

DEL/SEC/119
23rd November, 2016

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

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

Dear Sir,

SCRIP CODE : 500141

**Re: Submission of copy of Annual Report of the Company for the
Financial year 2015-2016 under Clause 34 of the Listing Agreement.**

Pursuant to the Provisions of Clause 34 of the Listing Agreement, please find enclosed herewith signed copy of Annual Report [Standalone Accounts and Consolidated Accounts of the Company for the financial year 2015-2016

We are also enclosed herewith copy of Form "A" duly signed by Managing Director, CFO, Auditor of the Company and Audit Committee Chairman.

We regret for the delay in submission of Annual report caused due to inadvertence.

Thanking you,

Yours faithfully,
For Ferro Alloys Corporation Ltd.,

Ritesh Chaudhry
Sr. General Manager [Legal] &
Company Secretary

Encl: As above

FERRO ALLOYS CORPORATION LIMITED

CIN No. L45201OR1955PLC008400

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

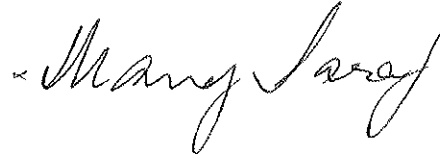
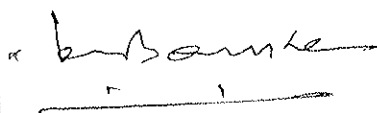
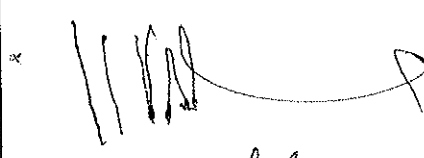
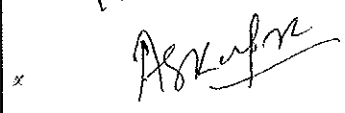
Regd. office & Works : D. P. Nagar. Randia-756 335. Dist. Bhadrak, Orissa, India • T +91-6784-240 230 • F +91-6784-240 626 • E.: facorccp@facorccp.in

Head Office : Shveeram Bhawan, TUMSAR - 441 912. Dist. Bhandara, Maharashtra, India • T+91-7183-232233. & 233090 • F+91-7183-232271 • E.: facorho@facorgroup.in

www.facorgroup.in



FORM A (for audit report with unmodified opinion)

1.	Name of the company	Ferro Alloys Corporation Limited
2.	Annual financial statements for the year ended	31 st March, 2016
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period - Not applicable -
5.	To be signed by- • Managing Director • CFO • Auditor of the company • Audit Committee Chairman	 x  x  x  x 

Date : 27th May, 2016
Place: Noida

FERRO ALLOYS CORPORATION LIMITED

CIN No. L45201OR1955PLC008400

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CONFIDENTIAL

FERRO
ALLOYS
CORPORATION
LIMITED



SIXTIETH
ANNUAL REPORT
2015-16



FERRO ALLOYS CORPORATION LIMITED



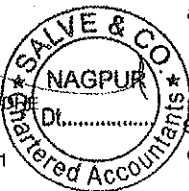
	Note Nos.	STANDALONE ACCOUNTS (₹ In lacs)	
		As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,852.68	1,852.68
Reserves and Surplus	3	23,693.10	24,006.23
		25,445.86	25,858.91
Non-Current Liabilities			
Long-Term Borrowings	4	3,024.05	3,194.89
Deferred Tax Liabilities (Net)	14	-	216.36
Other Long-Term Liabilities	5	218.65	218.65
Long-Term Provisions	6	1,439.58	1,544.46
		4,683.18	5,174.36
Current Liabilities			
Short-Term Borrowings	7	4,776.26	4,929.81
Trade Payables			
a) Outstanding dues of micro and small enterprises	8	4.24	18.64
b) Outstanding dues of creditors other than micro and small enterprises	8	7,311.80	5,179.41
Other Current Liabilities	9	4,205.61	6,460.36
Short-Term Provisions	10	156.59	531.67
		16,454.49	17,119.89
TOTAL		46,683.53	48,153.16
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets			
Capital Work-in-Progress	11	9,824.18	8,716.31
	11	965.99	1,480.43
		10,790.17	10,196.74
Non-Current Investments	12	21,918.21	21,920.52
Long-Term Loans and Advances	13	1,184.45	1,185.01
Deferred Tax Assets (Net)	14	160.63	-
		34,053.46	33,302.27
Current Assets			
Inventories	15	6,888.41	8,677.00
Trade Receivables	16	1,452.64	1,535.51
Cash and Bank Balances	17	295.12	193.06
Short-Term Loans and Advances	18	3,831.35	4,359.78
Other Current Assets	19	62.55	85.54
		12,530.07	14,850.89
TOTAL		46,683.53	48,153.16

Significant Accounting Policies
Notes on Financial Statements

1
2 to 42

As per our report of even date attached,
For SALVE & CO.
Chartered Accountants
(Regn. No. 109803W)

C.A. K.P. SAHASRABUDHE
Partner
Membership No. 007021



O.P. BANKA
Director (Finance)
& CFO
RITESH CHAUDHRY
Sr. General Manager (Legal) &
Company Secretary

