attached

[Signature]

C. A. DIMESH KUMAR BACHCHAS
 Partner
 (Membership No. 097820)
 For K.K. Mankeshwar & Co.
 Chartered Accountants
 (Firm's Regn. No. 10600944)



BALWANT SINGH RATHORE
 Chief Executive Officer

[Signature]
ANAND PRAKASH DUBEY
 Chief Financial Officer

[Signature]
SAMBIT SARANGI
 Company Secretary

[Signature]

SAUVICK MAZUMDAR
 Director
 (DIN: 00000000)

[Signature]
RAHUL TRIVEDI
 Director
 (DIN: 06675433)

Place: Bhubaneswar
 Date: 19.04.2021

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

1. REPORTING ENTITY

Ferro Alloys Corporation Limited referred to as "FACOR" or "the Company" is domiciled in India. The Company's registered office is at DP Nagar, Randia, Dist. Bhadrak, Odisha – 756135.

FACOR which is one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel is also engaged in Chrome Ore exploration, mining and beneficiation in the state of Odisha.

The standalone financial statements were considered by the Board of Directors on 19th April, 2021.

FACOR had executed a Corporate Guarantee to secure the term loan of Rs.517.90 crores sanctioned to Facor Power Limited, the subsidiary of the Company by REC Limited. Upon default by FPL in timely re-payment of the loan as per scheduled, REC Limited invoked the Corporate Guarantee given by FACOR to secure the term loan, as aforesaid.

Upon default by FACOR in honouring its Corporate Guarantee obligation, by an order dated 6th July, 2017, Corporate Insolvency Resolution Process (CIRP) was initiated against FACOR u/s 7 of the Insolvency and Bankruptcy Code 2016 with the National Company Law Tribunal, Kolkata (NCLT, Kolkata) and Mr. K.G. Somani was appointed as the Resolution Professional for FACOR.

The Promoters, aggrieved by the order dated 6th July, 2017 of NCLT, Kolkata, had filed an appeal before the National Company Law Appellate Tribunal, New Delhi (NCLAT, New Delhi) which was dismissed by NCLAT, New Delhi vide their order dated 8th January, 2019. Aggrieved by the NCLAT, New Delhi order the promoter shareholder filed an appeal in the Supreme Court which was also dismissed on 11th February, 2019. Thereafter, applications were filed by REC Limited for exclusion of time from CIRP period which were allowed by Hon'ble NCLT, Cuttack.

Later, vide order dated 8th July, 2019, Hon'ble NCLT, Cuttack replaced Mr.K.G.Somani by appointing Mr. Bhuvan Madan as the Resolution Professional for FACOR. Further, vide order dated 8th August, 2019, NCLT, Cuttack excluded 98 days in calculation of 270 days of CIRP and directed Resolution Professional to complete CIRP within 98 days from 7th August, 2019 and file report on or before 14th November, 2019.

Request for Resolution Plans were solicited by Resolution Professional in response to which only two resolution applicants submitted the resolution plans which were subjected to review by the Committee of Creditors. The resolution plan for FACOR submitted by Sterlite Power Transmission Limited (Resolution Applicant) was duly approved by the Committee of Creditors of FACOR and thereafter by NCLT, Cuttack vide order dated 30th January, 2020.

The Resolution Applicant has intimated that the Resolution Plan shall be implemented by Vedanta Limited. Further, the notice of delisting of equity shares of FACOR has been issued by BSE Limited vide notice dated March 2, 2020, bearing reference no.20200302-45, in terms of which the trading in the equity shares of FACOR has been discontinued w.e.f. Monday, March 09, 2020 and the same has been delisted from the exchange records w.e.f. Tuesday, March 17, 2020. The Resolution Plan is implemented by Vedanta Limited on 21st September 2020.

After hearing the said petitions filed by RP and REC Limited, the Hon'ble NCLT, Cuttack has reserved the orders. The NCLT, Cuttack had replaced Mr.K.G.Somani by Mr.Bhuvan Madan as Resolution Professional vide its order dated 8th July, 2019 and NCLT, Cuttack has given 30 days to complete the resolution process and submit its report by 6th August, 2019. Pursuant thereto, the resolution plan for FACOR submitted by Sterlite Power Transmission Limited (Resolution Applicant)

Ferro Alloys Corporation Limited
Notes to the standalone financial statements for the year ended 31 March 2021

was duly approved by the committee of creditors of FACOR (Resolution Plan). Thereafter, the Hon'ble NCLT Cuttack Bench, vide its order dated 30th January 2020, also approved the Resolution Plan. Further, the Resolution Applicant has intimated that the Resolution Plan shall be implemented by Vedanta Limited. The notice of delisting of equity shares has been issued by Bombay Stock Exchange vide the notice dated March 2, 2020, bearing reference no..20200302-45, in terms of which the trading in the equity shares of FACOR has been discontinued w.e.f. Monday, March 09, 2020 and the same has been delisted from the exchange records w.e.f. Tuesday, March 17, 2020. The Resolution Plan is implemented on 21st September, 2020 by Vedanta Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

a) Statement of Compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS'), prescribed under Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The company adopted Ind AS from 1st April, 2017.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest crores (INR 00, 00,000) except when otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle at 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Basis of measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Property, plant and equipment at fair value;
- Certain financial assets and liabilities (including derivative instruments) measured at fair value
- Defined benefit liability/ assets: fair value of plan assets less present value of defined benefit obligation

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based in current / non-current classification.

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. It is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

- A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

c) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Leases: Whether an arrangement contains a lease
- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year is included below:

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant & equipment
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Ferro Alloys Corporation Limited
Notes to the standalone financial statements for the year ended 31 March 2021

d) Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use. For transition to Ind AS, the company had elected to continue with fair value of all the property, plant and equipment recognised as on 1st April, 2016 (transition date).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate item (major components) of property, plant and equipment. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and its cost can be measured reliably.

Depreciation

The charge in respect of depreciation on tangible assets is provided on different fixed assets on the basis of 'straight line method over the useful life of assets after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life as evaluated by external valuers and further reviewed by the technical Management based on historical experience..

