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FERRO ALLOYS CORPORATION LIMITED

66TH ANNUAL REPORT

2021-2022

BOARD'S REPORT

To The Members,

The Board of Directors presents the 66th Annual Report of Ferro Alloys Corporation Limited together with the Audited Statements of Account for the Financial Year ended March 31, 2022. This report, therefore, is drawn for the Company on a stand-alone basis.

1. Financial Results

Rs. In Crores

Particular	**Year Ended 31 Mar, 2022**	**Year Ended 31 Mar, 2021**
Revenue from operation	832.90	503.30
Profit from operation before other Income, Finance Cost and exceptional Item	291.42	55.20
Other Income	62.38	33.40
Finance Cost	15.16	(5.89)
Exceptional Item	(0.32)	(847.25)
Profit & Loss before tax	**338.32**	**(752.76)**
Tax Expense /(Credit)	84.99	36.32
Net profit/(Loss) after tax	253.32	(789.08)
Reserves excluding revaluation reserves as on balance sheet date	594.93	343.48
EPS	7.45	(23.21)
Transferred to general reserve	-	-
Interim Dividend	-	-

2. Dividend

In view of inadequate profit, your Directors do not recommend any dividend for the Financial Year ended March 31, 2022.

3. Transfer to Reserves

No amounts have been transferred to the Reserves during the year under review.

4. Business Performance

During the year under consideration, your company achieved the production of 75301 MT as against 68331 MT in the previous year. Revenue from operations increased to Rs. 832.90 crores (Previous year Rs. 503.30 crores). However, EBIT increased to Rs. 353.81 crores against Rs. 88.60 crores in Previous year and profit before exceptional items has increase to Rs. 338.65 crores.

Exports including deemed exports were at Rs. 331.36 crores as against Rs. 300.35 crores in the previous year and during the year under review foreign currency earning in rupee terms was Rs. 109.83 crores.

5. Outlook

FACOR is one of the India's largest producers and exporters of Ferro alloys, which is an essential ingredient to produce stainless steel and specialty steel. With the growing demand of Ferro Chrome in the steel industry, FACOR has tremendous potential to generate significant value in the growing steel market.

Your Company has Chromite Mines in Sukinda Chromite Belt of Odisha, and a fully integrated processing facility with existing capacity of 75 KT and a captive power plant of 100 MW capacity.

FACOR is having two operating Chromite Mine having current capacity of 250 KTPA and management is looking into to enhance capacity from 250 KTPA to 390KTPA through opencast mining method in FY'23. Further to increase mine life, technical and feasible study ongoing for transformation of mining method from opencast to underground. Conceptual and feasibility study is ongoing for the same.

For real time monitoring of Ground Movement, the high tech Slope Stability Radar instrument has been installed and commissioned. It provides continuous 24x7 live monitoring and data analysis. Alarming system is available in emergency cases including SMS, emailing system

Additionally, Company is implementing 33MVA furnace project, which was stalled due to CRIP, whose capacity will be 60 KT. The total project cost is at Rs.178 crores. It is estimated that the project will be completed by October'22. The production capacity, by executing this 33MVA furnace project, will increased to 150 KTA. The key take way from this project will be increase of our market share around to 10%.

6. Material changes and commitments, if any, affecting the financial position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

7. Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

8. Safety

HSE Report for the year 2021-22:

Particulars	2021-22	2020-21
Fatalities	0	0
Lost Time Injury Accidents	2	0
First-aid Injury Accident (inside)	15	38
Medically Treated Injury	3	1
Near miss & incidents	165	20
HIPO Incident	7	1
Environment Incidents	0	1
UC & UA	850	1705

During the year under review Company recorded 'zero' fatalities and reportable incidents.

9. Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

10. Annual Return

Pursuant to the provisions of Section 134 (3)(a) the Annual return of the Company is placed at www.facorgroup.in

11. Highlights of performance of Subsidiary Companies, Joint Venture or Associate Company and their contribution to the overall

performance of the company

The Board of Directors of the Company, being the shareholder & creditor of Facor Power Limited, at its meeting held on July 19, 2021 also granted its consent to the Scheme of Amalgamation between Facor Power Limited with Ferro Alloys Corporation Limited and their respective shareholders and creditors.

Presently the matter of Scheme of Amalgamation is pending before the National Company Law Tribunal (NCLT).

The Company has two Subsidiary Companies, 1. Facor Power Limited 2. Facor Realty & Infrastructure Limited whose financial results are as under:

Rs. In Crores

Particular	Year Ended 31 Mar 2022	Year Ended 31 Mar 2021
Revenue from operation	138.17	122.23
Profit from operation before other Income, Finance Cost and exceptional Item	**(3.39)**	**1.71**
Other Income	6.38	2.71
Finance Cost	53.28	117.64
Exceptional Item	-	-
Profit & Loss before tax	**(50.30)**	**(113.22)**
Tax Expense /(Credit)	0.09	-
Net profit/(Loss) after tax	**(50.21)**	**(113.22)**
Reserves excluding revaluation reserves as on balance sheet date	-	-
EPS	(2.19)	(4.92)
Transferred to general reserve	-	-
Interim Dividend	-	-

1. As on 31st March 2022 Facor Realty & Infrastructure Ltd. is a wholly-owned subsidiary to the Company. However, Board of Directors of Facor Realty & Infrastructure Ltd. in their meeting had given approval for strike-off of the Company from the records of the register of Companies maintained with Ministry of Corporate Affairs. Accordingly, STK-2 (Application by company to ROC for removing its name from register of Companies) filed ROC, Delhi on 6th April 2022.

2. The Financial Statement of Boula Platinum Mining Private Limited., an Associate Company to the Company, for the FY 2021-22 are not yet finalized.

Details of the Subsidiary Companies are required to be provided enclosed herewith in **Form AOC-1**.

12. Deposits

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

13. Auditors

Statutory Auditors

M/s K.K. Mankeshwar & Co., Chartered Accountants, (Firm's Registration No.106009W) were appointed as the Statutory Auditors of the Company for a term of Five years till the conclusion of the Sixty Sixth Annual General Meeting (AGM) of the Company scheduled to be held before September 2022 and hence, would retire at the conclusion of the ensuing 66th AGM. Section 139 of the Companies Act, 2013 provides for the appointment of a new Auditor when the existing Auditor's Firm has completed term of five years. Accordingly, as per the said requirements of the Act, M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Regn. No. 301003E/E300005) is proposed to be appointed as the Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 66th AGM till the conclusion of the 71st AGM to be held in the year 2027.

As per the Notification of Ministry of Corporate Affairs dated 7th May 2018, ratification of appointment of Statutory Auditors at every AGM is not required.

M/s S.R. Batliboi & Co. LLP, Chartered Accountants, has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The remuneration plus applicable taxes and reimbursement of expenses incurred by them incidental to their functions shall be determined the Board of Directors in consultation with the said Auditors.

<u>Auditor's Report</u>

The report of the Statutory Auditors along with Notes to Schedules are enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Companies Act, 2013 therefore no detail is required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013.

Cost Auditors

Your Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are made and maintained.

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, as amended from time to time, the cost audit records maintained by the Company in respect of its activity is required to be audited. Your Directors had, appointed Niran & Co., Cost Accountant, to audit the cost accounts of the Company for the Financial Year ending 31st March 2022 at a remuneration of Rs. 70,000/-.

In accordance with the provisions of the Companies Act, 2013, the appointment and remuneration of the Cost Auditors was approved by the Members at the Annual General Meeting of the Company held on August 04, 2021.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rule made in there under, the Company has appointed KPMG Assurance and Consulting Services LLP, to undertake the Internal Audit of the Company for financial Year 2021-22.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Vinod Kothari and Company, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for financial Year 2021-22. Secretarial Audit Report in **MR-3** is annexed herewith as ***Annexure A .***

14. Share Capital

The paid-up Equity Share Capital as on 31st March 2022 was Rs. 34 Crores divided into 34,00,00,000 (Thirty-Four Crore) equity shares of Rs. 1/- (Rupees One only) each.

During the year under review, at the board meeting held on April 19, 2021 allotment of, on a private placement basis, 234,984 zero coupon, secured, unrated and unlisted non-convertible debentures ("NCDs") at nominal value of INR 75/- each aggregating to INR 1,76,23,800/- in aggregate, to Toplight Corporate management Pvt. Ltd. financial creditors of the Company, in lieu of and against the conversion of the sustainable debt portion of the Company amounting to INR 1,76,23,800/- in aggregate held by the Allottee as on the Closing Date as mentioned in the Resolution Plan.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

As on 31st March, 2022, Mr. Sauvick Mazumder, Director of the Company held one equity share each as nominee jointly with Vedanta Limited.

The Directors of the Company do not hold convertible instruments of the Company.