For and on behalf of the Board,

MANOJ SARAF
Managing Director

ROHIT SARAF
Joint Managing Director

Noida, UP : 27th May, 2016

Noida, UP : 27th May, 2016



	Note Nos.	STANDALONE ACCOUNTS (₹ in lacs)	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
INCOME			
Revenue from Operations	20	56,933.35	60,270.10
Other Income	21	567.89	346.33
Total Revenue		57,501.24	60,616.51
EXPENSES :			
Cost of Materials Consumed	22	22,944.48	23,602.08
Changes in Inventories of Finished Goods and Stock-in-Process	23	2,716.67	(1,240.03)
Employee Benefits Expense	24	4,224.05	4,340.71
Finance Costs	25	1,788.61	1,654.81
Depreciation and Amortisation Expense	26	467.66	495.63
Other Expenses	27	26,149.46	29,307.22
Total Expenses		58,290.93	58,160.40
Profit/(Loss) Before Tax		(789.69)	2,456.11
Tax Expenses			
Current Tax		-	580.84
Tax for Earlier Years		0.35	(101.83)
Deferred tax		(376.99)	70.59
		(376.64)	549.60
Profit/(Loss) for the year		(413.05)	1,906.51
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹)	28	(0.22)	1.03
Significant Accounting Policies			
Notes on Financial Statements	1 2 to 42		

As per our report of even date attached,
For SALVE & CO.
Chartered Accountants
(Regn.No.109003W)

C.A. K.P.SAHASRABUDHE
Partner
Membership No.0070

Noida, UP : 27th May, 2016

O.P. BANKA
Director (Finance)
& CFO

RITESH CHAUDHRY
Sr.General Manager (Legal) &
Company Secretary

Noida, UP : 27th May, 2016

For and on behalf of the Board,

MANOJ SARAF
Managing Director

ROHIT SARAF
Joint Managing Director



Cash Flow Statement for the year ended 31st March, 2016

	STANDALONE ACCOUNTS	
	2015-16	2014-15
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	(789.69)	2,496.11
Adjustment for:		
Depreciation	524.96	552.41
Exchange difference on translation (Net)	1.05	4.58
Interest and Dividend Income	(78.57)	(138.06)
Finance Costs	1,788.61	1,654.81
Profit/Loss on Sale of Fixed Assets (Net)	1.60	(12.04)
	<u>2,237.65</u>	<u>2,061.70</u>
Operating Profit before Working Capital Changes	1,447.96	4,517.81
Adjustment for:		
Trade and Other Receivables	537.92	3,746.69
Inventories	1,788.59	(574.00)
Trade Payables	(266.47)	(560.13)
Others	8.69	(39.92)
	<u>2,068.73</u>	<u>2,572.64</u>
Cash Generated from Operations	3,516.69	7,090.45
Direct Taxes Paid/Adjusted	(301.08)	(93.56)
	<u>(301.08)</u>	<u>(93.56)</u>
Net Cash Flow from Operating Activities	<u>3,215.61</u>	<u>6,996.89</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,125.95)	(1,037.14)
Sale of Fixed Assets	5.96	22.67
Purchase of Investments	0.01	(3,191.92)
Sale of Investments	2.31	5.00
Interest and Dividend Income	104.83	168.98
	<u>(1,012.84)</u>	<u>(4,032.41)</u>
Net Cash Flow (used in) /from Investing Activities		
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long and Short Term Borrowings	(321.09)	(1,216.59)
Finance Costs Paid	(1,761.47)	(1,687.32)
Dividend/Corporate Tax on Dividend Paid	(9.46)	(4.44)
	<u>(2,092.02)</u>	<u>(2,908.35)</u>
Net Cash Flow (used in)/from Financing Activities		
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>110.75</u>	<u>56.13</u>
Opening Balance of Cash and Cash Equivalents	133.97	77.84
Closing Balance of Cash and Cash Equivalents	<u>244.72</u>	<u>133.97</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>110.75</u>	<u>56.13</u>

As per our report of even date attached,
For SALVE & CO.
Chartered Accountants
(Regn. No. 109003W)

O.A. K.P. SAHASRABUDHE
Partner
Membership No.007021



Noida, UP : 27th May, 2016

O.P. BANKA
Director (Finance)
& CFO

RITESH CHAUDHRY
Sr. General Manager (Legal) &
Company Secretary

Noida, UP : 27th May, 2016

For and on behalf of the Board,
MANOJ SARAF
Managing Director

ROHIT SARAF
Joint Managing Director



1. SIGNIFICANT ACCOUNTING POLICIES

STANDALONE ACCOUNTS

(a) Corporate Information

Ferro Alloys Corporation Limited (FACOR) was incorporated in 1955. The Company is listed at Bombay Stock Exchange. It is one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel. FACOR is also engaged in Chrome Ore exploration, mining and beneficiation in the state of Odisha. Chrome Ore is one of the main raw material for producing Charge Chrome / High Carbon Ferro Chrome. Facor is having about 86% stake in Facor Power Ltd. which is engaged in the generation of power.

(b) Basis of Preparation of Financial Statements

These accounts have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, as adopted consistently by the Company.

(c) Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles, which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/materialized.

(d) Fixed Assets :

All fixed assets are valued at cost net of recoverable taxes less depreciation. Roll-over charges on forward exchange contracts and loss or gain on conversion of foreign currency liabilities for acquisition of fixed assets are added to or deducted from the cost of fixed assets.

(e) Intangible asset :

Intangible asset acquired separately are measured at cost less amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful life.