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

Estimated useful lives (in years) of assets are as follows:

Assets	Useful life (in years)
Buildings	30 to 60 years
Plant and equipment	10 to 40 years
Office equipment	5 to 10 years
Railway Sidings	5 to 15 years
Furniture and fixture	8 to 10 years
Vehicles	6 to 10 years

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

e) Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 5 - 17 years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

f) Exploration and evaluation intangible assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation intangible assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration intangible assets under development are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

- a) Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.
- b) General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.
- c) Costs of exploration drilling and equipping exploration and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within "Exploration and evaluation assets" (intangible assets) and subsequently allocated to drilling activities.

Exploration drilling costs are initially capitalised on a well-by-well basis until the success or otherwise of the well has been established. The success or failure of each exploration effort is judged on a well-by-well basis. Drilling costs are written-off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised exploration costs are transferred into a single field cost centre within property, plant and equipment - development/producing assets (oil and gas properties) after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written-off to the statement of profit and loss.

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered. Net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus/ deficit is recognised in the statement of profit and loss.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset

Classifications

The company classifies its financial assets as subsequently measured at either amortized cost or fair value through comprehensive income or fair value through profit and loss account depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Ferro Alloys Corporation Limited**Notes to the standalone financial statements for the year ended 31 March 2021**

Such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. Fair value movements are recognised in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL all subsequent fair value changes are recognised in the statement of profit and loss.

Derecognition of financial assets

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime

Ferro Alloys Corporation Limited**Notes to the standalone financial statements for the year ended 31 March 2021**

ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Modifications of financial assets and financial liabilities**Financial assets**

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

h) Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

i) Inventories

Raw material, stores and spares, work in progress and finished goods are valued at lower of cost or net realizable value. Raw materials including stores and spares are valued on a weighted average basis. Finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis.

Scraps are valued at net realisable value.

j) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application i.e. April 1, 2018. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(a) Sale of goods

The Company's revenue from contracts with customers is mainly from the sale of ferro alloy. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/goods and service tax and other indirect taxes. Revenues from sale of by products are included in revenue.

(b)

Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis.

(c) Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

(d) Export Incentives are recognised as per schemes specified in foreign Trade Policy, as amended from time to time on accrual basis when right to receive is established and are accounted to the extent there is no uncertainty about its ultimate collection

(e) Dividend income is recognised, when the right to receive the dividend is established.

k) Leases

Determining whether an arrangement contains lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of an arrangement that contains lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on the general borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership is transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l) Foreign currency transactions

- (a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.
- (b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.
- (c) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.
- (d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

m) Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident Fund
- b) Superannuation Fund

iii. Defined benefit plans

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

a) Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

n) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

i. Current tax

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws; to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

p) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Ferro Alloys Corporation Limited

Notes to the standalone financial statements for the year ended 31 March 2021

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

q) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of Ferro Alloys Corporation Limited has been identified as being the chief operating decision maker by the Management of the company. Refer **note 40** for segment information presented.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Ferro Alloys Corporation Limited
Notes to the standalone financial statements for the year ended 31 March 2021

t) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. These are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated or amortized while they are classified as held for sale.

Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when it no longer meets the "held for sale" criteria.

u) Equity investment in subsidiaries and associates

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost. A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company has the power over the investee or exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

v) Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

w) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

x) Events occurring after the balance sheet date

All material events occurring after the balance sheet date upto the date of consideration of financial statements by the Board of Directors 19th April, 2021, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period.

FERRO ALLOYS CORPORATION LIMITED
 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021
 4. Property, Plant and Equipment

	₹ in Crores											
	Gross Block					Depreciation					Net Block	
	As at 1.04.2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2021	Upto 1.04.2020	For the Year	Deductions/ Adjustments	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020		
Tangible Assets												
1 ROU Assets- Leasedhold Land	2.46	-	-	2.46	0.14	0.04	-	0.18	2.28	2.32		
2 Land Freehold	92.67	-	-	92.67	-	-	-	-	92.67	92.67		
3 Buildings	32.45	0.15	2.50	30.10	5.24	0.73	0.62	5.35	24.75	27.21		
4 Roads and Drains	2.45	-	-	2.45	0.70	0.06	-	0.76	1.69	1.75		
5 Railway Sidings	0.04	-	-	0.04	-	-	-	-	0.04	0.04		
6 Plant and Machineries	39.43	0.40	0.28	39.55	12.21	1.73	0.22	13.72	25.83	27.22		
7 Office and Equipments	3.17	1.17	0.26	4.08	1.55	0.35	0.21	1.69	2.39	1.62		
8 Furniture and Fixtures	1.24	0.01	0.14	1.11	0.56	0.12	0.14	0.54	0.57	0.68		
9 Vehicles	2.38	-	0.06	2.32	1.44	0.16	0.04	1.56	0.76	0.94		
TOTAL	176.29	1.73	3.24	174.78	21.84	3.19	1.23	23.80	150.98	154.45		

Includes Depreciation of ₹ 0.55 Crs (Previous year ₹ 0.57 Crs) considered under cost of material consumed.

	₹ in Crores											
	Gross Block					Depreciation					Net Block	
	As at 1.04.2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2020	Upto 1.04.2019	For the Year	Deductions/ Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019		
Tangible Assets												
1 ROU Assets- Leasedhold Land	2.46	-	-	2.46	0.11	0.03	-	0.14	2.32	2.35		
2 Land Freehold	92.67	-	-	92.67	-	-	-	-	92.67	92.67		
3 Buildings	32.45	-	-	32.45	3.80	1.43	-	5.23	27.22	28.65		
4 Roads and Drains	2.45	-	-	2.45	0.56	0.13	-	0.69	1.76	1.89		
5 Railway Sidings	0.04	-	-	0.04	-	-	-	-	0.04	0.04		
6 Plant and Machineries	39.24	0.12	(0.07)	39.43	9.35	2.80	(0.07)	12.22	27.21	29.89		
7 Office and Equipments	3.13	0.03	(0.01)	3.17	1.20	0.34	(0.01)	1.55	1.62	1.93		
8 Furniture and Fixtures	1.24	-	-	1.24	0.42	0.13	(0.01)	0.56	0.68	0.82		
9 Vehicles	2.38	-	-	2.38	1.22	0.22	(0.01)	1.45	0.93	1.16		
TOTAL	176.06	0.15	(0.08)	176.29	16.66	5.08	(0.10)	21.84	154.45	159.40		

