

**THIRTEENTH
ANNUAL REPORT
2015-16**



FACOR ALLOYS LIMITED

CORPORATE INFORMATION

Board of Directors

R.K. Saraf
Chairman & Managing Director

Ashim Saraf
Joint Managing Director

Anurag Saraf
Joint Managing Director

Rohit Saraf
(w.e.f. 12.02.2016)

C.N. Harman
Director (Technical)
(Upto 11.02.2016)

K. Jayabharat Reddy

P.V.R.K. Prasad

K.L. Mehrotra

A.S. Kapre

Mrs. Urmila Gupta

Keshaorao Pardhey

S.S. Sharma
General Manager (Legal) &
Company Secretary

Executives

M.D. Saraf
President

M.S.S. Sarma
Chief Executive

O.P. Saraswat
Dy. Chief Financial Officer

Bankers

Bank of India
Central Bank of India
State Bank of India
Syndicate Bank
State Bank of Bikaner & Jaipur
Indian Overseas Bank

Solicitors

Mulla & Mulla and Craige Blunt & Caroe
Bhaishankar Kanga and Girdharilal

Auditors

Salve & Co.
Chartered Accountants

Internal Auditors

Rao & Kumar
Chartered Accountants

Registrars & Share Transfer Agents

(for Both Physical & Electronic)

Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 3rd Floor, 99, Madangir,
Behind LSC, New Delhi - 110 062

Phone No. 91-11-29961281-83

Fax No. 91-11-29961284

E-mail : beetal@beetalfinancial.com

beetalrta@gmail.com

Contents:

Notice to Members	1	Balance Sheet, Statement of Profit & Loss & Notes	41
Directors' Report	6	Consolidated Auditors' Report, Balance Sheet, Statement of Profit & Loss & Notes ...	60
Management Discussions and Analysis	25	Principal Addresses of the Company	78
Corporate Governance Report	26	Notice of Extra-Ordinary General Meeting	79
Independent Auditors' Report	37		

NOTICE

Notice is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at "Administrative Building, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh" on Thursday, the 29th September, 2016 at 3.30 p.m. to transact, with or without modifications as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31st March, 2016.

2. To appoint a Director in the place of Mr. Ashim Saraf (DIN 00009581), who retires from office by rotation and, being eligible, offers himself for re-appointment.

3. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Messrs Salve & Co., Chartered Accountants (Regn. No. 109003W), be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the Fourteenth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) on such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions as the Board of Directors may fix in that behalf in consultation with the said Auditors."

AS SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint Mr. Rohit Saraf, who was appointed as an Additional Director by the Board of Directors of the company under Article 89 (a) of the Articles of Association of the Company and who holds office under the said Article and Section 161 (1) of the Companies Act, 2013 upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 alongwith a deposit of Rs 1,00,000/- from a member signifying his intention to propose Mr. Rohit Saraf as a candidate for the office of Director, as a Director of the Company and in that behalf to consider and, if thought fit,

to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 2013 including Section 160, Mr. Rohit Saraf be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of ` 20,000/- plus service tax and out-of-pocket expenses payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for the year ended 31st March 2017."

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 31 A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for re-classification of Globalscale Investments Ltd., the Overseas Corporate entity forming part of the promoters Group of the Company to Public (Non-Promoter) shareholders subject to conditions that the promoter seeking re-classification, along with persons acting in concert with them will not :

- have any special rights through formal or informal agreements;
- hold more than 10% of the paid-up equity capital of the Company;
- act as a key managerial person for a period of more than three years from the date of Shareholders approval.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms / returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned."

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 6 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment/appointment under Item Nos. 2 and 4, pursuant to relevant regulations of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 are annexed.
2. A route map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the AGM notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 23rd September, 2016 to Thursday, the 29th September, 2016, both days inclusive.
5. Pursuant to Section 205C of the Companies Act, 1956, unclaimed dividend is to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of transfer to unpaid dividend A/c. Shareholders who have not en-cashed/ misplaced/not received the dividend warrant for the years 2009-10 & 2010-11 are requested to write to M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 for claiming the dividend. Due dates for the transfer of the unclaimed dividend of the year 2009-10 & 2010-11 to the said fund is 24th October, 2017 & 15th October, 2018 respectively and shareholders cannot make a claim after these dates.
6. Voting through electronic means:
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as

substituted by the Companies (Management And Administration) Amendment, Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 13th Annual General Meeting of the Company. E-voting is optional. The facility for voting, through ballot/polling paper shall also be made available at the venue of the 13th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for shareholders voting electronically are as under:

- (i) In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 22nd September, 2016 as the 'Cut-off Date'. The remote e-voting/voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 22nd September, 2016 only. The voting period begins on 26th September, 2016 at 10.00 a.m. (IST) and ends on 28th September, 2016 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 28th September, 2016.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab.
- (v) Now, select the Electronic Voting Sequence Number- "EVSN-160828001" along with "Facor Alloys Limited" from the drop down menu and click on "SUBMIT".
- (vi) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged

on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to Login. If both the details are not recorded with the depository or company please enter the Member ID / Folio number in the Dividend Bank details field as mentioned in instruction (vi).</p>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company

Name> on which you choose to vote.

- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22nd September, 2016 may follow the same instructions as mentioned above for e-Voting.
 - (xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
 - III. Mr. P.S. Rathi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - IV. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the AGM, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.facoralloys.com and on the website of CDSL and communicated to the Stock Exchange, where the shares are listed.
 7. Members can also download the notice of Annual General Meeting from the website of the company i.e. www.facoralloys.com.
 8. Copies of Annual Report 2015-16 and the Notice of 13th Annual General Meeting are being sent by electronic mode to all members whose email addresses are registered with the company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015-16 and Notice of 13th Annual General Meeting are being sent by the permitted mode.
 9. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 in respect of their physical share holding, if any. While intimating change of address to Depositories and Registrar and Share Transfer Agents please indicate your client ID No. / Folio No., as may be applicable. The address should be complete with Pin Code No.
 10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form duly filled in and signed to the above Registrar & Transfer Agent. The Form can be had from the Share Department at the Registered Office of the Company at Shreeramnagar-535101 Dist. Vizianagaram, Andhra Pradesh.
 11. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (ten) days in advance of the Annual General Meeting.
 12. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 13. As required by the SEBI (LODR) Regulations, 2015, the relevant details in respect of the Directors proposed to be appointed/re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
 14. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services (India) Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE 828GO1013.
 15. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and Share Transfer Agent of the Company about:
 - a) The change in their residential status on return to India for permanent settlement.
 - b) The details of the bank account in India with complete name, branch, account type, account no. and address of the bank.
 16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar and Share Transfer Agent.
 17. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
 18. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company

on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

Registered Office: By order of the Board
 Administrative Building,
 Shreeramnagar-535 101,
 Garividi, Dist. Vizianagaram, **S.S. Sharma**
 Andhra Pradesh General Manager (Legal)
 & Company Secretary
 CIN: L27101AP2004PLC043252
 Tel. No. 08952-282029
 Fax No. 08952-282188
 E-Mail : facoralloys@facorgroup.in
 Website : www.facoralloys.com

Dated : 12th August, 2016

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013:

ITEM NO.4

Mr. Rohit Saraf was appointed as an Additional Director by the Board of Directors of the Company in its meeting held on 12th August, 2016 to broad base the Board by inducting businessmen. Pursuant to Section 161 (1) of the Companies Act, 2013 read with Article 89 (a) of Articles of Association of the Company, he holds office as a Director only until the forthcoming Annual General Meeting of the Company. A Notice has been received from a member pursuant to Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rohit Saraf as a candidate for the office of Director.

Mr. Rohit Saraf aged around 49 years is a Bachelor of Commerce and is having rich experience in Mining operations & Administration. His experience, advice and guidance will be of immense benefit to the Company.

Accordingly, the resolution in item no. 4 of the accompanying Notice is commended for your approval.

Mr. Rohit Saraf is evidently interested in the resolution concerning him.

ITEM NO.5

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of Mr. Prakash Uppalapati, Cost Accountant as the Cost Auditor of the Company to conduct audit of cost records of the Company for the year ending 31st March, 2017, at a remuneration of ` 20,000/- plus service tax and out-of-pocket expenses.

Mr. Prakash Uppalapati has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. Mr. Prakash Uppalapati has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past five/six years under the provisions of the erstwhile Companies Act, 1956.

The Board commends the remuneration of ` 20,000/- plus service tax and out-of-pocket expenses to Mr. Prakash

Uppalapati as the Cost Auditor and the approval of the shareholders is sought for the same by an Ordinary Resolution. None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.5 of the Notice.

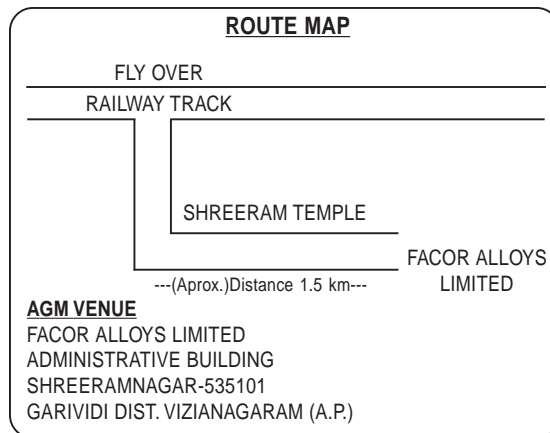
ITEM NO.6

The members may note that Globalscale Investments Ltd., forming part of Promoter/Promoter Group has requested to the Company to reclassify/derecognize it from the category of promoters/promoter group to public category. Further, the said entity/person has informed that its existing shareholding of 44,92,654 Equity Shares of Re.1/- each in the company as on date is very less representing a meager percentage of 2.30% of the total paid up equity capital of the Company and it does not exercise any control over the company and is also not engaged in the management of the company. It has also informed that it neither has any representation on the Board of the company nor has any veto rights/special rights as to voting power or control over the company.

The Board of Directors of the Company at its meeting held on 12th August, 2016 has approved the reclassification of above entity/person from the promoter/promoter group to Public category subject to necessary approvals.

None of the (i) Directors, (ii) Key Managerial Personnel, (iii) relatives of the persons mentioned in (i) and (ii), are concerned or interested in the said resolution. The Board recommends the resolution for approval of the members.

Registered Office: By order of the Board
 Administrative Building,
 Shreeramnagar-535 101,
 Garividi, Dist. Vizianagaram, **S.S. Sharma**
 Andhra Pradesh General Manager (Legal)
 & Company Secretary
 CIN: L27101AP2004PLC043252
 Tel. No. 08952-282029
 Fax No. 08952-282188
 E-Mail : facoralloys@facorgroup.in
 Website : www.facoralloys.com
 Dated : 12th August, 2016



DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **THIRTEENTH ANNUAL REPORT** on the business and operations of the Company and the Audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

	For the year ended 31-3-2016 (` in Lacs)	For the year ended 31-3-2015 (` in Lacs)
Gross Profit/(Loss)	(1961.11)	(1739.20)
Depreciation	301.84	291.60
Provision for taxation	—	—
Tax for earlier years	0.32	(24.78)
Deferred Tax	<u>(839.67)</u>	<u>(1198.66)</u>
Net Profit/(Loss) for the year	(1423.60)	(807.36)
Balance brought forward from last year	(1456.72)	(649.36)
Balance Carried to Balance Sheet	<u>(2880.32)</u>	<u>(1456.72)</u>

OVERALL PERFORMANCE

As mentioned in the last year's Annual Report, a lock out was declared in the plant w.e.f. 04th February, 2014 due to labour unrest. As per directions of the State Government though the lock out was uplifted w.e.f. 26th December, 2014 but the production activities are yet to be resumed. As a result of this during the financial year 2015-16 also there was no production/no sale except some minor off grade/other material sales. Due to fixed overheads company has incurred a loss of ` 1423.60 lacs net of write back of deferred tax and income on sale of fixed assets including interest income of ` 839.67 lacs and ` 861.22 lacs respectively.