(f) Depreciation :

The charge in respect of depreciation on tangible assets acquired prior to 01.04.2014 is provided on different fixed assets on the basis of 'straight line method' and 'written down value method' over the useful lives 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. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

However, the useful life of the assets acquired on or after 1st April, 2014, is in accordance with the useful lives as prescribed for those assets in Part C of Schedule II of the Companies Act, 2013.

(g) Foreign Exchange Transactions :

- (i) Transactions in foreign exchange are translated to Indian Rupees at the rate of exchange ruling on the date of transaction.
- (ii) All foreign currency liabilities related to acquisition of Fixed Assets remaining unsettled at the end of the year are converted at contract rates, where covered by foreign exchange contracts and at year end rates in other cases and the difference in translation is adjusted in the carrying cost of such assets.
- (iii) Other outstanding foreign currency liabilities and receivables are translated at the year end rates and the difference in translation is recognized in the Statement of Profit and Loss.

(h) Investments :

Current Investments are carried at lower of cost and quoted/fair value.

Long term investments are stated at cost and provision for diminution is made, if such diminution is other than temporary in nature.

(i) Current Assets :

Finished Goods and Stock-in-Process are valued at cost or net realisable value whichever is lower. Other inventories are valued at cost. All other items of current assets are stated after provisions for any diminution in value.



STANDALONE ACCOUNTS

(j) Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales comprise sale of goods and services, conversion charges, inter-unit transfers and exports. Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive is established.

(k) Employee Benefits :

- (a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (b) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

(l) Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(m) Provision for Current and deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

(n) Contingent liabilities :

Contingent Liabilities are not recognised but are disclosed in the notes.



2. SHARE CAPITAL	STANDALONE ACCOUNTS (₹ In lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Authorised Share Capital: 220,000,000 (Previous Year - 220,000,000) Equity Shares of ₹ 1/- each	2200.00	2200.00
800,000 (Previous Year - 800,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	800.00	800.00
TOTAL	3000.00	3000.00
Issued, Subscribed and Paid up: 185,268,241 (Previous Year - 185,268,241) Equity Shares of ₹ 1/- each fully paid up	1852.68	1852.68
TOTAL	1852.68	1852.68

2.1 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Raj Bahadur Shreeeram and Company Private Limited	69,448,883	37.49%	69,448,883	37.49%
Premier Commercial Corporation	15,672,291	8.46%	15,672,291	8.46%

2.2 The reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at	As at
	31st March, 2016	31st March, 2015
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	185,268,241	185,268,241
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	185,268,241	185,268,241

2.3 Terms/rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. The Equity Shares have equal rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013



3. RESERVES AND SURPLUS	STANDALONE ACCOUNTS (₹ In lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Capital Reserve		
Balance as at the beginning and end of the year	439.24	439.24
General Reserve:		
Balance as per last Balance Sheet	19,200.00	17,100.00
Add : Transferred from Statement of Profit and Loss	-	2,100.00
	19,200.00	19,200.00
Statement of Profit and Loss		
Balance as at the beginning of the year	4,366.99	4,560.38
Add: Profit/(Loss) for the year	(413.05)	1,906.61
	3,953.94	6,466.99
Less : Appropriations		
Transferred to General Reserve	-	2,100.00
	3,953.94	4,366.99
TOTAL	23,593.18	24,006.23
4. LONG-TERM BORROWINGS		
Secured		
From Banks : Rupee Term Loan Account (Refer Note 4.1)		82.24
		265.61
Unsecured		
From related parties	1,582.71	1,594.71
Others (Refer Note 4.2)	1,360.00	1,330.00
	2,942.71	2,924.71
Deferred payment liabilities	-	4.57
	2,942.71	2,929.28
TOTAL	3,024.95	3,194.89

4.1 - Secured by hypothecation of Metal Recovery Plant and second pari-passu charge on other fixed assets of the company and guaranteed by two directors.

- Terms of repayment : Payable in equal quarterly instalments.

4.2 Terms of repayment : Payable after 31st March, 2017



		STANDALONE ACCOUNTS	
		(₹ in lacs)	
		As at 31st March, 2016	As at 31st March, 2015
5. OTHER LONG-TERM LIABILITIES		218.65	218.65
	TOTAL	218.65	218.65
6. LONG-TERM PROVISIONS			
Provision for Employee Benefits: P.L.Encashment (Unfunded)		272.23	294.10
Others		1,167.35	1,250.36
	TOTAL	1,439.58	1,544.46
7. SHORT-TERM BORROWINGS			
From Banks : (Secured)			
Cash Credit / Packing Credit Accounts	} (Refer Note 7.1)	4,200.12	4,100.80
Bills Discounted		576.13	829.01
	TOTAL	4,776.25	4,929.81
7.1	Secured by hypothecation of stocks of raw-materials, finished products, book debts, and other receivables and by way of second charge on fixed assets of the Company by deposit of title deeds in respect of immovable properties and guaranteed by two Directors.		
8. TRADE PAYABLES			
Trade Payables			
a) Outstanding dues of micro and small enterprises		4.24	18.64
b) Outstanding dues of creditors other than micro and small enterprises		7,311.80	5,179.41
	TOTAL	7,316.04	5,198.05

FERRO ALLOYS CORPORATION LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016