FERRO ALLOYS CORPORATION LIMITED
 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021
 5. Capital Work-in-Progress

₹ in Crores

Particulars	As at	Additions/	Deductions/	As at	As at	Additions/	Deductions/	As at
	1.04.2020	Adjustments	Adjustments	31.03.2021	1.04.2019	Adjustments	Adjustments	31.03.2020
Capital Work-in-Progress	6.96	2.03	0.44	8.55	6.98	0.10	0.12	6.96
TOTAL	6.96	2.03	0.44	8.55	6.98	0.10	0.12	6.96

Assets Held for Sale

	Gross Block			Depreciation			Net Block		
	As at 1.04.2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2021	Upto 1.04.2020	For the Year	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Assets Held for Sale	-	0.01	-	0.01	-	-	-	0.01	-
TOTAL	-	0.01	-	0.01	-	-	-	0.01	-

6. Intangible Assets

	Gross Block			Amortisation			Net Block		
	As at 1.04.2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2021	Upto 1.04.2020	For the Year	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Mining Rights	14.54	-	-	14.54	3.83	0.90	4.73	9.81	10.71
TOTAL	14.54	-	-	14.54	3.83	0.90	4.73	9.81	10.71

	Gross Block			Depreciation			Net Block		
	As at 1.04.2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2020	Upto 1.04.2019	For the Year	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Mining Rights	14.54	-	-	14.54	2.93	0.90	3.83	10.71	11.61
TOTAL	14.54	-	-	14.54	2.93	0.90	3.83	10.71	11.61

FERRO ALLOYS CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

		STANDALONE ACCOUNTS	
		₹ In Crores)	
		As at	As at
		31st March,	31st March,
		2021	2020
7	Investment in Subsidiary and Associates		
	Investment Measured at Cost		
	- In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
	18,80,59,630 Equity Shares of Facer Power Limited of ₹ 10/- each		
	(Cost ₹ 206.14 Crores, fully impaired)		
	1,00,000 (Previous Year 1,00,000) Facer Realty & Infrastructure Ltd. of ₹ 10/- each	0.10	0.10
	Less: Provision for impairment	(0.06)	(0.06)
		0.04	0.04
	- In Pref. Shares of Subsidiary Companies - Unquoted, fully paid up		
	11,00,000 Pref. Shares of Facer Power Ltd. of ₹ 100/- each		
	(Cost ₹ 11.00 Crores, fully impaired)		
	- In Equity Shares of Associate Company - Quoted, fully paid up		
	4,66,164 (Previous Year: 4,66,164) Boule Platinum Mining Pvt. Ltd. of ₹ 1/- each	0.05	0.05
		0.09	0.09
	Aggregate book value of quoted investments		
	Aggregate book value of un-quoted investments	0.09	0.09
8	Investment Others		
	Investment Measured at fair Value through OCI		
	- Investments in Equity Shares of Other Companies - Quoted, fully paid-up		
	5,00,000 (Previous Year: 5,00,000) Facer Alloys Limited of ₹ 1/- each	0.10	0.05
	Investment Measured at amortised cost		
	-Government Securities - Unquoted		
	5 years National Savings Certificates		
	6 years National Savings Certificates	0.01	0.01
	7 years National Savings Certificates		
		0.11	0.06
9	Other Financial Assets		
	Unsecured, considered good		
	- Government authorities		
	Security deposits	3.38	3.43
	Fixed Deposits (Maturity more than 12 months) with Banks	4.15	5.78
	Loans and Advances to Subsidiaries FPL*	381.58	-
		389.11	9.21
10	Other Non-Current Assets		
	Unsecured, considered good		
	Capital Advances	10.78	10.95
	Provision for Doubtful Advances	(10.78)	-
		-	10.95
11	Inventories		
	(At cost or NRV whichever is lower)		
	Raw materials	30.16	27.07
	Stock-in-Process	1.36	1.61
	Finished Products	11.12	24.52
	Stores and spares	6.49	4.55
	Loose Tools	0.52	0.53
		49.65	58.28

*FPL has plan to increase the power production from 37 MW to 100 MW during the FY 2021-22, which in turn will improve the financial soundness of FPL.



	STANDALONE ACCOUNTS	
	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
12 Investment Others		
Investment Measured at fair value through profit & loss		
- Investments in Mutual Funds - Unquoted		
SBI Liquid Fund Direct Daily Dividend - Nil units (Previous Year 641965.725 units)	-	-
Aggregate book value of quoted investments	-	-
Aggregate book value of un-quoted investments	-	-
13 Trade Receivables		
Unsecured		
Considered good	2.13	15.21
	<u>2.13</u>	<u>15.21</u>
14 Cash and Cash Equivalents		
Balance with banks:		
- In current account	3.01	5.34
- In Cash Credit Account	14.41	0.28
Cash in hand	0.01	0.02
Margin Money With Banks for Original maturity of Less than three months		
Cheques in Hand	-	-
Others:		
- Fixed Deposits Accounts	2.82	51.75
	<u>20.25</u>	<u>57.39</u>
15 Other Financial Assets		
Loans and Advances to Subsidiaries FPL		
less: Allowance for Credit Loss		
Interest accrued on term deposits	1.04	0.83
	<u>1.04</u>	<u>0.83</u>
16 Current Tax Assets		
Provision for Income Tax (Net of advance tax)	(28.43)	2.76
	<u>(28.43)</u>	<u>2.76</u>
17 Other Current Assets		
Advances to vendors	8.15	5.60
Less: Provision for Doubtful Advances	(3.00)	-
Advances to employees	0.02	0.02
Taxes and duties recoverable	20.61	12.08
Royalty Deposits	1.15	3.82
Prepaid Expenses	2.23	0.75
Claims Recoverable	0.01	0.01
	<u>29.17</u>	<u>22.28</u>