DIVIDEND

In view of the losses during the year, the Directors regret their inability to recommend any dividend for the financial year ended 31st March 2016 on Equity Shares of the company.

EROSION OF MORE THAN 50% OF PEAK NET WORTH

As mentioned above the production activities are yet to be resumed. Due to non operation of the plant since 4th February, 2014 the fund flow position of the company is in very bad shape. The accumulated losses of the Company as at 31st March, 2016 amounting to ` 2880.32 lacs has resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year. Hence as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 the Company has become a 'Potential Sick Company'. As per provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company has to report the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR).

EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31st March, 2016 in Form MGT-9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached as Annexure-1.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times in FY 2015-16 viz. on 30th May 2015, 8th August 2015, 7th November 2015 and 12th February 2016. The maximum interval between any two meetings did not exceed 120 days.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARIES

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries and Associates' (in amended Form AOC-1) is attached to the financial statements as Annexure-2. The company will make available the Annual Accounts of the subsidiary companies and related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the Company and that of the respective subsidiary companies as well will also be kept open for inspection at the Registered Office of the Company. Further, the Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions under Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards read with requirements set out under schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss for the year under consideration;
- (iii) that they have taken proper and sufficient care 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 frauds and other irregularities;
- (iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2016 on a going concern basis;
 - (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 - (vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Independent Directors have given declaration that they meet the criteria specified under Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-Section (3) of Section 178, is attached as **Annexure-3** to this Report.

AUDITORS AND AUDITORS’ REPORT

Statutory Auditors: The Auditors’ Report to the Shareholders for the year under review does not contain any qualification.

Secretarial Auditor: There are no qualifications, reservations or adverse remarks or disclaimers made in the Secretarial Audit Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided any guarantee during the Financial Year. The Company has made following Loan and investment pursuant to Section 186 of the Companies Act, 2013:

Name of the entity	Relation	Amount ` in Crore	Particulars of loans, guarantees and investments	Purpose for which the loan, guarantee and investment are proposed to be utilised
Facor Minerals (Netherlands) B.V.	Subsidiary	66.47	Loan given	To meet out business commitments

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no contracts/arrangements/transactions which are not at arm’s length basis and there are no material contracts/arrangements/transactions which are at arm’s length basis.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER CLOSE OF THE FINANCIAL YEAR

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in Annexure-4 hereto forming part of this report.

RISK MANAGEMENT POLICY

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 and the Board of Directors of the Company is kept abreast of such issues.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has formed a Committee and adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company at the Board Meeting held on 29th May, 2014 approved a Policy on CSR and the Policy was hosted on the website of the Company.

Company is not having average net profits in the immediately preceding three years.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards’ performance, Performance of the Chairman and other Non-independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent

Directors (without participation of the relevant Director).

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

FINANCE

The Company has not invited any deposit from public during the year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review there were no employees receiving remuneration of or in excess of ` 60,00,000/- per annum or ` 5,00,000/- per month requiring disclosure.

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report. Having regard to the provisions of Section 136 (1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Ashim Saraf, Joint Managing Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

Mr. Rohit Saraf was appointed as Additional Director on the Board with effect from 12th August, 2016. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Director.

The Company has formulated a code of conduct for all members of the Board and Senior Management Personnel. All concerned members/executives have affirmed compliance with the said code.

SECRETARIAL AUDIT REPORT

The Company has appointed Mr. Umesh Chand Sharma of

Umesh Chand Sharma & Co., New Delhi, Company Secretaries to conduct secretarial audit and his Report on Company's Secretarial Audit is appended to this Report as Annexure-5.

CORPORATE GOVERNANCE

Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee formed by the Board of Directors of the Company consists of Mr. K. Jayabharat Reddy, Mr. P.V.R.K. Prasad & Mr. A.S. Kapre who are Non-Executive Independent Directors of the Company and Mr. R.K. Saraf. Mr. K. Jayabharat Reddy is its Chairman. The Committee's role, terms of reference and the authority and powers are in conformity with the requirement of the Companies Act, 2013 and the Listing Regulations.

AUDITORS

M/s Salve & Co., Chartered Accountants, the existing Auditors, will retire at the ensuing Annual General Meeting and are eligible for re-appointment. Based on the recommendation of the Audit Committee, the Board of Directors of the Company have proposed the appointment of M/s Salve & Co., Chartered Accountants, as the Auditors of the Company from the conclusion of the forthcoming 13th Annual General Meeting till the conclusion of the 14th Annual General Meeting. M/s Salve & Co., have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 141 of the Companies Act, 2013.

COST AUDITOR

Mr. Prakash Uppalapati, Cost Accountant has been appointed by the Board as Cost Auditor of the Company to conduct audit of cost records of the Company for the year ended 31st March 2017. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, Members are requested to consider the ratification of the remuneration payable to Mr. Prakash Uppalapati.