SIXTIETH
ANNUAL REPORT
2015-16

	STANDALONE ACCOUNTS (₹ in lacs)	
	As at 31st March, 2016	As at 31st March, 2015
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debts - Rupee Term Loan from Banks	502.84	1,951.58
Interest accrued but not due on borrowings	16.95	0.12
Interest accrued and due on borrowings	28.76	31.17
Unpaid dividends	4.42	13.08
Other Payables *	3,572.64	4,463.61
TOTAL	4,205.61	6,460.36
* Includes statutory dues, security deposits and advance from customers.		
10. SHORT-TERM PROVISIONS		
Provision for Employee Benefits: P.L.Encashment (Unfunded)	139.92	149.93
For Taxation	16.67	381.74
TOTAL	156.59	531.67



11. FIXED ASSETS

Particulars	Gross Block at Cost			Depreciation			Net Block	Net Block
	As at 1.04.2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2016	Upto 1.04.2015	For the Year		
(I) Tangible Assets								
Land leased	17.39	-	-	17.39	-	-	17.39	17.39
Land Freehold	2,548.91	-	-	2,548.91	-	-	2,548.91	2,548.91
Buildings	4,229.65	237.20	-	4,466.85	1,852.98	116.33	2,497.54	2,376.67
Roads and Drains	493.72	-	-	493.72	207.96	29.24	256.52	285.76
Railway Sidings	86.58	-	-	86.58	82.25	-	4.33	4.33
Plant and Machines	9,258.00	1,355.92	1.85	10,612.07	6,440.40	261.87	3,911.61	2,817.60
Office and Other Equipments	682.25	40.12	1.85	720.52	414.30	42.09	265.33	267.95
Furniture and Fixtures	287.06	7.15	0.21	294.00	167.97	15.10	111.13	119.09
Vehicles	951.29	-	29.79	921.50	672.68	60.33	211.42	278.61
Previous Year	18,554.85	1,640.39	33.70	20,161.54	9,838.54	524.96	9,824.18	
	18,027.34	579.75	52.24	18,554.85	9,343.39	536.76	41.61	9,838.54
(II) Intangible Assets								
Goodwill	5,344.39	-	-	5,344.39	5,344.39	-	-	5,344.39
Previous Year	5,344.39	-	-	5,344.39	5,328.74	15.65	-	5,344.39
Capital Work-In-Progress							965.99	1,480.43
Total:							10,790.17	10,196.74



12. NON-CURRENT INVESTMENTS

STANDALONE ACCOUNTS
(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
Trade Investments : (At Cost)		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
198,059,930 (Previous Year - 19,80,60,000) Facor Power Limited of ₹ 10/- each	20,614.20	20,614.21
100,000 (Previous Year - 100,000) Facor Realty & Infrastructure Ltd. of ₹ 10/- each	10.00	10.00
200,001 (Previous Year 2,00,001) Facor Energy Ltd. of GBP 1 each	182.05	182.05
	<u>20,806.25</u>	<u>20,806.26</u>
In 15% Cumulative Redeemable Preference Shares of Subsidiary Company - Unquoted, fully paid up		
1,100,000 (Previous Year : 1,1,00,000) Facor Power Ltd. of ₹ 100/- each	1,100.00	1,100.00
In Equity Shares of Associate Company- Unquoted, fully paid up		
466,164 (Previous Year - 466,164) Boula Platinum Mining Pvt. Ltd.	4.66	4.66
In Equity Shares of Other Companies- Quoted, fully paid up		
500,000 (Previous Year - 500,000) Facor Alloys Limited of ₹ 1/- each	6.00	5.00
In Government Securities : Unquoted		
5 Years National Savings Certificates	0.20	0.20
6 Years National Savings Certificates	2.05	4.35
7 Years National Savings Certificates	0.05	0.05
Deposited with Government/Semi Government Authorities as Security Deposit.	2.30	4.60
TOTAL	<u>21,918.21</u>	<u>21,920.52</u>
Aggregate cost of Quoted Investments	5.00	5.00
Market Value of Quoted Investments	4.00	4.40
Aggregate amount of Unquoted Investments	21,913.21	21,915.52



13. LONG-TERM LOANS AND ADVANCES (Unsecured and Considered Good)	STANDALONE ACCOUNTS (₹ In lacs)	
	As at 31st March, 2016	As at 31st March, 2015
Capital Advance	321.30	323.35
Security Deposits	863.15	061.66
TOTAL	1,184.45	1,185.01
14. DEFERRED TAX ASSETS/ (LIABILITIES) (NET)		
Deferred Tax Liabilities:		
Difference between Book and Income Tax depreciation	760.28	518.62
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	265.32	302.26
Unabsorbed Depreciation and Unabsorbed Business Loss	655.59	-
	920.91	302.26
Net Deferred Tax Assets /(Liabilities)	160.63	(216.36)
15. INVENTORIES (As per Inventory taken, valued and as certified by the Management) (At cost unless otherwise stated)		
Raw Materials (includes in transit ₹ 9.39 lacs, Previous Year ₹ 32.20 lacs)	3,237.88	2,396.83
Stock-in-Process (At Cost or Net realisable value whichever is lower)	139.58	219.28
Finished Goods (At Cost or Net realisable value whichever is lower)	3,026.12	5,663.09
Stores and Spare Parts (includes in transit ₹ Nil, Previous Year ₹ 22.31 lacs)	441.04	350.76
Loose Tools	43.79	39.04
TOTAL	6,888.41	8,677.00
16. TRADE RECEIVABLES (Unsecured and Considered Good)		
Over six months	50.14	42.43
Others	1,402.50	1,493.08
TOTAL	1,452.64	1,535.51