15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as ***Annexure B.***

16. Directors & Key Managerial Personnel

The present Board of Directors & Key Managerial Personnel of the Company comprises of the following:

a) Mr. Akhilesh Joshi- Chairman & Non-Executive Independent Director
b) Mr. Arun Misra – Non- Executive Director
c) Mrs. Pallavi Joshi Bakhru - Non-Executive Director
d) Mr. Rahul Trivedi Sharma- Non-Executive Director
e) Mr. Sauvick Mazumder – Non-Executive Director
f) Mr. Balwant Singh Rathore - Chief Executive Officer(KMP)
g) Mr. Anand Prakash Dubey- Chief Financial Officer(KMP)
h) Mr. Sambit Kumar Sarangi- Company Secretary

Mr. Arun Misra (DIN: 01835605), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year under review, the Board of Directors at their meeting held on April 19, 2021 appointed Mr. Akhilesh Joshi, Non-executive and Independent Director of the Company as the Chairman of the Board of the Company.

Mr. Balwant Singh Rathore was appointed as Chief Executive Officer of the Company w.e.f. April 01, 2021.

No other Director was appointed by the Company during the F.Y. 2021-22.

17. Corporate Social Responsibility (CSR) Committee

The CSR Committee members of the Company comprises of the following:

a) Mr. Arun Misra-Chairman
b) Mr. Rahul Trivedi Sharma- Member
c) Mr. Sauvick Mazumder – Member

During the year under review, there were two meetings of the Corporate Social Responsibility Committee were held.

18. Audit Committee and Nomination & Remuneration Committee

Pursuant to the notification of the Ministry of Corporate Affairs dated 5th July, 2017 and 13th July, 2017 respectively, an unlisted public company which is a wholly owned subsidiary is not required to have an Audit Committee and Nomination and Remuneration Committee.

19. Meetings & Attendance during the Year

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year under review four Board Meetings were held as under:

	Date of Board Meeting held during FY 2021-2022
1	April 19, 2021
2	July 19, 2021
3	October 20, 2021
4	January 20, 2022

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance

Name of the Director	**No. of the meetings during the year 2021-2022**	
	Held	**Attended**
Mr. Akhilesh Joshi	4	4
Mr. Arun Misra	4	4
Mrs. Pallavi Joshi Bakhru	4	4
Mr. Rahul Trivedi Sharma	4	1
Mr. Sauvick Mazumder	4	4

During the year under review, two meeting of the Corporate Social Responsibility Committee were held as under:

	Date of Corporate Social Responsibility Committee Meeting held during FY 2021-2022
1	April 19, 2021
2	February 23, 2022

Attendance

Name of the Director	**No. of the meetings during the year 2021-2022**	
	Held	**Attended**
Mr. Arun Misra	2	2
Mr. Rahul Trivedi Sharma	2	1
Mr. Sauvick Mazumder	2	1

20. Annual Evaluation of Board Performance and performance of its committees and individual directors

The Annual Performance Evaluation of the Board, Board Committees and Individual Directors for the financial year 2021- 22 has been carried out by third party Independent consultant, through online survey mechanism pursuant to the provisions of the Companies Act, 2013 and the report has been submitted to Chairperson of Board.

21. Corporate Social Responsibility Initiative

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects mainly in the areas of promoting sanitation, education, healthcare, empowerment of woman, infrastructure, and Covid-19 support.

The Annual Report on CSR activities and the CSR Policy adopted by the Company is annexed herewith as ***Annexure C.***

22. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

23. Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the Financial Year under review were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are duly approved by the Board.

In accordance with the requirements of Section 188 of the Companies Act, 2013, particulars of Related Party Transactions entered into by the Company in accordance during the year under review are provided in Form **AOC -2** enclosed herewith as ***Annexure D***

24. Managerial Remuneration

None of the Directors of the Company draw any remuneration from the Company.

The information required pursuant to Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Companies Act, 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

25. Risk Management

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

26. Shares

a. **Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

b**. Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

c. **Bonus Shares**

No Bonus Shares were issued during the year under review.

d. **Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

27. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22:

- No of complaints received: Nil
- No of complaints disposed off: Nil

28. Compliance as per Secretarial Standards

The Company has complied with the requirements of the applicable Secretarial Standards *i.e.* Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

29. Director's Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

a. that in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. that the annual financial statements have been prepared on a going concern basis;

e. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

30. Acknowledgements

The Directors would like to thank the employees and employee unions, shareholders, customers, suppliers, bankers, regulatory authorities and all the other business associates of the Company for their confidence and support to its Management. They would also like to thank the Central and State Governments for their support. Sesa Resources Limited recognizes and appreciates the cooperation and support from its holding company Vedanta Limited.

For and on behalf of the Board of Directors

Sd/-
Sauvick Mazumder
Director
DIN: 07558996

Sd/-
Rahul Trivedi Sharma
Director
DIN: 06675433

Place: Bhadrak
Date: 21st April, 2022

ANNEXURE 'A' -Secretarial Audit Report (MR 3)

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To,
The Members,
Ferro Alloys Corporation Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ferro Alloys Corporation Limited** (hereinafter called **"the Company"**) for the financial year ended March 31, 2022 [**"Audit Period"**] in terms of the engagement letter dated September 14, 2021. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;

2. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

3. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
    a) The Mines Act, 1952 and Rules made thereunder;
    b) The Mines and Minerals (Development and Regulation) Act, 1957, and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc. except the following:

1. The Board of the Company has approved the Scheme of amalgamation of Facor Power Limited ("Transferor Company") with Ferro Alloys Corporation Limited ("Transferee Company") as per the provisions of Sections 230 to 232 of the Companies Act, 2013 and the same is filed with the National Company Law Tribunal, Cuttack Bench;
2. In the interim, until the merger is sanctioned, Vedanta Limited, the holding company of the Company will acquire 26% equity share capital of Facor Power Limited;
3. The Company has allotted 234,984 Non-Convertible Debentures ("NCDs") at a face value of Rs.75/- per NCD towards the conversion of original outstanding loan of the same amount;
4. Pursuant to the special resolution passed at the annual general meeting dated August 4, 2021, the borrowing limit has been increased to Rs.1500 Crores.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN: A037398D000162578
Peer Review Certificate No.: 781/2020

Place: New Delhi

Date: April 19, 2022

The report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms and integral part of this report

Annexure I

Auditor and Management Responsibility

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Ferro Alloys Corporation Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online verification & examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;

7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

List of Documents

1. Scanned unbound minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Corporate Social Responsibility Committee;
    c. Annual General Meeting ("AGM");
    d. Financial Standing Committee;
2. Approval by way of resolution by circulation;
3. Proof of sending of Notice and agenda of Board and Committee meetings & AGM;
4. Proof of circulation of draft and signed minutes of the Board and Committee meetings' minutes on a sample basis;
5. Annual Report for financial year 2020-21;
6. Memorandum of Association and Articles of Association of the Company;
7. Financial Statements for financial year 2021-22;
8. Directors' disclosures under the Act and rules made thereunder;
9. Statutory Registers maintained under the Act;
10. Forms filed with the Registrar;
11. Policies framed under Act, 2013 *viz*. CSR Policy.

ANNEXURE 'B' TO BOARD'S REPORT

Additional information as required under Section 134(3)(m) read with Rule 8(3) of Companies (Accounts) Rules 2014.

A CONSERVATION OF ENERGY:

a)	Measures Taken		Conservation of Energy is an ongoing process. Efficient electric equipment and other measures taken in recent past have brought down energy consumption. However, it is difficult to quantify the same and/or assess its impact on cost of production.
b)	Additional investment and proposals if any being implemented for reduction of consumption of energy		
c)	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.		
d)	Total energy consumption and energy consumption per unit of production in prescribed form 'A'.		Form 'A' is not applicable to Ferro Alloys Industry.

B) TECHNOLOGY ABSORPTION:

Research & Development (R&D):

a)	Specific areas in which R & D carried out by the company		R&D in the operation of Ferro Chrome Production and manufacturing of briquettes is again a continuous process. Studies to recover the maximum entrapped metal from the discharged slag are in progress.
b)	Benefits derived as a result of the above R&D		
c)	Future Plan of action	:	(i) The Company is analysing and experimenting different methods of briquetting to cut down cost of production. (ii) Slag Utilisation and Waste Management.
d)	Expenditure on R&D	:	Recurring expenditure on R&D has been shown under respective heads of accounts in Profit & Loss Account.
e)	Technology absorption, adaptation and innovation:	:	

i) Efforts, in brief, made towards technology absorption, adaptation and innovation.	:	Not applicable since no new technology has been adopted
ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	:	Not applicable
iii) Information regarding technology imported during last 5 years	:	No technology has been imported during the last five years.