The due date for filing of the Cost Audit Report for the financial year 2014-15 was 30th September, 2015. The Company has filed the Report with the Ministry of Corporate Affairs on 27-09-2015.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors place on record their gratitude for the support and co-operation received from Central and State Governments, Financial Institutions & Banks, Customers, Suppliers and Shareholders and for their continued support. The Board also expresses its sincere appreciation to the dedicated and committed team of employees and workmen.

On behalf of Board of Directors,

Place : Noida (U.P.)
Dated : 12th August, 2016

R.K. SARAF
Chairman & Managing Director

ANNEXURE-1

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27101AP2004PLC043252
ii) Registration Date	14.05.2004
iii) Name of the Company	Facor Alloys Limited
iv) Category/Sub-Category of the Company	Public
v) Address of the Registered office and contact details	Shreeramnagar-535101, Garividi, Dist.: Vizianagaram (AP) Phone No. : 08952-282029
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3 rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 Phone No.+91-11-29961281-83 Fax No.+91-11-29961284 E-Mail : beetal@beetalfinancial.com, beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Ferro Chrome/ Ferro Alloys	2711	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Best Minerals Limited	U99999MH1955PLC009710	Subsidiary	100.00%	Section 2(87)
2	Facor Electric Limited	U40106AP2010PLC086208	Subsidiary	100.00%	Section 2(87)
3	FAL Power Ventures Private Limited	U04010CT2004PTC017193	Subsidiary	100.00%	Section 2(87)
4	Pioneer Facor IT Infradevelopers Pvt.Ltd.	U45400DL2007PTC165117	Associate	20.40%	Section 2(6)
5	Facor Minerals Pte. Ltd., Singapore		Subsidiary	100.00%	Section 2(87)
6	Facor Minerals (Netherlands) B.V.		Subsidiary	93.48%	Section 2(87)
7	Facor Turkrom Mining (Netherlands) B.V. (FTM)		Subsidiary of FMN	51.00%	Section 2(87)
8	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)		Subsidiary of FTM	51.00%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & promoter group									
(1) Indian									
a) Individual/ HUF	23749101	0	23749101	12.14	23988488	0	23988488	12.26	0.12
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Bodies Corp.	62620240	0	62620240	32.02	62620240	0	62620240	32.02	0.00
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Any Other.... Trust									
Sub-total (A) (1):-	86369341	0	86369341	44.16	86608728	0	86608728	44.28	0.12
(2) Foreign									
a) NRIs - Individuals	239387	Nil	239387	0.12	Nil	Nil	Nil	Nil	(0.12)
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) Bodies Corp.	4492654	0	4492654	2.30	4492654	0	4492654	2.30	0
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (A) (2):-	4732041	0	4732041	2.42	4492654	0	4492654	2.30	(0.12)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	91101382	0	91101382	46.58	91101382	0	91101382	46.58	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5739	0	5739	0.00	1780	0	1780	0.00	0.00
b) Banks / FI	35656	7426	43082	0.02	35656	7426	43082	0.02	0.00
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Insurance Companies	1620	6600	8220	0.00	1620	6600	8220	0.00	0.00
g) FIs	0	120	120	0.00	120	0	120	0	0.00
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (B)(1):-	43015	14146	57161	0.02	39176	14026	53202	0.02	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14446401	9515	14455916	7.39	14402082	9512	14411594	7.37	(0.02)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 2 lakhs	74459263	660579	75119842	38.42	75336822	655007	75991829	38.86	0.44
ii) Individual shareholders holding nominal share capital in excess of ` 2 lakhs	12178554	0	12178554	6.23	6839396	-	6839396	3.50	(2.73)
c) Others (specify)									
(1) Trust					18	0	18		
(2) Foreign Nationals									
(3) Non Resident Indians	2590206	44294	2634500	1.35	2140107	43194	2183301	1.12	(0.23)
(4) Clearing Members					30771	0	30771	0.02	0.02
(5) HUF					4935862	-	4935862	2.52	2.52
Sub-total (B)(2):-	103674424	714388	104388812	53.38	103685058	707713	104392771	53.38	0.00
Total Public Shareholding (B)=(B) (1)+(B)(2)	103717439	728534	104445973	53.41	103724234	721739	104445973	53.41	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	194818821	728534	195547355	100	194825616	721739	195547355	100	0.00