18. Share Capital	STANDALONE ACCOUNTS (₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Authorised :		
4,72,00,00,000 (Previous Year - 220,000,000) Equity Shares of ₹ 1/- each	472.00	22.00
8,00,000 (Previous Year - 800,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	8.00	8.00
	<u>480.00</u>	<u>30.00</u>
Issued, subscribed & fully paid up:		
34,00,00,000 (Previous Year - 185,268,241) Equity Shares of ₹ 1/- each	34.00	18.53
	<u>34.00</u>	<u>18.53</u>



	STANDALONE ACCOUNTS	
	(₹ In Crores)	
	As at 31st March, 2021	As at 31st March, 2020
19 Other equity		
a Capital Reserves		
Balance at the beginning of the year	4.39	4.39
Addition during the year	926.92	-
Balance at the end of the year	<u>931.31</u>	<u>4.39</u>
b General Reserve		
Balance at the beginning of the year	192.00	192.00
Add: Transfer from surplus balance in the statement of Profit & Loss		
Balance at the end of the year	<u>192.00</u>	<u>192.00</u>
c Retained Earnings		
Balance at the beginning of the year	7.08	13.85
Add: Profit for the year after taxation as per statement of Profit and Loss	(789.08)	(6.77)
	<u>(782.00)</u>	<u>7.08</u>
d Other Comprehensive Income		
Remeasurement of Actuarial Gain/(Loss)		
Balance at the beginning of the year	(3.28)	(3.25)
Addition during the year	2.61	(0.02)
Balance at the end of the year	<u>(0.67)</u>	<u>(3.28)</u>
Impact of Fair Valuation of Investment		
Balance at the beginning of the year	0.02	0.06
Addition during the year	0.05	(0.04)
Balance at the end of the year	<u>0.07</u>	<u>0.02</u>
e Equity Portion of Loan Component		
Balance at the beginning of the year	2.77	2.77
Addition during the year	-	-
Balance at the end of the year	<u>2.77</u>	<u>2.77</u>
Total Equity (a+b+c+d+e)	<u>343.48</u>	<u>202.98</u>

Nature and purpose of other reserves

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

*FPL has a plan to produce from current 37 MW to 100 MW in financial year 2021-22, which will enhance the profitability of FPL which in turn improve the financial soundness of FPL.

FERRO ALLOYS CORPORATION LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021



		STANDALONE ACCOUNTS	
		As at 31st March, 2021	(₹ in Crores) As at 31st March, 2020
20.	Borrowings		
	Secured Loan-Vedanta Ltd	22.03	-
	Others	0.87	-
	Non convertible debenture	105.45	-
		<u>128.35</u>	<u>-</u>
21	Provisions		
	Provision for employee benefits		
	- Compensated Absences		
	Leave Encashment	1.87	2.07
	Other - Mine closure expenses	1.43	1.26
		<u>3.30</u>	<u>3.33</u>
22	Deferred Tax Liabilities (Net)		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	10.31	10.60
	Others	0.04	0.05
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	0.09	0.74
	Current year Unabsorbed Depreciation and Business Loss	-	5.16
	Mat Credit Entitlement	-	0.37
	Net Deferred Tax Liabilities / (Assets)	<u>10.26</u>	<u>4.38</u>
23	Other Non- Current Liabilities		
	Advances from Associate	-	2.16
		<u>-</u>	<u>2.16</u>
24	Financial Liabilities		
	Borrowings		
	From Banks (Secured) - (Refer note no. 24.1)	-	12.38
	From Others	-	11.00
		<u>-</u>	<u>23.38</u>
25	Trade Payable		
	Micro Small and Medium Enterprises	0.63	-
	Others	37.52	24.22
		<u>38.15</u>	<u>24.22</u>

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company, the following are the details:

Particulars	As at 31st March 2021	As at 31st March 2020
(i) Principal amount remaining unpaid	0.63	0.00
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of section 16 of the Micro, Small Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-



		STANDALONE ACCOUNTS	
		As at 31st March, 2021	(₹ in Crores) As at 31st March, 2020
26	Other Financial Liabilities		
	Current maturities of long-term debt from Related parties and Others	0.51	17.63
	Interest accrued but not due on borrowings	61.17	-
	Interest accrued and due on borrowings (ICD)	-	2.64
	Interest accrued and due on borrowings	-	3.14
	Security Deposits	1.44	2.32
	Other payables for:		
	- Managerial Remuneration	-	6.51
	- Royalty	0.42	-
	- Facor Alloys Ltd	-	0.17
	- Employee Benefits Payable	1.26	1.61
		<u>64.80</u>	<u>34.02</u>
27	Other Current Liabilities		
	Statutory dues	0.82	0.94
	Advance from customers	0.78	0.68
	Other payables	7.44	22.77
		<u>9.04</u>	<u>24.39</u>
28	Provisions		
	Provision for employee benefits		
	- Gratuity	-	0.94
	- Incentive	0.12	0.17
	Leave Encashment	0.97	1.18
	Others	-	9.50
		<u>1.09</u>	<u>11.79</u>
16	Current tax liabilities		
	Provision for Income Tax (Net of advance tax)	28.43	-
		<u>28.43</u>	<u>-</u>

FERRO ALLOYS CORPORATION LIMITED
 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