2) Total Foreign Exchange used and earned	:	Rs. in crores
i) CIF value of imports	:	7.91
ii) Expenditure in Foreign currency	:	2.73
iii) Foreign exchange earned on FOB basis	:	109.83

For and on behalf of the Board of Directors

Sd/-
Sauvick Mazumder
Director
DIN: 07558996

Sd/-
Rahul Trivedi Sharma
Director
DIN: 06675433

Place: Bhadrak
Date: 21st April, 2022

ANNEXURE 'C' TO BOARD'S REPORT

[Annexure -II]

Annual Report on CSR Activities to be Included in the Board's Report for Financial Year Commencing on or After 1st Day of April, 2020

1.	Brief outline on CSR Policy of the Company	CSR PHILOSOPHY: FACOR have a well-established history and commitment to reinvest in the social good of our neighborhood communities and nation. CSR VISION: "Empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth." We believe that: • We can positively impact and contribute to the realization of integrated and inclusive development of the country, in partnership with National and State Government as well as local, national and international partners; • Sustainable development of our businesses is dependent on sustainable, long lasting and mutually beneficial relationships with our stakeholders, especially the communities we work with; • Partnerships with government, corporates and civil societies/community institutions, offer a strong multiplier for complementing efforts, resources and to building sustainable solutions; • Our employees have the potential to contribute not just to our business, but also towards building strong communities. **THEMATIC FOCUS AREAS**: Our programs focus on poverty alleviation programs, especially integrated development, which impacts the overall socio-economic

		growth and empowerment of people, in line with baseline and need assessment, the national and international development agendas. The major thrust areas will be – a) Children's Well-being & Education b) Women's Empowerment c) Health Care d) Drinking Water & Sanitation e) Sustainable Agriculture & Animal Welfare f) Market linked Skilling the Youth g) Environment Protection & Restoration h) Sports & Culture i) Development of Community Infrastructure j) Participate in programs of national importance including but not limited to disaster mitigation, rescue, relief and rehabilitation.
2	Composition of CSR Committee	

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arun Misra	Non-Executive Director	2	2
2.	Mr. Sauvick Mazumder	Non-Executive Director	2	1
3.	Mr. Rahul Sharma Trivedi	Non-Executive Director	2	2

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	https://www.facorgroup.in/esg/csr/csr-committee https://www.facorgroup.in/esg/csr/csr-projects https://www.facorgroup.in/wp-content/uploads/2022/03/CSR-Policy
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	NA
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	

Sl.	Financial	Amount available for	Amount required to be

	No.	**Year**	**set-off from preceding financial years (in Rs)**	**set-off for the financial year, if any (in Rs)**	
	1.	2020-21	₹ 0.1005 Cr.	₹ 0.0335 Cr.	
6	Average net profit of the company as per section 135(5).			₹ 42.05 Cr.	
7	(a) Two percent of average net profit of the company as per section 135(5)			₹ 0.8410 Cr.	
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.			0.00	
	(c) Amount required to be set off for the financial year, if any			₹ 0.0335 Cr.	
	(d) Total CSR obligation for the financial year (7a+7b-7c).			₹ 0.8075 Cr.	

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2022. (in Rs.)	**Amount Unspent (in Rs.)**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
₹ 1,01,38,263	**Amount.**	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
	NA				

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**

Sl. No.	Name of the Project	Item from List of activities in schedule VII to the Act.	Local Area (Yes/ No).	Location of the Project.		Amount Spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Project Arogaya	(i) Promoting healthcare (xii) disaster relief	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	7,22,846	No	Punaruthan Voluntary Organisation	CSR00000650
2	Project Jivika	(iii) Empowering women	Yes	Odisha	Jajpur, Bhadrak	7,28,514	No	Punaruthan Voluntary Organisation	CSR00000650
3	Project Education	(ii) Promoting Education	Yes	Odisha	Jajpur, Dhenkanal	4,13,293	No	Bihang Welfare Association	CSR00003107
4	Project Nirmal School	(i) safe Drinking water & sanitation	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	8,81,100	Yes	-	-
5	College bus support	(ii) Promoting education	Yes	Odisha	Jajpur	2,13,000	Yes	-	-
6	Community Road Illumination	(x) Rural development	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	8,13,735	Yes	-	-
7	Kathpal school renovation	(ii) Promoting education	Yes	Odisha	Dhenkanal	8,06,987	Yes	-	-
8	Ostapal school renovation	(ii) Promoting education	Yes	Odisha	Jajpur	3,56,647	Yes	-	-

	9	Jan Arogaya kendra renovation	(i) Promoting healthcare	Yes	Odisha	Dhenkanal	9,37,476	Yes	-	-
	10	Support to school	(ii) Promoting education	Yes	Odisha	Jajpur	1,77,480	Yes	-	-
	11	Community toilet	(i) Promoting Sanitation	Yes	Odisha	Jajpur	2,56,000	Yes	-	-
	12	Solar streetlights	(x) Rural development (iv) Conservation of natural resources	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	8,37,500	Yes	-	-
	13	Teachers' engagement at schools	(ii) Promoting education	Yes	Odisha	Jajpur, Dhenkanal	6,84,084	No	Punaruthan Voluntary Organisation	CSR00000650
	14	Community toilet for senior citizens	(i) Promoting Sanitation (iii) Facilities for senior citizens	Yes	Odisha	Bhadrak	2,49,897	Yes	-	-
	15	Grama Chaupal	(x) Rural development (v) promoting culture	Yes	Odisha	Jajpur	2,80,000	Yes	-	-
	16	Jivika Kendra renovation	(iii) Empowering women	Yes	Odisha	Bhadrak	5,22,149	yes	-	-

17	COVID Support	(xii) disaster relief	Yes	Odisha	Jajpur, Bhadrak, Dhenkanal	6,88,387	yes	-	-
18	Computer support to schools	(ii) Promoting Education	Yes	Odisha	Bhadrak	25,334	yes	-	-
19	Electricity support for water pump	(i) safe Drinking water & sanitation	Yes	Odisha	Jajpur	13,560	Yes	-	-
20	Leprosy colony land development	(iii) measures for reducing inequalities faced by socially & economically backward groups	Yes	Odisha	Bhadrak	47,500	Yes	-	-

(d) Amount spent in Administrative Overheads	Rs. 4,82,774
(e) Amount spent on Impact Assessment, if applicable	NA
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs. 1,01,38,263
(g) Excess amount for set off, if any	

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	84,10,000
(ii)	Total amount spent for the	1,01,38,263

		Financial Year	
	(iii)	Excess amount spent for the financial year [(ii)-(i)]	17,28,263
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	17,28,263
9	(a) Details of Unspent CSR amount for the preceding three financial years: **NA**		
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**		
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).** (a) Date of creation or acquisition of the capital asset(s). (b) Amount of CSR spent for creation or acquisition of capital asset. (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	**NA**	

11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NA

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).

ANNEXURE 'D' TO BOARD'S REPORT

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis- NIL

S. No.	Particulars/	Details
1	Name (s) of the re/lated party & nature of relationship	
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Amt in Crores

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Vedanta Ltd	Loan Agreement	As mentioned in agreement	Interest @ 10.5% p.a. Interest of Rs.2.34 crores for 2021-22	18th September 2020	No
2.	Facor Power Limited	Amended Loan Agreement to the original loan agreement	Till repayment of entire loan assigned of FPL loan by REC Limited FPL	Interest @ 10.5% p.a. Loan will be repaid in seven equal installments starting from 31.12.2023 after a moratorium period of 3 years from the date when the loan assignment date i.e. 21.09.2020. Interest of Rs.53.28 crores for 2021-22	26th March 2021	No

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Sauvick Mazumdar	**Rahul Trivedi Sharma**
Director	**Director**
DIN: 07558996	**DIN: 06675433**

Place: Bhadrak
Date: 21st April, 2022

Form AOC-I

Salient features of subsidiaries pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Amount in Crores

SI. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of shareholding
1	Facor Power Limited	FY 2021-22	Rs.	230.06	(945.29)	628.12	1,343.35	-	137.88	(50.30)	-	(50.30)	-	90
2	Facor Realty & Infrastructure Limited	FY 2021-22	Rs.	0.10	-	-	-	-	-	-	-	-	-	100

For and on behalf of the Board of Directors

Sd/-
Sauvick Mazumdar
Director
DIN: 07558996

Sd/-
Rahul Trivedi Sharma
Director
DIN: 06675433

Place: Bhadrak
Date: 21st April, 2022

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

101, Shrika Residency,
243, Canal Road,
Dharampeth Extension
Nagpur – 440 010.
E-mail : mail@kkmindia.com

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, 2022, 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, 2022, 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. 439.87 Crores, the amount has increased by Rs. 48.29 crores during the financial year 2021-2022 on account of interest accrued at the rate of 10.5% charged on principal amount of 510.97 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.***

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

K.K. MANKESHWAR & CO. CHARTERED ACCOUNTANTS NAGPUR

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 confirmation 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, 2020 ("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, 2022 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 40 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.

ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W
UDIN: 22046219AHPVMA7644
Nagpur, dated the
21st April 2022

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, 2022, 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.

   (d) As per the information and explanation given to us and as per our verification of the records, the company has not revalued any Property, Plant or Equipment or any intangible asset.

   (e) On the basis of information and explanation given to us no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

2. In respect of Inventories:

   (a) The inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed in the physical verification which were more than 10%.

   (b) As per the information and explanation given to us and as per our verification of the records the company has not been sanctioned with any working capital limits.

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, 2022 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 2022 which have not been deposited on account of disputes.

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 and the Orissa High court.

8. The income tax self-assessment return has not been filed for the current financial year hence ascertaining such income is not possible, the management assures that there shall be no such transaction.

9. In respect of Borrowings:

(a) 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.

(b) According to the information and explanations given to us the Company has not been declared as a wilful defaulter by any Bank or financial institution or any other lender.

(c) Based upon the audit procedures performed and the information and explanations given by the management in our opinion the loan obtained from Vedanta Ltd. pursuant to resolution plan approved by NCLT is utilized for the purpose it was obtained.

(d) Based upon the audit procedures performed and the information and explanations given by the management the Company has not availed any short-term borrowings, hence not commented upon.

(e) Based upon the audit procedures performed and the information and explanations given by the management the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) Based upon the audit procedures performed and the information and explanations given by the management the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. 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.

11. 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.

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 transactions 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. In respect of Internal audit:

    (a) In our opinion the company has Internal audit system commensurate with the size and nature of business of the company.

    (b) The reports of Internal Auditor were considered in carrying out our audit.

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 company's 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.

17. Based upon the audit procedures performed and the information and explanations given by the management, the company does not have any cash losses in the current and preceding financial years.

18. There has been no resignation of the statutory auditor in the current financial year.

19. Based upon the audit procedures performed, the information and explanations given by the management and on the basis of financial ratios viz, Debt service coverage ratio, Current ratio, Debtor days and Creditor days we opine that the Company seems to be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. Based upon the audit procedures performed and the information and explanations given by the management, there is no unspent amount of C.S.R expenditure. Accordingly, there is no need of transfer of amount to funds specified in Schedule VII to the Act in accordance with second proviso to sub-section (5) of section 135 of the said Act.

21. Based upon the audit procedures performed and the information and explanations given by the management, this report pertains to standalone entity. Accordingly, the provisions of clause 3 (xxi) of the Order are not applicable to the Company and hence not commented upon.

ASHWIN MANKESHWAR
Partner
Membership No. 046219
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN : - 106009W
UDIN: 22046219AHPVMA7644
Nagpur
21st April 2022

FERRO ALLOYS CORPORATION LIMITED

CIN : U45201OR1955PLC008400

BALANCE SHEET AS AT 31ST MARCH, 2022

	Note Nos.	STANDALONE ACCOUNTS As at 31st March, 2022	(` in Crores) As at 31st March, 2021
ASSETS			
Non-current assets			
Property, Plant & Equipment	4	187.35	150.98
Capital Work-in-Progress	5	48.35	8.55
Assets held for Sale		0.01	0.01
Intangible Assets	6	10.35	9.81
Investment in Subsidiaries and Associates	7	0.09	0.09
Financial Assets			
Investments - Others	8	0.38	0.11
Financial Assets -Loans	9	429.87	381.58
Financial Assets - Others	10	3.41	3.38
Other Non-Current Assets	11	16.28	0.00
Deferred Tax Assets	22	-	-
Total Non- Current Assets		696.09	554.51
Current Assets			
Inventories	12	77.45	49.65
Financial Assets			
(i) Trade Receivables	13	2.47	2.13
(ii) Cash and Cash Equivalents	14	109.83	20.25
(iii) Other Bank Balances	15	9.77	4.15
(iv) Other Financial Assets	16	1.18	1.04
Current Tax Assets (Net)		-	-
Other Current Assets	17	46.37	29.17
Total Current Assets		247.07	106.39
Total Assets		943.15	660.90
EQIUTY & LIABILITIES			
Equity			
Equity share capital	18	34.00	34.00
Other equity	19	594.93	343.48
Total Equity		628.93	377.48
Liabilities			
Non Current Liabilities			
Financial liabilities			
Borrowings	20	72.53	128.35
Provisions	21	3.41	3.30
Deferred tax liabilities (Net)	22	13.53	10.26
Other Non-Current Liabilities	23	-	-
Total Non-Current Liabilities		89.47	141.91
Current Liabilities			
Financial liabilities			
(i) Borrowings	24	55.82	61.68
(ii) Trade Payables	25		
Micro Small and Medium Enterprises		5.63	0.63
Others		33.97	37.51
(iii) Other Financial Liabilities	26	7.82	2.70
Other Current Liabilities	27	40.77	9.46
Provisions	28	0.55	1.09
Current Tax Liabilities (Net)	29	80.18	28.43
Total Current Liabilities		224.75	141.50
Total Liabilities		314.22	283.41
Total Equity and Liabilities		943.15	660.90
		0	(0)
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,

For and on behalf of the Board,

C.A. ASHWIN MANKESHWAR
Partner
(Membership No.046219)
For K.K.Mankeshwar & Co.
Chartered Accountants
(Firm's Regn.No.106009W)

BALWANT SINGH RATHORE
Chief Executive Officer

SAUVICK MAZUMDAR
Director
(DIN 07558996)

ANAND PRAKSAH DUBEY
Chief Financial Officer

RAHUL TRIVEDI
Director
(DIN 06675433)

Place : Bhadrak
Date : 18.04.2022

SAMBIT SARANGI
Company Secretary

FERRO ALLOYS CORPORATION LIMITED

CIN : U45201OR1955PLC008400

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

	Note Nos.	STANDALONE ACCOUNTS (` in Crores) Year Ended 31st March, 2022	Year Ended 31st March, 2021
Revenue			
Revenue from Operations	30	832.90	503.30
Other Income	31	62.38	33.40
Total Income		895.28	536.70
Expenses			
Cost of Materials Consumed	32	167.83	159.23
Changes in Inventories of Finished Goods and Stock in Progress	33	4.80	13.65
Employee Benefits Expense	34	34.28	24.91
Finance Costs	35	15.16	(5.89)
Depreciation and Amortization Expense	36	7.43	3.53
Other Expenses	37	327.14	246.78
Total Expenses		556.64	442.21
Profit/(Loss) Before Exceptional Items and Tax		338.64	94.49
Exceptional Items			
Profit/(Loss) on Fixed Asset Sold/Discardrd (Net)		(0.32)	(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)
Profit/(Loss) Before Tax		338.32	(752.76)
Tax Expenses			
Current Tax		81.71	31.78
Tax for Earlier Years		-	0.06
Deferred tax		3.28	4.48
Profit/(Loss) for the period (A)		253.32	(789.08)
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit plans		(1.63)	4.01
Fair Value of Investment		0.26	0.05
Income Tax on items that will not be reclassified to Profit and loss		(0.51)	(1.40)
Total Other Comprehensive income for the period (B)		(1.88)	2.66
Total Comprehensive Income for the period (A + B)		251.45	(786.42)
Earnings per equity share of face value of ` 1/- each	39		
Basic		7.45	(23.21)
Diluted		7.45	(23.21)
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,

For and on behalf of the Board,

C.A. ASHWIN MANKESHWAR
Partner
(Membership No.046219)
For K.K.Mankeshwar & Co.
Chartered Accountants
(Firm's Regn.No.106009W)

BALWANT SINGH RATHORE
Chief Executive Officer

SAUVICK MAZUMDAR
Director
(DIN 07558996)

ANAND PRAKSAH DUBEY
Chief Financial Officer

RAHUL TRIVEDI
Director
(DIN 06675433)

Place : Bhadrak
Date 18.04.2022

SAMBIT SARANGI
Company Secretary

FERRO ALLOYS CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

STANDALONE ACCOUNTS

(a) Equity share capital

2021-22 (` in Crores)

Balance at the beginning of the year		Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the year
34.00		-	-	-	34.00

2020-21

Balance at the beginning of the year		Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the year
18.53		-	-	15.47	34.00

(b) Other equity **(` in Crores)**

	Reserves & Surplus				Other Comprehensive Income		
	Securities Premium Account	**General Reserve**	**Retained earnings**	**Equity Portion of Borrowings**	**Fair Value of Investment**	**Remeasurement of defined benefit plans**	**Total**
Balance at 1st April 2020	931.31	192.00	7.09	2.77	0.06	(3.28)	1,129.94
Profit for the year 2020-21	-	-	(789.08)	-	-	-	(789.08)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(789.08)	-	-	2.61	(786.47)
Balance at 31st March 2021	931.31	192.00	(781.99)	2.77	0.06	(0.67)	343.47
Profit for the period 2021-22	-	-	251.45	-	-	-	251.45
Other comprehensive income/(loss) for the year							-
Total comprehensive income for the year	-	-	251.45	-	-	-	251.45
Balance at 31st March 2022	931.31	192.00	(530.55)	2.77	0.06	(0.67)	594.92