17. CASH AND BANK BALANCES	STANDALONE ACCOUNTS (₹ in lacs)	
	As at 31st March, 2016	As at 31st March, 2015
CASH AND CASH EQUIVALENTS		
Cash in hand	19.25	14.89
Cheques in hand	0.20	-
With Scheduled Banks:		
In Current Accounts	225.27	119.08
In Current Accounts- For Unpaid Dividend	4.42	14.28
	<u>229.69</u>	<u>133.36</u>
	249.14	148.25
OTHER BANK BALANCES		
In Fixed Deposits Accounts :		
With original maturity of more than three months but less than twelve months (Refer Note No.17.1 below)	6.75	10.00
With original maturity of more than twelve months (Refer Note No.17.2 below)	39.23	34.81
TOTAL	<u>295.12</u>	<u>193.06</u>
17.1 As Margin Money Deposit with Banks ₹ 6.75 lacs (Previous Year ₹ Nil)		
17.2 Fixed Deposit Receipts pledged with Government Authorities and with Banks ₹ 39.23 lacs (Previous Year ₹ 34.81lacs)		
18. SHORT- TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Loans and Advances to Related Parties	40.14	43.99
Others	3,791.21	4,315.79
TOTAL	<u>3,831.35</u>	<u>4,359.78</u>
19. OTHER CURRENT ASSETS		
Interest accrued on Deposits	60.62	83.61
Claims Recoverable	1.93	1.93
TOTAL	<u>62.55</u>	<u>85.54</u>

FERRO ALLOYS CORPORATION LIMITED
Notes on Financial Statements for the Year ended 31st March, 2016



20. REVENUE FROM OPERATIONS	STANDALONE ACCOUNTS	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Sale of products, less returns	59,426.01	62,934.90
Less: Excise Duty	3,396.91	3,865.58
	56,029.10	59,069.32
Add: Export Incentives	904.25	1,200.86
TOTAL	56,933.35	60,270.18
20.1 PARTICULARS OF SALE OF PRODUCTS		
	Gross Sales	
Ferro Alloys	48,237.11	50,743.35
Chrome Ore	11,133.64	12,165.28
Off Grade / By-products	55.26	26.27
TOTAL	59,426.01	62,934.90
21 OTHER INCOME		
Interest Income:		
Interest on Deposits	9.47	11.88
Other Interest	70.50	126.18
Miscellaneous receipts	89.90	21.74
Profit / (Loss) on Fixed Assets Sold/Discarded (Net)	(1.60)	12.04
Profit / (Loss) on sale of Investments	-	(2.45)
Foreign Exchange Gain	159.64	164.72
Liabilities/Provisions no longer required written back (Net)	239.98	12.22
TOTAL	567.89	346.33
22. COST OF MATERIALS CONSUMED		
Opening stock of Materials	2,396.83	3,022.38
Add: Purchases (Refer Note 31)	23,785.53	22,976.51
	26,182.36	25,998.89
Less: Closing stock of Materials	3,237.88	2,396.83
Cost of Materials Consumed	22,944.48	23,602.06
22.1 PARTICULARS OF MATERIALS CONSUMED		
Chrome Ore/Concentrate/Others	16,101.35	15,956.09
Coke and Coal	6,140.16	7,044.02
Quartz	72.83	70.70
Carbon paste/Electrode paste	541.72	477.98
Miscellaneous	88.42	53.27
TOTAL	22,944.48	23,602.06



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23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN PROCESS	STANDALONE ACCOUNTS (₹ in lacs)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Closing stock:		
Finished Goods	3,026.12	5,663.09
Stock-in-Process	139.58	219.28
	<u>3,165.70</u>	<u>5,882.37</u>
Opening stock:		
Finished Goods	5,663.09	4,463.76
Stock-in-Process	219.28	178.58
	<u>5,882.37</u>	<u>4,642.34</u>
Decrease/(Increase) in Inventories	<u>2,716.67</u>	<u>(1,240.03)</u>
24. EMPLOYEE BENEFITS EXPENSE		(₹ in Lacs)
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salaries, Wages and Bonus	3,198.03	3,217.65
Contribution to Provident and Other Funds	402.76	416.24
Welfare Expenses	554.26	499.76
Directors' Remuneration	69.00	207.06
TOTAL	<u>4,224.05</u>	<u>4,340.71</u>
25. FINANCE COSTS		
Interest:		
On Fixed Loan	207.85	438.68
On Others	1,578.53	1,211.12
	<u>1,786.38</u>	<u>1,649.80</u>
Other Borrowing Costs	2.23	5.01
TOTAL	<u>1,788.61</u>	<u>1,654.81</u>
26. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	467.66	479.98
Amortisation	-	15.65
TOTAL	<u>467.66</u>	<u>495.63</u>

Depreciation is excluding ₹ 57.30 lacs (Previous Year ₹ 56.78 lacs) considered under cost of material consumed (Refer Note 30)