		STANDALONE ACCOUNTS	
		₹ in Crores	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
29	Revenue from Operations		
	Sale of goods	497.24	450.71
	Other Operating Revenues	5.06	8.18
		<u>503.30</u>	<u>458.89</u>
30	Other Income		
	Interest income from financial assets measured at amortised cost		
	- on bank deposits	1.11	0.12
	- Others	28.51	0.46
	Dividend received on Mutual Funds	-	2.32
	Excess provision/ liability written back	3.01	1.83
	Foreign exchange fluctuations (net)	0.58	1.45
	Miscellaneous Receipts	0.21	0.17
		<u>33.40</u>	<u>6.35</u>
31	Cost of Materials Consumed		
	Opening Stock of Raw Material	27.07	49.29
	Add: Purchases	162.32	185.49
		<u>189.39</u>	<u>234.78</u>
	Less: Closing Stock of Raw Material	30.16	27.07
		<u>159.23</u>	<u>207.71</u>
32	Changes in Inventories of Finished Goods and Work in Process		
	Decrease / (Increase) in Stock :		
	(a) Closing Stock -Finished goods	11.12	24.52
	-Work in Progress	1.38	1.61
		<u>12.48</u>	<u>26.13</u>
	(b) Less : Opening Stock -Finished goods	24.52	5.17
	-Work in Progress	1.61	1.59
		<u>26.13</u>	<u>6.76</u>
	Decrease/(Increase) in inventories	<u>13.65</u>	<u>(19.37)</u>
33	Employee Benefits Expense		
	Salaries and wages	22.17	26.08
	Contribution to provident and other funds	1.76	2.05
	Staff Gratuity and Superannuation	0.75	1.10
	Staff welfare expenses	3.69	4.30
	Director's Remuneration	(3.36)	0.32
		<u>24.91</u>	<u>33.85</u>
34	Finance Cost		
	Interest on loans	(0.77)	1.56
	Other borrowing costs	(5.12)	3.34
		<u>(5.89)</u>	<u>4.90</u>



	STANDALONE ACCOUNTS		
	Year Ended 31st March, 2021	(₹ in Crores) Year Ended 31st March, 2020	
35 Depreciation and Amortisation Expense			
Depreciation on tangible assets	2.64	4.54	
Amortisation on intangible assets	0.89	0.89	
	<u>3.53</u>	<u>5.43</u>	
Depreciation is excluding ₹ 0.56 Crores (Previous year ₹ 0.57 Crores) considered under cost of material consumed.			
36 Other Expenses			
Mining Handling & Other Production expenses	27.99	24.72	
Power and fuel	144.29	146.93	
Repairs and maintenance:			
- Buildings	2.69	3.13	
- Plant and machinery	8.13	11.19	
Freight, Shipment & Sales Expenses	12.47	15.51	
Stores & Spares	1.84	2.18	
Work Expenses	13.15	14.17	
Transportation expenses	1.38	1.33	
Rent	0.81	1.53	
Insurance	0.23	0.33	
Rates and Taxes	0.73	0.71	
Provision for Doubtful advances	8.52	-	
Commission and Brokerage on Sales	1.72	3.48	
Payment to auditors	0.07	0.10	
Directors' sitting fees	0.03	-	
Royalty	22.28	18.08	
Miscellaneous Expenses	0.27	0.36	
Provision for Slowing Moving Inventory	0.18	-	
	<u>246.78</u>	<u>243.75</u>	
Exceptional Items			
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	(1.96)	-	
Gain on modification of financial instruments	50.38	-	
Gain/loss on implementation of resolution plan	(47.34)	-	
Loss on impairment of financial assets	(848.33)	-	
	<u>(847.25)</u>	<u>-</u>	
36.1 Payment to Auditor as:			
Statutory Auditor			
Audit Fees	0.05	0.05	
Tax Audit Fees	-	-	
Certification and Consultation Fees	-	-	
Reimbursement of Expenses	-	0.02	
	<u>0.05</u>	<u>0.07</u>	
Cost Auditor			
Cost Audit Fees	0.01	0.01	
Management Services	0.01	0.01	
Certification and Consultation Fees	-	-	
Reimbursement of Expenses	-	0.01	
	<u>0.02</u>	<u>0.03</u>	
	<u>0.07</u>	<u>0.10</u>	
36.2 Corporate Social Responsibility			
(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 0.48 Crs (Previous Year ₹ 0.78 Crs).			
(b) Expenditure related to Corporate Social Responsibilities incurred is ₹ 0.58 Crs (Previous Year ₹ 0.73 Crs).			
The amount spent during the year on:			
	In Cash	Yet to be paid in Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	0.58	-	0.58



	STANDALONE ACCOUNTS	
	Year Ended 31st March, 2021	(₹ in Crores) Year Ended 31st March, 2020
37 Income Tax		
37.1 Income Tax Expenses		
Current Tax Expenses		
Current year	31.76	-
Adjustment for previous Year	0.06	-
	31.84	-
Deferred Tax Expenses		
Change in recognised temporary differences	4.48	(4.26)
Total Tax Expenses	<u>36.32</u>	<u>(4.26)</u>
37.2 Reconciliation of effective tax rate		
Profit/(loss) before tax	94.49	(11.03)
Applicable tax rate	0.35	0.35
Computed Tax Expenses	33.02	(3.82)
Tax Effect of:		
Dividend being exempt from tax	-	(2.32)
Others tax adjustment	3.24	1.88
Tax Expenses recognised in profit and loss	36.26	(4.26)
Effective Tax Rate	0.38	0.39
38 Earning per Share		
Profit/ (loss) for the period	(789.08)	(6.77)
Weighted average number of equity shares of ₹ 1/- each	34.00	18.53
EPS - Basic and Diluted	<u>(23.21)</u>	<u>(0.37)</u>



39. Contingent liabilities, contingent assets and commitments

A Contingent Liabilities

- a. Claims against the Company not acknowledged as debts, since disputed ₹ 447.66 Crores (Previous Year ₹ 416.38 Crores). Amounts paid under protest ₹ 15.65 Crores (Previous Year ₹ 3.61 Crores) have been debited to Advance Account.
- b. The Company had given corporate guarantee to Rural Electrification Corporation Ltd. (REC) in connection with granting a facility of Term Loan of ₹ 517.90 Crores (Previous Year ₹ 517.90 Crores) to Facor Power Ltd. (FPL). The Company had also pledged 19,80,59,930 shares (Previous Year 19,80,59,930 shares) with REC out of 19,80,59,930 shares (Previous Year 19,80,59,930 shares) held in FPL besides giving an undertaking to provide interest free unsecured subordinated loan or subscribe for equity / preference shares to FPL in case of cost overrun at any stage of the project.