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1 Urmiladevi Narayandas Saraf	3629215	1.86	0	3629215	1.86	0	0
2 Promiladevi Ramkisan Saraf	2556967	1.31	0	2556967	1.31	0	0
3 Anurag Murlidhar Saraf	2507354	1.28	0	2507354	1.28	0	0
4 Manjudevi Murlidhar Saraf	2189631	1.12	0	2189631	1.12	0	0
5 Mohinidevi Umashankar Saraf	2098174	1.07	0	2098174	1.07	0	0
6 Sushmadevi Vinodkumar Saraf	1708582	0.87	0	1708582	0.87	0	0
7 Ramadevi Manojkumar Saraf	1248361	0.64	0	1248361	0.64	0	0
8 Bimladevi Vithaldas Saraf	1217651	0.62	0	1217651	0.62	0	0
9 Vanitadevi Vineetkumar Saraf	876536	0.45	0	876536	0.45	0	0
10 Rohitkumar Narayandasji Saraf	872669	0.45	0	872669	0.45	0	0
11 Vinodkumar Saraf	731814	0.37	0	731814	0.37	0	0
12 Murlidhar Durgaprasadji Saraf	661343	0.34	0	661343	0.34	0	0
13 Vineetkumar Vithaldas Saraf	588385	0.30	0	588385	0.30	0	0
14 Shailjadevi Ashishkumar Saraf	498207	0.25	0	498207	0.25	0	0
15 Manojkumar Umashankar Saraf	488956	0.25	0	488956	0.25	0	0
16 Madhavhari Yogeshkumar Saraf	311441	0.16	0	311441	0.16	0	0
17 Ashishkumar Ramkisan Saraf	246679	0.13	0	246679	0.13	0	0
18 Sonal Ashimkumar Saraf	237680	0.12	0	237680	0.12	0	0
19 Gautam Vinodkumar Saraf	164098	0.08	0	164098	0.08	0	0
20 Raghuhari Yogesh kumar Saraf	147185	0.08	0	147185	0.08	0	0
21 Vineetkumar Vithaldas Saraf	120624	0.06	0	120624	0.06	0	0
22 Manojkumar Umashankar Saraf	103915	0.05	0	103915	0.05	0	0
23 Saritadevi Sanjivkumar Saraf	93373	0.05	0	93373	0.05	0	0
24 Gauri Sanjeev Saraf	4800	0.00	0	4800	0.00	0	0
25 Payal Murlidhar Saraf	72651	0.04	0	72651	0.04	0	0
26 Vibhav Vineetkumar Saraf	64451	0.03	0	64451	0.03	0	0
27 FAL Employees Welfare Trust	27576	0.01	0	27576	0.01	0	0
28 FACOR Employees Welfare Trust	22424	0.01	0	22424	0.01	0	0
29 Ashim Saraf	17008	0.01	0	17008	0.01	0	0
30 Yogeshkumar Umashankar Saraf	12288	0.01	0	12288	0.01	0	0
31 Preetidevi Rohitkumar Saraf	12600	0.01	0	12600	0.01	0	0
32 Aisha Ashishkumar Saraf	11500	0.01	0	11500	0.01	0	0
33 Madhuri Manojkumar Saraf	7948	0.00	0	7948	0.00	0	0
34 Sidharath Vineet Kumar Saraf	7348	0.00	0	7348	0.00	0	0
35 Gaurav Vinodkumar Saraf	5156	0.00	0	5156	0.00	0	0
36 Sakhi Sanjeevkumar Saraf	5128	0.00	0	5128	0.00	0	0
37 Raghavendra Manojkumar Saraf	4800	0.00	0	4800	0.00	0	0
38 Yogeshkumar Umashankar Saraf	4100	0.00	0	4100	0.00	0	0
39 Vinodkumar Vithaldas Saraf	3560	0.00	0	3560	0.00	0	0
40 Sunandadevi Yogeshkumar Saraf	3267	0.00	0	3267	0.00	0	0
41 Ramkisan Saraf	2256	0.00	0	2256	0.00	0	0
42 Narayandas Durgaprasadji Saraf	1704	0.00	0	1704	0.00	0	0

Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
43 Narayandas Durgaprasad Saraf	1472	0.00	0	1472	0.00	0	0
44 Sunandadevi Saraf	79915	0.04	0	79915	0.04	0	0
45 Amla Saraf	74797	0.04	0	74797	0.04	0	0
46 Shreeram Co. Empls. Welfare Trust	2512	0.00	0	2512	0.00	0	0
47 Premier Commercial Corporation	1000	0.00	0	1000	0.00	0	0
48 R B Shreeram & Company Pvt. Ltd.	61055682	31.22	0	61055682	31.22	0	0
49 Saraf Bandhu Pvt. Ltd.	826200	0.42	0	826200	0.42	0	0
50 Ferro Alloys Corporation Limited	500000	0.26	0	500000	0.26	0	0
51 GDP Infrastructure Pvt. Ltd.	214440	0.11	0	214440	0.11	0	0
52 Vidarbha Iron & Steel Corpn. Ltd.	18144	0.01	0	18144	0.01	0	0
53 Suchitra Investments & Leasing Ltd.	5774	0.00	0	5774	0.00	0	0
54 Sanjiv Saraf	239387	0.12	0	239387	0.12	0	0
55 Global Scale Investments Ltd.	4492654	2.30	0	4492654	2.30	0	0
Total	91101382	46.58	0	91101382	46.58	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	91101382	46.58	91101382	46.58
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	NIL	NIL	91101382	46.58
At the End of the year	91101382	46.58	91101382	46.58

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Aroma Plantation Pvt. Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	5573614	2.85	5573614	2.85
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	5573614	2.85
At the End of the year (or on the date of Separation, if separated during the year)	5573614	2.85	5573614	2.85

BMA Wealth Creators Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1525408	0.78	1429411	0.73
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-95997 (Transfer of Shares)	0.05	1429411	0.73
At the End of the year (or on the date of Separation, if separated during the year)	1429411	0.73	1429411	0.73
Sarang Securities Limited				
At the beginning of the year	1121542	0.57	2070000	1.06
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	948458 (Transfer of shares)	0.49	2070000	1.06
At the End of the year (or on the date of Separation, if separated during the year)	2070000	1.06	2070000	1.06
Mira Sengar				
At the beginning of the year	501000	0.26	501000	0.26
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	501000	0.26
At the End of the year (or on the date of Separation, if separated during the year)	501000	0.26	501000	0.26
Pratibhuti Vinihit Ltd				
At the beginning of the year	495000	0.25	495000	0.25
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	495000	0.25
At the End of the year (or on the date of Separation, if separated during the year)	495000	0.25	495000	0.25
Omprakash Bagadia				
At the beginning of the year	465405	0.24	465405	0.24
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	465405	0.24
At the End of the year (or on the date of Separation, if separated during the year)	465405	0.24	465405	0.24
Anil Kumar Singhania				
At the beginning of the year	465144	0.24	465144	0.24
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	465144	0.24
At the End of the year (or on the date of Separation, if separated during the year)	465144	0.24	465144	0.24