As per our report of even date attached,

For and on behalf of the Board,

C.A. ASHWIN MANKESHWAR
Partner
(Membership No.046219)
For K.K.Mankeshwar & Co.
Chartered Accountants
(Firm's Regn.No.106009W)

BALWANT SINGH RATHORE
Chief Executive Officer

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Director
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ANAND PRAKSAH DUBEY
Chief Financial Officer

RAHUL TRIVEDI
Director
(DIN 06675433)

Place : Bhadrak
Date : 18.04.2022

SAMBIT SARANGI
Company Secretary

FERRO ALLOYS CORPORATION LIMITED
CIN : U45201OR1955PLC008400
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

STANDALONE ACCOUNTS
(` in Crores)

S. No.	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flows from operating activities**		
	Net Profit/ (Loss) after Prior Period Items and before Tax	338.32	(752.76)
	Adjustments For:		
	a) Interest Income	(56.70)	(29.62)
	b) Depreciation	7.43	4.09
	c) Effect of change in foreign curreny translation reserve	-	-
	d) Interest Expense	15.16	(5.89)
	e) Loss on sale of Fixed assets	0.32	1.96
	Operating Cash Profit before Working Capital Changes	304.53	(782.22)
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	1.46	13.93
	b) Increase/(Decrease) in Other Current Liabilities	29.18	(2.29)
	c) Increase/(Decrease) in Other Non Current Liabilities	-	(2.16)
	d) Increase/(Decrease) in Other Current Financial Liabilities	5.12	(31.32)
	e) Increase/(Decrease) in Other Non Current Liabilities	(44.16)	(379.91)
	f) (Increase)/Decrease in Provisions	(6.07)	(6.71)
	g) (Increase)/Decrease in Other Non Current Assets	(16.28)	10.95
	h) (Increase)/Decrease in Other Current Financial Assets	38.52	-
	i) (Increase)/Decrease in Inventories	(27.81)	8.63
	j) (Increase)/Decrease in Trade Receivables	(0.34)	13.08
	k) (Increase)/Decrease in Other Current Assets	(17.20)	(6.89)
	Cash Generated From/ (used in) operations	266.93	(1,164.90)
	Less: Income Tax Paid (net of refunds)	26.54	0.66
	Net Cash Generated From/ (used in) Operating Activities before Extraordinary item	240.40	(1,165.56)
	Outflow for extraordinary item	-	-
	Net Cash Generated From/ (used in) Operating Activities(A)	240.40	(1,165.56)
B	**Cash Flow from Investing Activities:**		
	(Purchase) of property, plant and equipment and capital work in progress	(85.43)	(3.32)
	Net proceeds of property, plant and equipment and capital work in progress	1.04	0.04
	Interest received	8.28	29.41
	Net movement in Investments	0.00	0.00
	Net Cash Generated from/ (Used in) Investing Activities (B)	(76.11)	26.13
C.	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	(61.68)	166.65
	Interest Expense Paid	(13.02)	(6.75)
	Capital Reserve	-	926.92
	Issue of Shares	-	15.47
	Net Cash generated from/ (used in) Financing Activities (C)	(74.70)	1,102.29
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	89.58	(37.14)
	Cash and cash equivalents at the beginning of the year	20.25	57.39
	Cash and Cash Equivalents at the end of the year	109.83	20.25
		0.00	0.00

As per our report of even date attached,

For and on behalf of the Board,

BALWANT SINGH RATHORE
Chief Executive Officer

SAUVICK MAZUMDAR
Director
(DIN 07558996)

C.A. ASHWIN MANKESHWAR
Partner
(Membership No.046219)
For K.K.Mankeshwar & Co.
Chartered Accountants
(Firm's Regn.No.106009W)

ANAND PRAKSAH DUBEY
Chief Financial Officer

RAHUL TRIVEDI
Director
(DIN 06675433)

Place : Bhadrak
Date : 18.04.2022

SAMBIT SARANGI
Company Secretary

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 benefication in the state of Odisha.

The standalone financial statements were considered by the Board of Directors on 21st April, 2022.

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.

An asset is classified as current when it satisfies any of the following citeria: 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, results 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

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

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.

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.

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

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 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 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.

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.

(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

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.

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

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.

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.

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 21st April, 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period.

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FERRO ALLOYS CORPORATION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

4. Property, Plant and Equipment

` in Crores

	Gross Block				Depreciation				Net Block	
	As at 1.04.2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2022	Upto 1.04.2021	For the Year	Deductions/ Adjustments	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Tangible Assets										
1 ROU Assets- Leasedhold Land	2.46	-	-	2.46	0.18	0.04	-	0.22	2.24	2.28
2 Land Freehold	92.67	10.30	-	102.97	-	-	-	-	102.97	92.67
3 Buildings	30.66	2.50	0.67	32.49	5.29	0.88	0.07	6.10	26.39	25.37
4 Roads and Drains	2.45	-	-	2.45	0.77	0.06	-	0.83	1.62	1.68
5 Railway Sidings	0.04	-	-	0.04	-	-	-	-	0.04	0.04
6 Plant and Machineries	39.54	4.00	0.45	43.09	13.91	1.73	0.21	15.43	27.66	25.63
7 Office and Equipments	3.69	0.90	0.56	4.03	1.57	0.63	0.31	1.89	2.14	2.12
8 Furniture and Fixtures	0.94	0.84	0.27	1.51	0.51	0.13	0.16	0.48	1.03	0.43
9 Vehicles	2.33	0.45	0.52	2.26	1.56	0.14	0.42	1.28	0.98	0.77
TOTAL	**174.78**	**18.99**	**2.47**	**191.30**	**23.79**	**3.61**	**1.17**	**26.23**	**165.07**	**150.99**

	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**

5. Capital Work-in-Progress

Particulars	As at 1.04.2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2022	As at 1.04.2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2021
Capital Work-in-Progress	8.56	60.68	20.89	48.35	6.96	2.03	0.44	8.55
TOTAL	8.56	60.68	20.89	48.35	6.96	2.03	0.44	8.55

1. Capital-Work-in Progress (CWIP)
(a) For Capital-work-in progress, following ageing schedule shall be given:
CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41.58	-	6.77	-	48.35
Projects temporarily suspended	-	-	-	-	
*Total shall tally with CWIP amount in	41.58	-	6.77	-	48.35

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given**:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

**Details of projects where activity has been suspended shall be given separately.

Particulars	As at 1.04.2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2021	As at 1.04.2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2020
Capital Work-in-Progress	6.96	2.04	0.44	8.56	6.98	0.10	0.12	6.96
TOTAL	6.96	2.04	0.44	8.56	6.98	0.10	0.12	6.96

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.65	-	6.89	-	8.54
Projects temporarily suspended	-	-	-	-	
*Total shall tally with CWIP amount in	1.65	-	6.89	-	8.54

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given**:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

**Details of projects where activity has been suspended shall be given separately.

Assets Held for Sale

		Gross Block				Depreciation				Net Block	
		As at 1.04.2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2022	Upto 1.04.20201	For the Year	Deductions/ Adjustments	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Assets Held for Sale		0.01	-	-	0.01	-	-	-	-	0.01	0.01
	TOTAL	0.01	-	-	0.01	-	-	-	-	0.01	0.01

		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
Assets Held for Sale			0.01	-	0.01	-	-	-	-	0.01	
	TOTAL	-	0.01	-	0.01	-	-	-	-	0.01	-

STRIPPING ASSETS

		Gross Block				Depreciation				Net Block	
		As at 1.04.2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2022	Upto 1.04.2021	For the Year	Deductions/ Adjustments	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Stripping Assets		**-**	**25.00**	**-**	**25.00**	**-**	**2.72**	**-**	**2.72**	**22.28**	**-**

6. Intangible Assets

		Gross Block				Amortisation				Net Block	
		As at 1.04.2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2022	Upto 1.04.2021	For the Year	Deductions/ Adjustments	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Mining Rights		14.54	-	-	14.54	4.73	0.90	-	5.63	8.91	9.81
SAP Implemetation		-	1.65	-	1.65	-	0.21	-	0.21	1.44	-
	TOTAL	14.54	1.65	-	16.19	4.73	1.11	-	5.84	10.35	9.81

		Gross Block				Amortisation				Net Block	
		As at 1.04.2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2021	Upto 1.04.2021	For the Year	Deductions/ Adjustments	Upto 31.03.21	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