Upon invocation of the Corporate Guarantee and the default in payment thereof by the Company, by an order dated 6th July, 2017, Corporate Insolvency Resolution Process (CIRP) was initiated against the Company u/s 7 of the Insolvency and Bankruptcy Code 2016 with the National Company Law Tribunal, Kolkata (NCLT, Kolkata). During CIRP, the resolution plan for FACOR submitted by Sterile Power Transmission Limited (Resolution Applicant) was duly approved by the committee of creditors of FACOR and thereafter, by Hon'ble NCLT Cuttack Bench, vide order dated 30th January 2020. In terms of the approved resolution plan, which is being implemented by Vedanta Limited, the equity shares of the Company stand delisted w.e.f Tuesday, the 17th March, 2020 from BSE Limited. Further, the resolution plan is implemented by Vedanta Limited on 21st September 2020. All accounting entries has been carried out as per Resolution Plan and Indian Accounting Standards.

B Capital And Other Commitments

Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ₹ 41.59 Crores (Previous Year ₹ 31.09 Crores).

C Contingent Assets

The company has no contingent asset as on 31 March 2021 and 31 March 2020.

40 Segment information

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Management Information System of the Company identifies and monitors Ferro Alloys as the business segment. The Company is managed organisationally as a single unit. In the opinion of the management, the Company is primarily engaged in the business of Ferro Alloys. As the basic nature of these activities are governed by the same set of risk and return, these constitute and are grouped as a single segment. Accordingly, there is only one Reportable Segment for the Company which is "Ferro Alloys", hence no specific disclosures have been made.

Entity wise disclosures

A. Information about products and services

During the year, the Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about Geographical Areas

The Company derives revenue from following major geographical areas:

Area	₹ in Crores	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Outside India (Includes Deemed Export)	294.26	316.07
Domestic	202.95	132.64

All the non-current assets of the Group other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

C. Information about Major Customers (from External Customers)

The Company derives revenues from the following customers where each contributes to 10 per cent or more of an entity's revenues:

External Customers	₹ in Crores	
	For the year ended 31 March 2021	For the year ended 31 March 2020
POSCO	116.45	228.92
Mortex	83.95	52.86
Rimhim Ispat Ltd	75.82	48.33

41 The company, in the beginning of the financial year 2017-18 started installing an additional 27 MVA furnace at its existing location so as to meet twin objective of enhancing the production capacity of Ferro Chrome as well as to increase the generation capacity of the power plant of its subsidiary Facor Power limited (FPL). The company has put the expansion project on hold post initiation of Corporate Insolvency Resolution Process (CIRP) and appointment of Interim Resolution Professional vide order dated 6th July, 2017 of Kolkata bench of National Company Law Tribunal. The total expenditure incurred on expansion project is of ₹ 6.77 Crores and given a capital advances of ₹ 5.52 Crores till date. Post implementation of Resolution Plan Company is reviewing the expansion project to recommence in near future.

42 An amount mentioned in the Resolution Plan, forming part of the Admitted Financial Debt will be converted into zero coupon, secured and unlisted Non Convertible Debentures (NCD) of the Company and will be issued to the Financial Creditors in proportional manner (-Deferred consideration) on the terms and conditions mentioned in the Resolution Plan. As per the Resolution Plan, Non convertible debentures has to be paid in four equal instalments, first being due on 31st March 2021. Accordingly the company has made payment of the first instalment amount to the financial creditors directly to there accounts amounting to ₹ 64.71 crores and to working capital lenders of the company in escrow account amounting to ₹ 6.93 crores pursuant to the mutual agreement entered into with the working capital lenders.

43 The Company basis evaluation of IND-110 - Consolidated Financial Statements, concluded that the financial statements would be consolidated by Holding Company, Vedanta Limited and consequently the Company has availed exemption from preparation of consolidated financial statements for the year ended 31st March, 2021 in accordance with the second proviso to Rule 6 of the Companies (Accounts) Rules, 2014

44 Certain balance confirmations from the customers and suppliers has not been received due to mobility restrictions and covid limitations which will not impact the financial statements

45 All minutes of the Steering Committee are circulated on mails due to mobility restrictions and covid limitations. However the same has been ratified during the first board meeting held as on 21st September 2020.

46 Related Party Disclosure:-

I. List of Related Parties:-

A. Name and nature of relationship with the related party where control exists:

- 1 Facor Realty and Infrastructure Limited - Subsidiary Company
- 2 Facor Power Limited - Subsidiary Company.

B. Other Entities with whom transactions have taken place during the year :

- 1 Boufs Platinum Mining Pvt. Ltd - Associate
- 2 Vedanta Limited
- 3 Hindustan Zinc Limited
- 4 Electrosteel Steels Limited

II. Transactions with Related Parties during the year ended 31-03-2021 in the ordinary course of business.

(₹ in Crores)

Particulars	With Subsidiary Companies		Other Entities with whom transactions taken place	
	2020-21	2019-20	2020-21	2019-20
i) Purchase of Goods	134.88	136.54	-	-
ii) Sale of Goods	-	-	0.89	-
iii) Interest paid /accrued and not paid	-	-	1.22	-
iv) Interest received/receivable	28.08	-	-	-
v) Lease Rent	0.00	0.00	-	-
vi) Reimbursement of Expenses	0.83	-	1.69	-
vii) Long Term Borrowings	-	-	22.03	-
viii) Advance for Rawmaterials	-	-	-	-
ix) Loans Given	1,203.95	-	-	-
Balances outstanding at the year end				
a) Trade Payable	17.88	12.05	-	-
b) Long Term Borrowings	-	-	22.03	-
c) Other Current Liabilities	-	-	0.13	-
d) Other Financial Assets	1,203.95	-	-	-
e) Other Current Assets	26.97	-	0.43	-

FERRO ALLOYS CORPORATION LIMITED.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