		STANDALONE ACCOUNTS (₹ in lacs)	
		Year Ended 31st March, 2016	Year Ended 31st March, 2015
27. OTHER EXPENSES			
	Power and Fuel	14,005.86	13,735.61
	Mining, Handling and other Production Expenses	3,915.62	5,441.35
	Freight, Shipment and Sales Expenses	1,913.35	2,490.93
	Royalty	2,570.18	2,401.68
	Stores and Spares	176.13	216.34
	Works Expenses	1,696.93	1,491.63
	Transport Expenses	56.88	162.57
	Repairs and Maintenance to Plant and Machinery	870.72	1,668.01
	Repairs and Maintenance to Buildings	397.92	1,086.07
	Insurance	25.78	29.46
	Rent	196.40	183.50
	Rates and Taxes	72.54	82.57
	Commission and Brokerage on Sales	188.70	231.15
	Donations	-	17.40
	Payments to Auditors	10.59	9.20
	Directors' Sitting Fees	3.46	4.26
	Miscellaneous Expenses	48.40	54.69
	TOTAL	26,149.46	29,307.22
27.1 PAYMENTS TO AUDITORS			
(A)	Statutory Auditor		
	Audit Fees	4.75	4.75
	Tax Audit Fees	0.15	0.15
	Certification and Consultation Fees	0.18	0.34
	Reimbursement of Expenses	3.05	1.20
	Sub-Total (A)	8.13	6.44
(B)	Cost Auditor		
	Audit Fees	0.70	0.70
	Management Services	0.60	0.60
	Certification and Consultation Fees	0.24	0.44
	Reimbursement of Expenses	0.92	1.02
	Sub-Total (B)	2.46	2.76
	TOTAL (A + B)	10.59	9.20
28. EARNING PER SHARE (BASIC AND DILUTED)			
(i)	Net Profit after Tax	(413.05)	1,906.61
(ii)	Weighted average number of equity shares (Nos. in lacs)	1,852.68	1,852.68
(iii)	Earning per Share: (₹ per share)	(0.22)	1.03



as on Financial Statements for the year ended 31st March, 2016

STANDALONE ACCOUNTS

Disclosure pursuant to Accounting Standard - 16 (Revised) "Employee Benefits":

Defined Contribution Plan :

Amount of ₹ 282.82 (Previous Year ₹ 282.81) is recognised as expense and included in "Employee Benefits Expenses" in Note 24 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 an unfunded plan.

The following tables summarise the components of net expense recognised in the Statement of Profit and Loss and Balance Sheet for the respective plans.

(a) Reconciliation of Opening and Closing balances of the present value of the Defined Benefit Obligation :

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	1,843.94	444.03	1,598.31	434.04
Interest Cost	147.62	35.62	127.86	34.72
Current Service Cost	80.37	36.49	79.32	57.64
Actuarial Losses/(Gains)	64.41	35.66	204.69	22.29
Benefits Paid	(237.19)	(139.44)	(166.18)	(104.66)
Present value of Defined Benefit Obligation at the close of the year	1,809.05	412.15	1,843.94	444.03

(b) Changes in the Fair Value of Plan Assets and reconciliation thereof :

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the beginning of the year	1,764.64	-	1,380.61	-
Add : Expected Return on Plan Assets	140.37	-	110.44	-
Add/(Less) : Actuarial Gains/(Losses)	19.26	-	186.85	-
Add : Contributions	239.82	-	242.92	-
Less : Benefits Paid	(237.19)	-	(166.10)	-
Fair Value of Plan Assets at the close of the year	1,916.90	-	1,754.64	-

(c) Amount recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (a) and the fair value of the plan assets in (b) to assets and liabilities recognised in the Balance Sheet :

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,809.05	412.15	1,843.94	444.03
Less : Fair Value of Plan Assets	1,916.90	-	1,754.64	-
Present Value of unfunded obligation	(27.85)	412.15	89.30	444.03

(d) Amount recognised in the Statement of Profit and Loss are as follows

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	80.37	36.49	79.32	57.64
Interest Cost	147.62	35.62	127.86	34.72
Expected return on Plan Asset	(140.37)	-	(110.44)	-
Net actuarial loss/(gain)	35.15	36.66	17.78	22.29
Net periodic cost	122.67	107.66	114.52	114.65

(e) Actuarial Assumptions as at the Balance Sheet date :

Particulars	2015-16		2014-15	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Mortality table	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)
Discount Rate	8%	8%	8%	8%
Salary Escalation Rate	8%	5%	5%	5%

(f) Movement in net liability recognised in Balance sheet :

(₹ in Lacs)

Particulars	2015-16		2014-15	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	89.30	444.03	217.70	434.04
Expenses as above	122.67	107.66	114.52	114.65
Contributions Paid	(239.82)	(139.44)	(242.92)	(104.66)
Closing net liability	(27.85)	412.15	89.30	444.03

(g) Other Disclosures :

(₹ in Lacs)

Particulars	2015-16		2014-15		2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment
Defined Benefit Obligation	1,809.05	412.15	1,843.94	444.03	1,598.31	434.04	1,395.13	385.92
Plan Assets	1,916.90	-	1,754.64	-	1,380.61	-	1,155.12	-
Surplus/(Deficit)	27.85	(412.15)	(89.30)	(444.03)	(217.70)	(434.04)	(240.01)	(385.92)