	STANDALONE ACCOUNTS	(` in Crores)
	As at 31st March, 2022	As at 31st March, 2021
7 Investment in Subsidiary and Associates		
Investment Measured at Cost		
- In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
19,80,59,930 Equity Shares of Facor Power Limited of ` 10/- each		
(Cost ` 206.14 Crores, fully impaired)	206.14	206.14
	(206.14)	(206.14)
	-	-
1,00,000 (Previous Year 1,00,000) Facor Realty & Infrastructure Ltd. of ` 10/- each	0.10	0.10
Less: Provision for Impairment	(0.06)	(0.06)
	0.04	0.04
- In Equity Shares of Associate Company - Quoted, fully paid up		
4,66,164 (Previous Year: 4,66,164) Boula 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) Facor Alloys Limited of ` 1/- each	0.36	0.10
Investment Measured at amortised cost		
-Government Securities - Unquoted		
5 years National Savings Certificates	-	0.00
6 years National Savings Certificates	0.01	0.01
7 years National Savings Certificates	0.00	0.00
	0.38	0.11
9 Financial Assets -Loans		
Loans and Advances to Subsidiaries FPL(including Interest receivable)	1,278.20	1,229.92
Less:Provision for Impairment	(848.33)	(848.33)
	429.87	381.58
(Loan is Rs.1203.95 Crs and Interest reveivables is Rs, 74.25 Crs)		
10 Other Financial Assets		
Security deposits	3.41	3.38
	3.41	3.38
11 Other Non-Current Assets		
Unsecured, considered good		
Capital Advances	21.75	10.78
Provision for Doubtful Advances	(5.46)	(10.78)
	16.28	0.00
12 Inventories		
(At cost or NRV Whichever is lower)		
Raw materials	62.66	30.16
Stock-in-Process	1.97	1.36
Finished Products	5.71	11.12
Stores and spares	7.11	6.49
Loose Tools	-	0.52
	77.45	49.65

STANDALONE ACCOUNTS

	As at 31st March, 2022	(` in Crores) As at 31st March, 2021
13 Trade Receivables		
Unsecured		
Considered good	2.47	2.13
	2.47	2.13

2021-22

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2.47		-	-	-	2.47
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

2020-21

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2.13	-	-	-	-	2.13
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

	2022	2021
14 Cash and Cash Equivalents		
Balance with banks:		
- In current account	7.58	3.01
- In Cash Credit Account	-	14.41
Cash In hand	0.00	0.01
Margin Money With Banks for Original maturity of Less than three months		
Cheques In Hand	-	-
Others		
- Fixed Deposits Accounts	102.25	2.82
	109.83	**20.25**
15 Other Bank Balance		
Fixed Deposits (Maturity more than 12 months) with Banks	9.77	4.15
	9.77	4.15
16 Other Financial Assets		
Interest accrued on term deposits	1.18	1.04
	1.18	1.04
17 Other Current Assets		
Advances to vendors	17.70	8.15
Less:Provision for Doubtful Advances	(3.00)	(3.00)
Advances to employees	0.11	0.02
Taxes and duties recoverable	28.28	21.76
Prepaid Expenses	3.27	2.23
Claims Recoverable	0.01	0.01
	46.37	29.17

STANDALONE ACCOUNTS
(` in Crores)

18. Share Capital		As at 31st March, 2022	As at 31st March, 2021
Authorised :			
4,72,00,00,000	(Previous Year - 220,000,000) Equity Shares of ` 1/- each	472.00	472.00
8,00,000	(Previous Year - 800,000) 0.01% Redeemable Preference Shares of ` 100/- each	8.00	8.00
		480.00	480.00
Issued, subscribed & fully paid up:			
34,00,00,000	(Previous Year - 185,268,241) Equity Shares of ` 1/- each	34.00	34.00
		34.00	34.00

a Terms and rights attached to equity shares
The Company has only one class of equity shares having a par value of ` 1/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

b In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets, if any of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

c Reconciliation of number of shares outstanding at the beginning and end of the year :

	(in Crores) Number of Shares	(in Crores) Amount
Outstanding at the 1 April 2020	34.00	18.52
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2021	34.00	18.52
Equity Shares issued during the year in consideration for cash	-	15.48
Outstanding at the 31 March 2022	34.00	34.00

d Shareholders holding more than 5% shares in the company

Name of the Shareholder	As at 31 st March,2022		As at 31st March,2021	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	-	-	-	-
Premier Commercial Corporation	-	-	-	-
Vedanta Limited	339999994	100	339999994	100

		STANDALONE ACCOUNTS (` in Crores)	
		As at 31st March, 2022	As at 31st March, 2021
19	**Other equity**		
a	**Capital Reserves**		
	Balance at the beginning of the year	931.32	4.39
	Addition during the year	-	926.92
	Balance at the end of the year	931.32	931.32
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	192.00	192.00
c	**Retained Earnings**		
	Balance at the beginning of the year	(779.83)	6.59
	Add: Profit for the year after taxation as per statement of Profit and Loss	251.45	(786.42)
		(528.38)	(779.83)
	Total Equity (a+b+c)	594.93	343.48

Nature and purpose of other reserves
Securities premium account
Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

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

Remeasurement of defined benefit plans
Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses.
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

STANDALONE ACCOUNTS

		As at 31st March, 2022	As at 31st March, 2021
			(` in Crores)
20.	**Borrowings**		
	Secured		
	.- From related parties Vedanta	**22.03**	22.03
	.- From Toplight	**-**	0.87
	Non convertible debenture	**50.50**	105.45
		72.53	128.35
21	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences		
	Leave Encashment	**1.78**	1.87
	Other - Mine closure expenses	**1.63**	1.43
		3.41	3.30
22	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	13.27	10.31
	Others	0.97	0.04
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	0.71	0.09
	Current year Unabsorbed Depreciation and Business Loss	-	-
	Mat Credit Entitlement	-	-
	Net Deferred Tax Liabilities / (Assets)	13.53	10.26
	Financial Liabilities		
24	**Borrowings**		
	Current maturities of long-term debts -	55.82	61.68
		55.82	61.68
25	**Trade Payable**		
	Micro Small and Medium Enterprises	5.63	0.63
	Others	33.97	37.51
		39.60	38.14

2021-22

Particulars	**Outstandig for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	5.56	-	-	-	5.56
(ii) Others	33.97	-	-	-	33.97
(iii) Disputed dues – MSME*	0.07	-	-	-	0.07
(iv)Disputed dues - Others	-	-	-	-	-

2020-21

Particulars	**Outstandig for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	0.63	-	-	-	0.63
(ii) Others	37.51	-	-	-	37.51
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

STANDALONE ACCOUNTS
(` in Crores)

	As at 31st March, 2022	As at 31st March, 2021

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 2022	As at 31st March 2021
(i) Principal amount remaining unpaid	5.63	0.63
(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.	-	-

26 Other Financial Liabilities

Security Deposits	5.35	1.44
- Employee Benefits Payable	2.47	1.26
	7.82	2.70

27 Other Current Liabilities

Statutory dues	17.59	1.24
Advance from customers	5.40	0.78
Other payables	17.79	7.44
	40.77	9.46

28 Provisions

Provision for employee benefits		
- Gratuity	-	-
- Incentive	-	0.12
Leave Encashment	0.55	0.97
Others	-	-
	0.55	1.09

29 Current tax liabilities

Provision for Income Tax (Net of advance tax)	80.18	28.43
	80.18	28.43

		STANDALONE ACCOUNTS	(` in Crores)
		Year Ended 31st March, 2022	Year Ended 31st March, 2021
30	**Revenue from Operations**		
	Sale of goods	831.70	497.24
	Other Operating Revenues	1.20	6.06
		832.90	503.30
31	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- on bank deposits	2.99	1.11
	- Others	53.72	28.51
	Scrap sales	2.76	-
	Excess provision/ liability written back	2.21	3.01
	Foreign exchange fluctuations (net)	0.46	0.56
	Miscellaneous Receipts	0.24	0.21
		62.38	33.40
32	**Cost of Materials Consumed**	167.83	159.23
33	**Changes in Inventories of Finished Goods and Work in Process**	4.80	13.65
34	**Employee Benefits Expense**		
	Salaries and wages	27.66	22.17
	Contribution to provident and other funds	1.65	1.76
	Staff Gratuity and Superannuation	0.63	0.75
	Staff welfare expenses	4.33	3.59
	Director's Remuneration	-	(3.36)
		34.28	24.91
35	**Finance Cost**		
	Interest on loans	12.30	(0.77)
	Other borrowing costs	2.86	(5.12)
		15.16	(5.89)
36	**Depreciation and Amortisation Expense**		
	Depreciation on tangible assets	6.32	2.64
	Amortisation on intangible assets	1.11	0.89
		7.43	3.53
37	**Other Expenses**		
	Mining Handling & Other Production expenses	17.21	21.55
	Power and fuel	163.37	144.29
	Royalty	63.92	22.28
	Repairs and maintenance:		
	- Buildings	3.69	2.69
	- Plant and machinery	5.26	8.13
	.-.Furniture, Equpment and Others	0.72	0.56
	Freight, Shipment & Sales Expenses	8.34	12.47
	Stores & Spares	27.26	1.84
	Work Expenses *	38.42	18.95
	Transportation and other expenses	1.02	1.38
	Rent	0.17	0.81
	Insurance	1.31	0.23