					(₹ in Crores)	
S. No.	Particulars		Relationship	2020-21	2019-20	
1	Purchase Of Goods					
	Facor Power Limited		Subsidiary	134.88	136.54	
		Total		134.88	136.54	
2	Sale of Goods					
	Electrosteels Steels Limited		Others	0.89	-	
		Total		0.89	-	
3	Interest Paid/accrued and not paid					
	Vedanta Limited		Holding Company	1.22	-	
		Total		1.22	-	
4	Interest received/receivable					
	Facor Power Limited		Subsidiary	28.08	-	
		Total		28.08	-	
5	Lease Rent					
	Facor Power Limited		Subsidiary	0.00	0.00	
		Total		0.00	0.00	
6	Reimbursement of Expenses					
	Facor Power Limited		Subsidiary	0.83	-	
	Vedanta Limited		Holding Company	1.56	-	
	Hindustan Zinc Limited		Others	0.13	-	
		Total		2.52	-	
7	Long Term Borrowings					
	Vedanta Limited		Holding Company	22.03	-	
		Total		22.03	-	
8	Advance for Rawmaterials					
	Vedanta Limited		Holding Company	28.00	-	
	Vedanta Limited		Holding Company	(28.00)	-	
				-	-	
9	Loans Given					
	Facor Power Limited		Subsidiary	1,206.24	-	
	Facor Power Limited		Subsidiary	(2.30)	-	
				1,203.95	-	
10	Balances Outstanding at the year end					
	(A) Trade Payables					
	Facor Power Limited		Subsidiary	17.88	12.05	
		Total		17.88	12.05	
	(B) Long Term Borrowings					
	Vedanta Limited		Holding Company	22.03	-	
		Total		22.03	-	
	(C) Other Current Liabilities					
	Hindustan Zinc Limited		Others	0.13	-	
		Total		0.13	-	
	(D) Other Financial Assets					
	Facor Power Limited		Subsidiary	1,203.95	-	
		Total		1,203.95	-	
	(E) Other Current Assets					
	Vedanta Limited		Holding Company	0.43	-	
	Facor Power Limited		Subsidiary	25.97	-	
				26.40	-	



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

47 Employee Benefits

The Company Contributes To The Following Post-Employment Defined Benefit Plans In India

Defined Contribution Plans:

Amount of ₹ 2.00 Crores (Previous Year ₹ 2.31 Crores) is recognised as expenses and included in "Employee Benefits Expense" in Note 33 of the Statement of Profit and Loss.

Defined Benefit Plan :

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with SBI Life Insurance in form of qualifying insurance policy.

The company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of privilege leave for encashment. This is unfunded plan.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	(₹ In Crores)		
	31-Mar-21	31-Mar-20	31-Mar-19
(a) Net Defined Benefit Liability (Refer Note 21 & 28)			
Liability for Gratuity	(2.50)	0.93	1.61
Liability for PL Encashment	2.64	3.25	4.12
Total Employee Benefit Liability	0.35	4.18	6.73
Non-Current	1.87	2.06	3.85
Current	(1.52)	2.12	1.88

(A) Reconciliation of Opening and Closing balances of the present value of the Defined Benefit Obligation (₹ In Crores)

Particulars	Gratuity		PL Encashment	
	2020-21	2019-20	2020-21	2019-20
Present value of Defined Benefit Obligation at the beginning of the	16.90	18.87	3.25	4.12
Interest Cost	1.12	1.41	0.22	0.31
Current Service Cost	0.52	0.83	0.48	0.30
Actuarial Losses/(Gains)	(4.10)	(0.29)	(0.02)	0.04
Benefits Paid	(3.83)	(3.92)	(1.07)	(1.53)
Present value of Defined Benefit Obligation at the close of the year	10.61	16.90	2.84	3.25

(B) Changes in the Fair Value of Plan Assets and reconciliation thereof (₹ In Crores)

Particulars	Gratuity		PL Encashment	
	2020-21	2019-20	2020-21	2019-20
Fair Value of Plan Assets at the beginning of the year	15.97	17.26	-	-
Add : Expected Return on Plan Assets	0.95	1.29	-	-
Add/(Less) : Actuarial Gains/(Losses)	-	(0.27)	-	-
Add : Contributions	0.01	1.61	-	-
Less : Benefits Paid	(3.83)	(3.92)	-	-
Fair Value of Plan Assets at the close of the year	13.10	16.96	-	-

(C) Amount Recognised in the Balance Sheet

Particulars	Gratuity			PL Encashment		
	2019-20	2019-20	2018-19	2020-21	2019-20	2018-19
Present Value of Defined Benefit Obligation	10.61	16.90	18.87	2.64	3.25	4.12
Less : Fair Value of Plan Assets	13.10	15.96	17.26	-	-	-
Present Value of unfunded obligation	-2.50	0.93	1.61	2.64	3.25	4.12

FERRO ALLOYS CORPORATION LIMITED.



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(D) Amount Recognised in the Statement of Profit and Loss are as Follows : (₹ In Crores)

Particulars	Gratuity		PL Encashment	
	2020-21	2019-20	2020-21	2019-20
In Income Statement				
Current Service Cost	0.52	0.83	0.48	0.30
Interest Cost/(Income)	0.06	0.12	0.22	0.31
	0.58	0.95	0.69	0.61
In Other Comprehensive Income				
Net actuarial loss/(gain)	(3.99)	(0.02)	(0.02)	0.04
	(3.99)	(0.02)	(0.02)	0.04

(E) Investment Details:

Funds Managed by Insurer (investment with Insurer)	100%	100%
--	------	------

(F) Actuarial Assumptions as at the Balance Sheet date

Particulars	2020-21	2019-20	2018-19
Discount Rate	6.90%	6.63%	7.49%
Salary Escalation Rate	5.00%	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2020-21

(G) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Change in discounting rate (delta effect of +/- 0.5%)	(0.12)	0.13	(0.22)	0.23
Change in rate of salary increase (delta effect of +/- 0.5%)	0.13	(0.13)	0.23	(0.23)

48 Financial Instruments - Fair Values and Risk Management

I. Fair Value Measurements

A. Financial instruments by category*

	As at 31 March 2021		As at 31 March 2020	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
(₹ In Crores)				
Financial assets				
Non-current investments	0.10	0.01	0.05	0.01
Other non-current financial assets	-	389.11	-	9.21
Current investments	-	-	-	-
Trade receivables	-	2.13	-	15.21
Cash and cash equivalents	-	20.25	-	57.39
Other current financial assets	-	1.04	-	0.83
	0.10	412.54	0.05	82.65
*Exclude financial instruments measured at cost				
Financial liabilities				
Borrowings	-	128.35	-	23.38
Trade payables	-	38.15	-	24.22
Other financial liabilities	-	64.80	-	34.02
	-	231.30	-	81.62