Kirtika Praful Javeri	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	421705	0.22	453739	0.23
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	32034 (Transfer of shares)	0.01	453739	0.23
At the End of the year (or on the date of Separation, if separated during the year)	453739	0.23	453739	0.23

Kasturi Rangan Raghavan				
At the beginning of the year	420645	0.22	420645	0.22
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	Nil	420645	0.22
At the End of the year(or on the date of Separation, if separated during the year)	420645	0.22	420645	0.22

Dipak Kanayalal Shah				
At the beginning of the year	300000	0.15	300000	0.15
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	100000 (Transfer of shares)	0.05	400000	0.20
At the End of the year (or on the date of Separation, if separated during the year)	400000	0.20	400000	0.20

v) Shareholding of Directors & Key Managerial Personnel:

R.K. Saraf	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2256	0.00	2256	0.00
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	NIL	NIL	2256	0.00
At the End of the year	2256	0.00	2256	0.00

Ashim Saraf				
At the beginning of the year	17008	0.01	17008	0.01
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	NIL	NIL	17008	0.01
At the End of the year	17008	0.01	17008	0.01

Anurag Saraf	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2507354	1.28	2507354	1.28
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	2507354	1.28
At the End of the year	2507354	1.28	2507354	1.28

A. S. Kapre				
At the beginning of the year	150000	0.08	150000	0.08
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	150000	0.08
At the End of the year	150000	0.08	150000	0.08

M. D. Saraf				
At the beginning of the year	661343	0.34	661343	0.34
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	661343	0.34
At the End of the year	661343	0.34	661343	0.34

S. S. Sharma				
At the beginning of the year	7992	0.00	7992	0.00
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	7992	0.00
At the End of the year	7992	0.00	7992	0.00

vi) Indebtedness

Indebtedness of the company including interest outstanding/accrued but not due for payment (` in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2128.67	0	0	2128.67
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2128.67	0	0	2128.67
Change in Indebtedness during the financial year				
(i) Addition	6709.32	0	0	6709.32
(ii) Reduction	138.25	0	0	138.25
Net Change	6571.07	0	0	6571.07

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	8225.34	0	0	8225.34
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	474.40	0	0	474.40
Total (i+ii+iii)	8699.74	0	0	8699.74

vii. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(` in Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		R.K. Saraf	Ashim Saraf	Anurag Saraf	C.N. Harman	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.36	16.01	15.33	10.28	56.98
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.15	2.37	2.21	1.23	6.96
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961					
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	16.51	18.38	17.54	11.51	63.94
	Ceiling as per the Act					

B. Remuneration to other directors

(in `)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr A S Kapre	Mr K J Reddy	Mr PVRK Prasad	Mrs Urmila Gupta	Mr K L Mehrotra	Mr Keshaoarao Pardhey	
	Independent Directors							
	Fee for attending board committee meetings	65000	45000	55000	30000	45000	40000	280000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	65000	45000	55000	30000	45000	40000	280000

(in `)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr A S Kapre	Mr K J Reddy	Mr PVRK Prasad	Mrs Urmila Gupta	Mr K L Mehrotra	
	Other Non-Executive Directors						
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	65000	45000	55000	30000	45000	280000
	Total Managerial Remuneration						280000
	Overall Ceiling as per the Act						

C. Remuneration to Key Managerial Personnel Other than MD/WTD/Manager (in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Dy.CFO/ Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	24.49	24.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.13	3.13
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	27.62	27.62

viii. Penalties/Punishment/Compounding of Offences

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A.	Company					
	Penalty	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
	Punishment	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
	Compounding	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
B.	Directors					
	Penalty	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
	Punishment	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
	Compounding	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
C.	Other Officers in Default					
	Penalty	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
	Punishment	NIL	Not Applicable	NIL	Not Applicable	Not Applicable
	Compounding	NIL	Not Applicable	NIL	Not Applicable	Not Applicable

ANNEXURE-2

FORM AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies

Part “ A” : Subsidiaries

(` in Lacs)

1	SI.No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Madencilik Ithalat ve Ihracat A. S.
3	The date since when subsidiary was acquired	01.04.03	05.04.11	26.08.10	13.10.11	29.06.12	01.03.13	01.03.13
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US\$ 66.44	US\$ 66.44	US\$ 66.44	US\$ 66.44
6	Share Capital	5.00	1.00	5.00	360.77	1529.19	1461.68	867.61
7	Reserves & Surplus	(10.41)	-	-	1.65	(4262.14)	(103.82)	(875.29)
8	Total Assets	0.27	1204.91	312.74	374.21	6587.98	1392.71	2030.62
9	Total Liabilities	0.27	1204.91	312.74	374.21	6587.98	1392.71	2030.62
10	Investments	0.01	-	-	-	-	1338.98	-
11	Turnover	-	-	-	-	-	-	-
12	Profit before taxation	(0.24)	-	-	10.46	(1081.55)	(15.99)	(154.14)
13	Provision for taxation	-	-	-	0.32	(26.51)	-	(26.51)
14	Profit after taxation	(0.24)	-	-	10.14	(1055.04)	(15.99)	(127.63)
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding	100%	100%	100%	100%	93.48%	51%	51%

- Notes :** (i) Following are the names of subsidiaries which are yet to commence operations:
 i) FAL Power Ventures Pvt. Ltd. ii) Facor Electric Limited
 iii) Facor Minerals Pte Ltd. iv) Facor Minerals (Netherlands) B.V.
 v) Facor Turkkrom Mining (Netherlands) B.V. vi) Cati Madencilik Ithalat Ve Ihracat A.S.
 (Subsidiary of Facor Minerals (Netherlands) B.V.) (wholly owned subsidiary of Facor Turkkrom Mining (Netherlands) B.V.)
 (ii) Name of subsidiaries which have been liquidated or sold during the year NA.