	STANDALONE ACCOUNTS	(` in Crores)
	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Rates and Taxes	0.56	0.73
Taxi Hire charges	0.20	0.11
Travelling expenses	0.52	0.24
Sundry balances Written off	0.32	-
Provision for Doubtful advances	(5.32)	8.52
Commission and Brokerage on Sales	-	1.72
Payment to auditors	0.13	0.07
Directors' sitting fees	0.04	0.03
Provision for Slowing Moving Inventory	-	0.18
	327.14	246.78
Exceptional Items		
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	(0.32)	(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)
	(0.32)	(847.25)

37.1	**Payment to Auditor as:**		
	Statutory Auditor		
	Audit Fees	0.06	0.05
	Tax Audit Fees	0.01	-
	Certification and Consultation Fees	0.01	-
	Reimbursement of Expenses	0.00	-
		0.08	0.05
	Cost Auditor		
	Cost Audit Fees	0.01	0.01
	Management Services	0.01	0.01
	Certification and Consultation Fees	-	-
	Reimbursement of Expenses		-
		0.02	0.02
		0.10	0.07

37.2 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 ` 0.84 Crs (Previous Year ` 0.48 Crs).

(b) Expenditure related to Corporate Social Responsibilities incurred is ` 1.14 Crs (Previous Year ` 0.58 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	1.14	-	1.14

38 Income Tax

38.1	**Income Tax Expenses**		
	Current Tax Expenses		
	Current year	81.71	31.78
	Adjustment for previous Year	-	0.06
		81.71	31.84
	Deferred Tax Expenses		
	Change in recognised temporary differences	3.28	4.48
	Total Tax Expenses	84.99	36.32

		STANDALONE ACCOUNTS	
			(` in Crores)
		Year Ended 31st March, 2022	Year Ended 31st March, 2021
38.2	**Reconciliation of effective tax rate**		
	Profit/(loss) before tax	338.32	(752.76)
	Applicable tax rate	0.25	0.34944
	Computed Tax Expenses	85.15	(263.04)
	Tax Effect of:		
	Dividend being exempt from tax	-	-
	Others tax adjustment	(0.15)	3.24
	Tax Expenses recognised in profit and loss	84.99	(259.80)
	Effective Tax Rate	0.25	0.35
39	**Earning per Share**		
	Profit/ (loss) for the period	253.32	(789.08)
	Weighted average number of equity shares of ` 1/- each	34.00	34.00
	EPS - Basic and Diluted	7.45	(23.21)

40 Contingent liabilities, contingent assets and commitments

A Contingent Liabilities

a. Claims against the Company not acknowledged as debts, since disputed `0.32 Crores (Previous Year ` 447.68 Crores). Amounts paid under protest `0.22 Crores (Previous Year ` 15.85 Crores) have been debited to Advance Account.

B Capital And Other Commitments

Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ` 54 Crores (Previous Year ` 41.59 Crores).

C Contingent Assets

The company has no contingent asset as on 31 March 2022 and 31 March 2021.

41 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:

(` in Crores)

Area	For the year ended 31 March 2022	For the year ended 31 March 2021
Outside India (Includes Deemed Export)	331.36	294.28
Domestic	500.33	202.95

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:

(` in Crores)

External Customers	For the year ended 31 March 2022	For the year ended 31 March 2021
POSCO		116.45
Mortex	97.90	83.95
SAIL- SALEM STEEL PLANT	89.91	
Rimjhim Ispat Ltd		75.82

42 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 has reviewed the expansion project and initiated installing 33MVA furnace

43 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 (-Defered consideration') on the terms and conditions rnentioned in the Resolution Plan.As per the Resolution Plan, Non convertible debentures has to be paid in four equal instalments, second being due on 31st March 2022.Accordingly the company has made payment of the second instalment amount to the financial creditors directly to there accounts amounting to Rs.70.39 crores and to working capital lenders of the company in escrow account amounting to Rs.1.24 crores pursuant to the mutual agreement entered into with the working capital lenders.

44 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

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

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 Vedanta Limited- Holding
2 Hindustan Zinc Limited
3 ESL Steel Limited
4 Bharat Aluminium Company Ltd
5 Vedanta Ltd Sesa Iron Ore
6 Vedanta Zinc International
7 Talwandi Sabo Power Limited
8 Vedanta Limited - Sterlite Copper

II. Transactions with Related Parties during the year ended 31-03-2022 in the ordinary course of business.

(` in Crores)

	Particulars	With Subsidiary Companies		Other Entities with whom transactions taken place	
		2021-22	2020-21	2021-22	2020-21
i)	Purchase of Goods	146.50	134.88		-
ii)	Sale of Goods		-	6.69	0.89
iii)	Interest paid /accrued and not paid		-	2.35	1.22
iv)	Interest received/receivable	53.65	28.08		-
v)	Lease Rent	0.00	0.00		-
vi)	Reimbursement of Expenses	0.01	0.83	7.29	1.69
vii)	Long Term Borrowings		-	22.03	22.03
viii)	Advance for Rawmaterials				-
ix)	Sitting Fee and Commission paid to Directors			0.43	
x)	Loans Given		1,203.95		-
	Balances outstanding at the year end				
	a) Trade Payable		17.88		-
	b) Long Term Borrowings		-	22.03	22.03
	c) Other Current Liabilities	0.03	-	8.99	0.13
	d) Trade Receivable	1.24			
	e) Other Financial Assets	1,229.92	1,203.95		-
	f) Other Current Assets	53.65	25.97	1.55	0.43

(` in Crores)

S. No.	Particulars		Relationship	2021-22	2020-21
1	**Purchase Of Goods**				
	Sesa Resources Ltd		Others	0.12	
	Vedanta Ltd Sesa Iron Ore		Others	0.08	
	Facor Power Limited		Subsidiary	146.31	134.88
		Total		146.51	134.88
2	**Sale of Goods**				
	ESL Steels Limited		Others	6.69	0.89
		Total		6.69	0.89
3	**Interest Paid/accrued and not paid**				
	Vedanta Limited		Holding Company	2.35	1.22
		Total		2.35	1.22
4	**Interest received/receivable**				
	Facor Power Limited		Subsidiary	53.65	28.08
		Total		53.65	28.08
5	**Lease Rent**				
	Facor Power Limited		Subsidiary	0.00	0.00
		Total		0.00	0.00
6	**Sale of Asset**				
	Vedanta Ltd Sesa Iron Ore			0.00	
	Facor Power Limited		Subsidiary	0.00	
		Total		0.01	-
7	**Reimbursement of Expenses (Goods/ services rendered))**				
	Facor Power Limited		Subsidiary	0.72	0.83
	Facor Realty And Infrastructure Limited		Subsidiary	0.00	
	Vedanta Limited		Holding Company	0.28	1.56
	Bharat Aluminium Company Ltd		Others	0.03	
	Vedanta Ltd Sesa Iron Ore		Others	0.12	
	Talwandi Sabo Power Limited		Others	0.07	
	Vedanta Limited - Sterlite Cooper		Others	0.04	
	ESL steel Limited		Others	0.02	
	Hindustan Zinc Limited		Others	0.40	0.13
		Total		1.69	2.52

FERRO ALLOYS CORPORATION LIMITED.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

8	**Reimbursement of Expenses (Goods/ services Received)**				
	Bharat Aluminium Company Ltd		Others	0.02	
	Vedanta Limited		Holding Company	6.24	
	Vedanta Ltd Sesa Iron Ore		Others	1.95	
	Vedanta zinc International		Others	0.05	
	Talwandi Sabo Power Limited		Others	0.03	
	Vedanta Limited - Sterlite Cooper		Others	0.46	
	ESL steel Limited		Others	0.01	
	Hindustan Zinc Limited		Others	0.19	
	Superannuation to employees			0.14	
	Subscription of FIMMI			0.05	
		Total		9.13	-
7	**Sitting Fee and Commission paid to Directors**				
	Commission			0.39	
	Sitting Fees			0.04	
		Total		0.43	-
8	Long Term Borrowings				
	Vedanta Limited		Holding Company	22.03	22.03
		Total		22.03	22.03
9	Advance for Rawmaterials				
	Vedanta Limited		Holding Company		28.00
	Vedanta Limited		Holding Company		(28.00)
		Total		-	-
10	Loans Given (net)				
	Facor Power Limited		Subsidiary	1,203.95	1,206.24
	Facor Power Limited		Subsidiary		(2.30)
		Total		1,203.95	1,203.95
11	Balances Outstanding at the year end				
	(A) Trade Payables				
	Facor Power Limited		Subsidiary		17.88
		Total		-	17.88
	(B) Long Term Borrowings				
	Vedanta Limited		Holding Company	22.03	22.03
		Total		22.03	22.03
	(C) Other Current Liabilities				
	Vedanta Limited			8.02	
	Vedanta Ltd Sesa Iron Ore			0.91	
	Vedanta Limited - Sterlite Copper			0.06	
	Hindustan Zinc Limited		Others	-	0.13
	Vedanta Limited - Cairn Oil & Gas			0.00	
	Facor Realty And Infrastructure Limited		Subsidiary	0.03	
		Total		9.03	0.13
	(D) Receivables				
	Facor Power Limited		Subsidiary	1.24	
		Total		1.24	-
	(E) Other Financial Assets				
	Facor Power Limited		Subsidiary	1,203.95	1,203.95
		Total		1,203.95	1,203.95
	(F) Other Current Assets				
	Vedanta Limited		Holding Company		0.43
	ESL steel Limited		Others	1.55	
	Facor Power Limited		Subsidiary	74.26	25.97
		Total		75.81	26.40