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ In Crores)

	As at 31 March 2021			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Financial Investments at FVOCI				
Investments				
Equity Shares	0.10	-	-	0.10
Total Financial Assets	0.10	-	-	0.10

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2021

	As at 31 March 2021			Total
	Level 1	Level 2	Level 3	
Financial assets				
Non-Current Investments	-	-	0.01	0.01
Other Non-Current Financial Assets	-	-	389.11	389.11
Current investments	-	-	-	-
Trade Receivables	-	-	2.13	2.13
Cash and Cash Equivalents	-	-	20.25	20.25
Other Current Financial Assets	-	-	1.04	1.04
Total Financial Assets	-	-	412.54	412.54
Financial Liabilities				
Borrowings	-	-	128.35	128.35
Trade Payables	-	-	38.15	38.15
Other Financial Liabilities	-	-	64.80	64.80
Total Financial Liabilities	-	-	231.30	231.30



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

(₹ In Crores)

	As at 31 March 2020			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Financial Investments at FVOCI				
Investments				
Equity Shares	0.05	-	-	0.05
Total Financial Assets	0.05	-	-	0.05

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at 31 March 2020			Total
	Level 1	Level 2	Level 3	
Financial assets				
Non-Current Investments	-	-	0.01	0.01
Other Non-Current Financial Assets	-	-	9.21	9.21
Current investments	-	-	-	-
Trade Receivables	-	-	15.21	15.21
Cash and Cash Equivalents	-	-	57.39	57.39
Other Current Financial Assets	-	-	0.83	0.83
Total Financial Assets	-	-	82.65	82.65
Financial Liabilities				
Borrowings	-	-	23.38	23.38
Trade Payables	-	-	24.22	24.22
Other Financial Liabilities	-	-	34.02	34.02
Total Financial Liabilities	-	-	81.62	81.62

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C Fair value of financial assets and liabilities measured at amortised cost

(₹ In Crores)

	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Non-Current Investments	0.01	0.01	0.01	0.01
Other Non-Current Financial Assets	389.11	389.11	9.21	9.21
Current investments	-	-	-	-
Trade Receivables	2.13	2.13	15.21	15.21
Cash and Cash Equivalents	20.25	20.25	57.39	57.39
Other Current Financial Assets	1.04	1.04	0.83	0.83
	412.54	412.54	82.65	82.65
Financial Liabilities				
Borrowings	128.35	128.35	23.38	23.38
Trade Payables	38.15	38.15	24.22	24.22
Other Financial Liabilities	64.80	64.80	34.02	34.02
	231.30	231.30	81.62	81.62



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

ii Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Risk Management Framework

A company is exposed to uncertainties owing to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Company has an approved a Risk management policy which is reviewed by the management from time to time.

The Company's Risk Management framework is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. Major risks in particular are monitored regularly at Executive meetings of the Company to keep abreast of such issues and the Policy was reviewed by the Management.

The Company's Management monitors compliance with the Company's risk management policy and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Management is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc review of risk management controls and procedures, the results of which are reported to the Management.

i. Credit Risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is ₹ 2.13 Crores (31 March 2020 ₹ 15.21 Crores.)

During the period, the Company has made no write-offs of trade receivables. The Company's management also pursues all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Loans and advances are related to balances recoverable from related parties. No Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties.

ii. Liquidity Risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

(a) Financing Arrangements

The group currently do not have access to the any undrawn borrowing facilities as on 31 March 2021.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ In Crores)

(b) Maturities of Financial Liabilities
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

	Carrying Amounts 31 March 2021	Total	Contractual cash flows			
			Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities				128.35	-	-
Borrowings	128.35	128.35	38.15	-	-	-
Trade payables	38.15	38.15	84.80	-	-	-
Other financial liabilities	64.80	64.80	102.95	128.15	-	-
Total non-derivative liabilities	231.30	231.30				

	Carrying Amounts 31 March 2020	Total	Contractual cash flows			
			Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Borrowings	23.38	23.38	23.38	-	-	-
Trade payables	24.22	24.22	24.22	-	-	-
Other financial liabilities	34.02	34.02	34.02	-	-	-
Total non-derivative liabilities	81.62	81.62	81.62			

iii. Market risk

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Commodity Price risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of the material produced and sold by the company. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the materials. The Company enters into contracts for procurement of materials and most of the transactions are short term fixed price contracts.

b) Currency Risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	As at 31 March 2021	(Figures in Crores) As at 31 March 2020
	USD	USD
Financial Asset	0.00	0.14
Trade Receivables	0.00	0.14
Net exposure to foreign currency risk (assets)		
Trade Payables	-	-
Net statement of financial position exposure		

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
5% movement USD	0.00	(0.00)	0.00	(0.00)
31 March 2020				
5% movement USD	0.00	(0.00)	0.00	(0.00)



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. Since the interest rates on loans obtained are fixed, the company does not have any interest rate risk.


The Company's exposure to interest rate risk is minimal and hence no sensitivity analysis is presented.

(ii) Capital Management

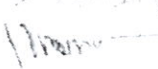
For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements.

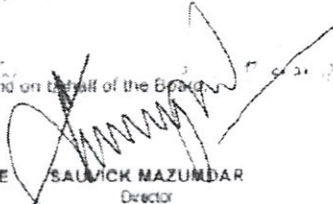
40. The figures for the corresponding previous year has been regrouped / reclassified wherever necessary to confirm this year's classification.


As per counterpart of given date attached.


C.A. DINESH KUMAR BACHCHAS
 Partner
 (Membership No. 097820)
 For K K Mankeshwar & Co.,
 Chartered Accountants
 (Firm's Regn No. 136009W)



For and on behalf of the Board

BALWANT SINGH RATHORE
 Chief Executive Officer


SAIVICK MAZUMDAR
 Director
 (DIN 07558908)


ANAND PRAKASH DUBEY
 Chief Financial Officer


RAHUL TRIVEDI
 Director
 (DIN 06675433)


SAMEET SARANGI
 Company Secretary

Place: Ghadra
 Date: 19.04.2021