Part “B” : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Pioneer Facor IT Infradevelopers Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2016
2	Date on which the Associate or Joint Venture was associated or acquired	17.03.2010
3	Shares of Associates held by the company on the year end	
	No.	1742700
	Amount of Investment in Associates	1819.67
	Extent of Holding %	20.40%
4	Description of how there is significant influence	There is significant influence due to holding of more than 20% Equity Share Capital
5	Reason why the associate/joint venture is not considered	-
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (`/Lacs)	593.43
7	Profit/Loss for the year	
	(i) Considered in Consolidation (`/Lacs)	4.60
	(ii) Not considered in Consolidation	-

ANNEXURE-3**NOMINATION AND REMUNERATION POLICY****Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

I Objectives

The objective and purpose of this policy are:

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ferro Alloys industry.
- c) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 13th February, 2015.

II Effective Date:

This policy shall be effective from the date of adoption by the Board of Directors of the Company.

III Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted earlier by renaming it as Nomination and Remuneration Committee on 6th May, 2014. The Nomination and Remuneration Committee comprises of following Directors:

Sr. No.	Name	Position
1.	Mr. P.V.R.K. Prasad	Chairman
2.	Mr. A. S. Kapre	Member
3.	Mr. K.L. Mehrotra	Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

IV Definitions

- a) Board means Board of Directors of the Company.
- b) Directors mean Directors of the Company. Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board. Company means Facor Alloys Limited. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- c) Key Managerial Personnel (KMP) means-
 - (i) Chairman and Managing Director
 - (ii) Managing Director;
 - (iii) Joint Managing Director;
 - (iv) Director (Finance) cum Chief Financial Officer;
 - (v) Company Secretary;
- d) Senior Management personnel means personnel of the Company occupying the position of Chief Executive (CE) of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

V. Applicability

The Policy is applicable to Directors (Executive and Non Executive)

- a) Key Managerial Personnel
- b) Senior Management Personnel

VI. General

- a) This Policy is divided in three parts viz.,
 - Part – A covers the matters to be dealt with and by the Committee to the Board,
 - Part – B covers the appointment and nomination; and
 - Part – C covers remuneration and perquisites etc.
- b) The key features of this Company's policy shall be included in the Board's Report.

PART – A

Matters to be dealt with, perused and recommended to the Board by Nomination and Remuneration Committee

The Committee shall:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

Policy for appointment and Removal of Director, KMP and Senior Management

- i) Appointment criteria and qualifications:
 - a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 - b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
 - c) The Company shall not appoint any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement to be annexed to the notice for such motion indicating the justification for appointment, extension of appointment beyond seventy years.
- ii) Term / Tenure:
 - a) Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 - b) Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for

- more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- c) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel and submit the same to the Board of Directors.
- d) Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
- e) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- f) Board Diversity:

The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company.

 1. Banking and finance,
 2. Legal and general administration,
 3. Any other field as may be decided by the Nomination and Remuneration Committee of the Company.

PART – C

Policy relating to the remuneration for the Wholetime Director, KMP and Senior Management Personnel

a) General:

- i) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- iii) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st January/1st April/1st July, as applicable in respect of a Whole-time Director and 1st January/1st July in respect of other employees of the Company.
- iv) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- i) Fixed pay:
The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration (with suitable grade) as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites and allowances including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- ii) Minimum Remuneration:
If, in any financial year, the Company has no profits

or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iii) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c) Remuneration to Non- Executive / Independent Director:

i) Remuneration / Commission:

The remuneration / commission shall be fixed as per the provisions of the Companies Act, 2013 and the rules made thereunder.

ii) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount prescribed by the Central Government from time to time.

iii) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company to each Whole-time Director of the Company, computed as per the applicable provisions of the Companies Act, 2013.

iv) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

VII Review

This policy shall be reviewed at a minimum at least every year to ensure it meets the requirements of legislation and the needs of organization.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE-4

Particulars required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014:

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A CONSERVATION OF ENERGY:

- | | | |
|---|---|---|
| a) Measures Taken | : | No measures were taken as the plant was closed |
| b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy | : | No such proposal. |
| c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods | : | Not measurable |
| d) Total energy consumption and energy consumption per unit of production in prescribed form 'A' | : | Form "A" is inapplicable to Ferro Alloys Industry |

B. TECHNOLOGY ABSORPTION**Research and development**

- | | | |
|---|---|--|
| a. Specific areas in which R & D carried out | : | No R&D was carried as the plant was closed |
| b. Benefits derived as a result of above R & D | : | N.A. |
| c. Future plan of action | : | N.A. |
| d. Expenditure on Research & Development | : | NIL |
| e. Technology absorption, adaptation and innovation : | | |
| i) Efforts, in brief, made towards Technology absorption, adaptation and innovation | : | Nil |
| ii) Benefits derived as a result of above efforts | : | Nil |
| iii) Information regarding technology imported during the last five years | : | Nil |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|--|---|---|
| 1) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans | : | As mentioned in the report that production is yet to be resumed however Directors undertake foreign traveling to be in constant touch with the overseas market. |
| 2) Total Foreign Exchange used and earned (2015-2016) | : | (` in Lacs) |
| i) CIF value of imports | : | — |
| ii) Expenditure in Foreign Currency | : | 52.65 |
| iii) Foreign Exchange earned | : | — |

On behalf of Board of Directors,

Place : Noida (U.P.)
Dated : 12th August, 2016

R.K. SARAF
Chairman & Managing Director

ANNEXURE-5

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[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,
Facor Alloys Limited,
Shreeramnagar, P.O. Garividi,
Vizianagaram - 535101