47 Employee Benefits

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

Defined Contribution Plans:

Amount of ` 1.79 Crores (Previous Year ` 2.00 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 2022. 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-22	31-Mar-21	31-Mar-20
(a) Net Defined Benefit Liability (Refer Note 21 & 28)			
Liability for Gratuity	(0.01)	(2.50)	0.93
Liability for PL Encashment	2.33	2.84	3.25
Total Employee Benefit Liability	**2.32**	**0.35**	**4.18**
Non-Current	1.78	1.87	2.06
Current	0.54	-1.52	2.12

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

	Gratuity		PL Encashment	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Present value of Defined Benefit Obligation at the beginning of the	10.61	16.90	2.84	3.25
Interest Cost	0.73	1.12	0.20	0.22
Current Service Cost	0.52	0.52	0.46	0.48
Actuarial Losses/(Gains)	1.94	(4.10)	0.01	(0.02)
Benefits Paid	(4.24)	(3.83)	(1.17)	(1.07)
Present value of Defined Benefit Obligation at the close of the year	**9.57**	**10.61**	**2.33**	**2.84**

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

	Gratuity		PL Encashment	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Fair Value of Plan Assets at the beginning of the year	13.10	15.97	-	-
Add : Expected Return on Plan Assets	0.90	0.95	-	-
Add/(Less) : Actuarial Gains/(Losses)	(0.19)	-	-	-
Add : Contributions	-	0.01	-	-
Less : Benefits Paid	(4.24)	(3.83)	-	-
Fair Value of Plan Assets at the close of the year	**9.58**	**13.10**	**0.00**	**0.00**

(C) Amount Recognised in the Balance Sheet (` In Crores)

	Gratuity			PL Encashment		
Particulars	**2021-22**	**2020-21**	**2019-20**	**2021-22**	**2020-21**	**2019-20**
Present Value of Defined Benefit Obligation	9.57	10.61	16.90	2.33	2.84	3.25
Less : Fair Value of Plan Assets	9.58	13.10	15.96	-	-	-
Present Value of unfunded obligation	**-0.01**	**-2.50**	**0.93**	**2.33**	**2.84**	**3.25**

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

	Gratuity		PL Encashment	
Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
In Income Statement				
Current Service Cost	0.52	0.52	0.46	0.48
Interest Cost/(Income)	(0.17)	0.06	0.20	0.22
	0.35	**0.58**	**0.65**	**0.69**
In Other Comprehensive Income				
Net actuarial loss/(gain)	2.13	(3.99)	0.01	(0.02)
	2.13	**(3.99)**	**0.01**	**(0.02)**

(E) Investment Details:

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

(F) Actuarial Assumptions as at the Balance Sheet date

Particulars	**2021-22**	**2020-21**	**2019-20**
Discount Rate	7.14%	6.90%	6.63%
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 2021-22

(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 2022**		**As at 31 March 2021**	
	Increase	**Decrease**	**Increase**	**Decrease**
Change in discounting rate (delta effect of +/- 0.5%)	(0.17)	0.17	(0.12)	0.13
Change in rate of salary increase (delta effect of +/- 0.5%)	0.18	(0.17)	0.13	(0.13)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

48 Financial Instruments – Fair Values and Risk Management

I. Fair Value Measurements

A. Financial instruments by category*

(` In Crores)

	As at 31 March 2022		As at 31 March 2021	
	FVOCI	Amortised Cost	FVOCI	Amortised Cost
Financial assets				
Non-current investments	0.37	0.01	0.10	0.01
Other non-current financial assets	-	443.06	-	389.11
Current investments	-	-	-	-
Trade receivables	-	2.47	-	2.13
Cash and cash equivalents	-	109.83	-	20.25
Other current financial assets	-	1.18	-	1.04
	0.37	**556.54**	**0.10**	**412.54**
*Exclude financial instruments measured at cost				
Financial liabilities				
Non-current financial liabilities				
Borrowings	-	72.53	-	128.35
Current financial liabilities				
Trade payables		39.61	-	38.15
Other financial liabilities		63.64	-	64.80
	-	**175.78**	**-**	**231.30**

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 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Investments at FVOCI				
Investments				
Equity Shares	0.37			**0.37**
Total Financial Assets	**0.37**	**-**	**-**	**0.37**

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

	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-Current Investments	-	-	0.01	0.01
Other Non-Current Financial Assets	-	-	443.06	443.06
Current investments	-	-	-	-
Trade Receivables	-	-	2.47	2.47
Cash and Cash Equivalents	-	-	109.83	109.83
Other Current Financial Assets	-	-	1.18	1.18
Total Financial Assets	**-**	**-**	**556.54**	**556.54**
Financial Liabilities				
Borrowings	-	-	72.53	72.53
Trade Payables	-	-	39.61	39.61
Other Financial Liabilities	-	-	63.64	63.64
Total Financial Liabilities	**-**	**-**	**175.78**	**175.78**

(` In Crores)

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

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

	As at 31 March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Non-Current Investments	-	-	0.01	0.01
Other Non-Current Financial Assets	-	-	389.11	389.11
Current investments	-	-	-	0
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	64.8
Total Financial Liabilities	**-**	**-**	**231.30**	**231.30**

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 2022		As at 31 March 2021	
	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	443.06	443.06	389.11	389.11
Current investments	-	-	-	-
Trade Receivables	2.47	2.47	2.13	2.13
Cash and Cash Equivalents	109.83	109.83	20.25	20.25
Other Current Financial Assets	1.18	1.18	1.04	1.04
	556.54	**556.54**	**412.54**	**412.54**
Financial Liabilities				
Borrowings	72.53	72.53	128.35	128.35
Trade Payables	39.61	39.61	38.15	38.15
Other Financial Liabilities	63.64	63.64	64.80	64.80
	175.78	**175.78**	**231.30**	**231.30**

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 owning 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.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 ` 2.47 Crores (31 March 2021 ` 2.13 Crores.)
During the period, the Company has writen-off trade receivables Amounting to Rs.0.08 Crores. 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 2022

(b) Maturities of Financial Liabilities (` In Crores)

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 2022	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	72.53	72.53		50.50	22.03	-
Trade payables	39.61	39.61	39.61			-
Other financial liabilities	63.64	63.64	55.82			-
Total non-derivative liabilities	**175.78**	**175.78**	**95.43**	**50.50**	**22.03**	**-**

	Carrying Amounts 31 March 2021	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Borrowings	128.35	128.35	-	106.32	22.03	-
Trade payables	38.15	38.15	38.15	-	-	-
Other financial liabilities	64.80	64.80	64.80	-	-	-
Total non-derivative liabilities	**231.30**	**231.30**	**102.95**	**106.32**	**22.03**	**-**

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) Equity 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 2022	As at 31 March 2021
	USD	USD
Financial Asset		
Trade Receivables	5,060.45	0.00
Net exposure to foreign currency risk(assets)	**5,060.45**	**0.00**
Trade Payables	17,621.37	-
Net statement of financial position exposure	**17,621.37**	**-**

Sensitivity analysis

A resonably 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 2022				
5% movement				
USD	(628.05)	628.05	(628.05)	628.05
31 March 2021				
5% movement				
USD	0.00	(0.00)	0.00	(0.00)

c) 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 in minimal and hence no sensitivity analysis is presented.

49 **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.

50 The figures for the corresponding previous year has been regrouped / reclassified wherever necessary to confirm this years classification.

As per our report of even date attached,

For and on behalf of the Board,

C.A. ASHWIN MANKESHWAR
Partner
(Membership No.046219)
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 06675433)

Place : Bhadrak
Date : 18.04.2022

SAMBIT SARANGI
Company Secretary