Notes on Financial Statements for the year ended 31st March, 2016

		STANDALONE ACCOUNTS (₹ in lacs)	
		2015-16	2014-15
30	Raw Material Purchases include following being processing expenses:		
	Power and Fuel	58.60	60.34
	Salaries and other benefits to employees	101.68	116.17
	Operating and other expenses	446.34	714.30
	Depreciation	67.30	66.70
		<u>663.82</u>	<u>967.60</u>
		2015-16	2014-15
		₹ in lacs	Percentage
31 (a)	1. Value of Consumption of Imported Raw Materials	681.60	2.97
	2. Value of Consumption of Indigenous Raw Materials	22,262.88	97.03
		<u>22,944.48</u>	<u>100.00</u>
(b)	1. Value of Consumption of Imported Components and Spare Parts:	160.76	0.64
	2. Value of Consumption of Indigenous Components and Spare Parts:	1,616.00	91.46
		<u>1,765.76</u>	<u>100.00</u>
		2015-16	2014-15
		₹ in lacs	Percentage
32 C.I.F. Value of imports :			
(a)	Raw Materials	438.43	408.06
(b)	Components, Stores and Spare Parts	137.31	108.01
		<u>575.74</u>	<u>516.07</u>
33	Expenditure In Foreign Currency :		
(i)	Commission on Sales	189.68	200.80
(ii)	Legal & Professional Charges	-	9.42
(iii)	Travelling Expenses	16.86	10.83
(iv)	Subscription	9.36	9.30
(v)	Miscellaneous	11.30	9.73
		<u>227.20</u>	<u>300.36</u>
34	Earnings in Foreign Exchange on account of Export of Goods on F.O.B. basis	20,570.06	19,473.25
35	Corporate Social Responsibility Expenditure during the year amounts to ₹ 72.87 Lacs (Previous Year ₹ 53.13 Lacs) which has been debited under different heads of accounts in the Statement of Profit and Loss.		
36	The information related to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.		
37	Contingent Liabilities and Commitments		
(I)	Contingent Liabilities :		
(a)	Claims against the Company not acknowledged as debts, since disputed ₹ 6,681.08 lacs (Previous Year ₹ 6,027.52 lacs). Amounts paid under protest ₹ 328.63 lacs (Previous Year ₹ 379.61 lacs) have been debited to Advance Account.		
(b)	Counter guarantees in favour of Consortium Banks in respect of their outstandings with Facor Steels Limited. Due to the nature of the liability, its financial impact is not ascertainable.		
(II)	Capital and other Commitments :		
(a)	Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ₹ 415.97 Lacs (Previous Year ₹ 599.91 lacs).		
38	a) The Company has given corporate guarantee to Rural Electrification Corporation Ltd. (REC) in connection with granting a facility of Term Loan of ₹ 51,790 Lacs (Previous Year ₹ 51,790 Lacs) to Facor Power Ltd. (FPL). The Company has also pledged 19,80,59,930 shares (Previous Year 19,80,59,930 shares) with REC out of 19,80,59,930 shares (Previous Year 19,80,60,000 shares) held in FPL besides giving an undertaking to provide interest free unsecured subordinated loan or subscribe for equity / preference shares to FPL in case of cost overrun at any stage of the project.		
	b) The Company has given corporate guarantee to Central Bank of India of ₹ 3,000 Lacs (Previous Year ₹ 4,200 Lacs) for providing Working Capital Facilities to FPL.		



s on Financial Statements for the year ended 31st March, 2016

STANDALONE ACCOUNTS
(₹ in lacs)

Details on Segment Reporting :

DESCRIPTION	FERRO ALLOYS		CHROME ORE		CONSOLIDATED TOTAL	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1) REVENUE						
External Sales	45,478.45	47,560.16	-	-	45,478.45	47,560.16
Intra Segment Sales	-	-	10,550.65	11,509.16	10,550.65	11,509.16
Total Revenue	45,478.45	47,560.16	10,550.65	11,509.16	56,029.10	59,069.32
2) RESULT						
Segment Result before Interest & Tax	1,828.41	3,958.02	(829.49)	152.90	998.92	4,110.02
Unallocated Expenses					-	-
Finance Costs	(1,513.60)	(1,268.84)	(275.01)	(385.97)	(1,788.61)	(1,654.81)
Tax Expense					376.64	(540.50)
Profit / (Loss) from ordinary activities					(413.05)	1,906.61
Extraordinary Loss					-	-
NET PROFIT / (LOSS)					(413.05)	1,906.61
3) OTHER INFORMATION						
Segment Assets	9,583.61	8,770.84	14,921.07	17,461.80	24,504.68	26,232.64
Unallocated Corporate Assets					22,078.85	21,920.52
Total Assets					46,583.53	48,153.16
Segment Liabilities	11,992.02	10,176.23	3,683.23	4,359.04	15,675.25	14,535.27
Unallocated Corporate Liabilities					21.09	611.98
Total Liabilities					15,696.34	15,147.25
Capital Expenditure	657.63	173.37	468.32	863.77	1,125.95	1,037.14
Depreciation / Amortisation	286.60	292.12	238.36	260.29	524.96	552.41
Non Cash expenditure other than Depreciation / Amortisation	1.37	1.97	0.15	0.17	1.52	2.14

40 Related Party Disclosure.

I List of related parties:-

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

- Facor Power Limited - Subsidiary Company.
 Facor Realty and Infrastructure Limited - Subsidiary Company.
 Facor Energy Limited - Subsidiary Company.

B Enterprise, over which key management personnel and their relatives exercise significant influence, with whom transactions have taken place during the year:

- | | |
|---|---|
| 1 Boula Platinum Mining Pvt. Ltd. - Associate | 2 Facor Alloys Limited |
| 3 Facor Steels Limited | 4 Raj Bahadur Shroeram and Company Private Limited. |
| 5 Shri Durgaprasad Saraf Charitable Trust | 6 Shroeram Shipping Services Pvt. Ltd. |
| 7 Shroeram Durgaprasad Ores Pvt. Ltd. | 8 Saraf Enterprises (Pvt.) Ltd. |
| 9 Saraf Bandhu Pvt. Ltd. | 10 GDP Infrastructure Private Limited |

C Key Management Personnel:

- | | |
|-------------------|------------------------------|
| i) R.K. Saraf | Chairman & Managing Director |
| ii) Manoj Saraf | Managing Director |
| iii) Ashish Saraf | Joint Managing Director |
| iv) Rohit Saraf | Joint Managing Director |

D Relatives of a Key Management Personnel:

- i) Mrs. Priti Rohit Saraf

II Transactions with Related Parties during the year ended 31-03-2016 in the ordinary course of business.

(₹ in lacs)

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
i) Purchase of Goods	13,177.89	12,532.04	-	-	-	-
ii) Rent paid	-	-	82.10	71.66	23.18	23.50
iii) Interest paid	-	-	151.13	105.22	-	-
iv) Electricity Charges Paid	-	-	8.82	9.18	-	-
v) Maintenance Charges Paid	-	-	6.12	6.82	-	-
vi) Sale of Investment	-	-	-	2.55	-	-
vii) Short Term Loans & Advances given	(3.85)	(77.69)	(2.04)	4.00	-	-
viii) Clearing & forwarding and other service charges	-	-	11.67	7.91	-	-
ix) Long Term Borrowings	-	-	(12.00)	825.00	-	-
x) Other Current Liabilities	-	-	(640.87)	(1,378.36)	-	-
xi) Key Management Personnel and their Relative's Remuneration	-	-	-	-	79.49	216.51
xii) Investments	-	3,488.42	-	(5.00)	-	-
xiii) Balances outstanding at the year end						
a) Short Term Loans & Advances	20.45	24.31	19.68	25.07	-	-
b) Trade Payable	1,329.85	337.14	-	-	-	-
c) Long Term Borrowings	-	-	1,582.72	1,594.72	-	-
d) Other Long Term Borrowings	-	-	218.65	218.65	-	-
e) Other Current Liabilities	-	-	11.50	652.36	-	-
f) Key Management Personnel and their Relative's Remuneration	-	-	-	-	364.09	362.31



Notes on Financial Statements for the year ended 31st March, 2016

III Disclosure in respect of Related Party Transactions during the year:

(` in lacs)

Sr. No.	PARTICULARS	RELATIONSHIP	2015-16	2014-15
1	PURCHASE OF GOODS			
	Facor Power Limited	Subsidiary	13,177.89	12,532.04
	Total		13,177.89	12,532.04
2	RENT PAID			
	Facor Alloys Limited	Others	57.75	50.40
	GDP Infrastructure Private Limited	Others	3.00	-
	Saraf Enterprises (Pvt.) Ltd.	Others	18.03	18.74
	Saraf Bandhu Private Limited	Others	1.80	1.80
	Shri Durgaprasad Saraf Charitable Trust	Others	0.72	0.72
	Sub-Total		82.10	71.66
	Mrs. Priti Rohit Saraf	Relative of Key Management Personnel	23.18	23.50
	Total		105.28	95.16
3	INTEREST PAID			
	Shreeram Durgaprasad Ores Pvt. Ltd.	Others	29.56	30.24
	Rai Bahadur Shreeram and Company Private Limited	Others	121.57	74.98
	Total		151.13	105.22
4	ELECTRICITY CHARGES PAID			
	Facor Alloys Limited	Others	8.82	9.19
	Total		8.82	9.19
5	MAINTENANCE CHARGES PAID			
	Facor Alloys Limited	Others	6.12	6.82
	Total		6.12	6.82
6	SALE OF INVESTMENT			
	Rai Bahadur Shreeram and Company Private Limited	Others	-	2.55
	Total		-	2.55
7	SHORT TERM LOANS & ADVANCES GIVEN			
	Facor Power Limited	Subsidiary	(13.50)	0.69
	Facor Realty and Infrastructure Limited	Subsidiary	-	(2.78)
	Facor Energy Limited	Subsidiary	9.65	(75.60)
	Sub-Total		(3.85)	(77.69)
	Facor Steels Limited	Others	-	4.00
	Boula Platinum Mining Pvt. Ltd.	Associate	(2.84)	-
	Sub-Total		(2.84)	4.00
	Total		(6.69)	(73.69)
8	CLEARING & FORWARDING AND OTHER SERVICE CHARGES			
	Shreeram Shipping Services Pvt. Ltd.	Others	11.57	7.91
	Total		11.57	7.91
9	LONG TERM BORROWINGS			
	(Inter Corporate Deposit)			
	Shreeram Durgaprasad Ores Pvt. Ltd.	Others	-	(15.00)
	Rai Bahadur Shreeram and Company Private Limited	Others	(12.00)	840.00
	Total		(12.00)	825.00