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Facor Alloys Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and other applicable Labour Laws;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India Issue of capital (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (vii) The applicable environmental laws and laws specifically applicable to the Company like :
 - a. Mines Act, 1952
 - b. Mines Rules, 1955
 - c. Mines and Minerals (Development & Regulation) Act, 1957
 - d. A.P. Minerals (Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007
 - e. Metalliferous Mines Regulations, 1961

I have also examined compliance with the applicable Clauses/Regulations of the Listing Agreements/Regulations entered into by the Company with BSE Ltd. & Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that, based on the information provided by the Company, its officers and authorized representatives during

the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / company secretary / CEO taken on record by the Board of Directors of the Company, in my opinion, adequate systems, processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

As per minutes of the meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

For **Umesh Chand Sharma & Co.,**
Company Secretaries

Umesh Chand Sharma
(Proprietor)

Place : New Delhi

Date : 05-08-2016

FCS No. 8522; C.P No. 2386

Note: This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Facor Alloys Limited,
Shreeramnagar, P.O. Garividi,
Vizianagaram - 535101

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.

For **Umesh Chand Sharma & Co.,**
Company Secretaries

Umesh Chand Sharma
(Proprietor)

Place : New Delhi

Date : 05-08-2016

FCS No. 8522; C.P No. 2386

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro Chrome imparts the non-corrosive property to stainless steel, hence growth of Ferro Alloys industry is primarily driven by the growth and progress of steel Industry. Global stainless steel production for 2015 declined 0.3% year-on-year to 41.5 million tonnes, with downturn across the board barring Asia (except China). Output of stainless steel in Asia, excluding China, ticked up 1.4%, from 9.3 million tonnes in 2014 to nearly 9.5 million tonnes in 2015. China, however, recorded a 0.6% decrease in production, from 21.69 million tonnes in 2014 to 21.56 million tonnes in 2015. India's stainless steel production remained flat at about 3 million tonnes as compared to 2014. (Source International Stainless Steel Forum-ISSF)

Global ferro chrome production decreased marginally by about 2% to 10.72 million tonnes in 2015 as compared to 10.94 million tonnes in 2014. China's production fell by 4.65% to 3.82 million tonnes in 2015 as against 4 million tonnes in the previous year. However, South Africa's production grew by 1.13% to 3.78 million tonnes in 2015 as against 3.74 million tonnes in 2014 bringing it to the verge of regaining the top slot in the industry.

Volume of ferro chrome output in India remained stable over the last five years, at around 1 million tonnes. In 2015, it was 0.86 million tonnes, compared to 0.80 million tonnes in 2014. Around half of India's ferro chrome production is exported – mainly to Far East countries including China, South Korea, Japan and Taiwan. In 2015, India's ferro chrome exports stood at 0.45 million tonnes with about 70% being exported to China, South Korea and Japan.

RISKS AND CONCERNS / OPPORTUNITIES AND THREATS / OUTLOOK

In the last quarter of Financial Year 2015-16, the prices of Ferro Chrome came down substantially dipping below cash cost of production which is not sustainable even in the short run. As such, even though prices have since moved up the recovery is likely to be bumpy and dependent upon the traction of China's stimulus measures, outlook for the SA Rand and overall growth in the major economies. It is likely that inefficient capacities will be driven out which is healthy over the long term while demand too will go up with improve macro economic conditions worldwide.

Indian steel industry (demand) is poised for a big lead in the near future wherein the capacity is expected to increase from present 80 Mtpa to nearly 150 Mtpa (as per the 5 years plan). The ferro alloys demand is also expected to pick up with the increasing capacity of the steel plants in the next decade.

The Indian Ferro Alloys Industry has grappled with various issues, such as non-availability of power with competitive rate, suitable quality and quantity of Chrome Ore/ Coke, minimum

duty protection etc. Moreover the Centre's recent decision to abolish 30 per cent export duty on chrome ore is a setback for domestic ferrochrome producers. Besides, the Industry has to compete with the integrated producers having captive mines situated in South Africa, Australia, Brazil, CIS, etc. to sell acceptable quality of Chrome Alloys in the world market for earning the valuable foreign exchange for the country. Reductants viz Anthracite Coal, Coke, Charcoal etc. are vital inputs for the Ferro Alloys Industry. The consumption of these reductants for producing one tonne of Ferro Alloys varies between 600 to 2,000 kgs, depending on the type of Ferro Alloys produced. The availability of these items in good quality is declining in the country and the Ferro Alloy Industry may have to totally depend on import of these reductants on regular basis. Further the present Import Duty on Ferro Alloys is 15%, but this is not sufficient, as the import of Ferro Alloys is increasing every year, when the domestic Industry is operating at around 25-30% of capacity mainly because of weak exports leaving balance 70% lying idle. Ferro alloy industry is saddled with the overcapacity issues coupled with lower demand from the steel industry. Domestic demands are nearly 1.50 million mt per annum as against total capacity of 5 million mt per annum of the Ferro alloys industry. Impact of the slowdown has come mainly due to weak international market(s). These cheap imports from China and other countries are steadily grabbing the domestic market share to meet the expected rising demand from steel Industry. Further the problems of this industry are aggravated because of the high input cost of power including FSA charges. The ferro alloy Industry is a power intensive Industry, the power cost is about 35-40 percent of its total production cost. Repeated power tariff hikes by state run power utility company have put the Industry in a fix. Further steep tariff hike have hit the company hard. These issues need to be addressed by the Government to enable the Ferro Alloys Producers to compete in the Domestic as well as International Markets.

The recent decision of the Andhra Govt. to reduce the power tariff by ` 1.50 KWH for a limited period of one year is a welcome step in this direction.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company is continuously endeavoring to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by management at all levels of the organization, internal and statutory auditors and based on the experience gained and suggestions received, if any, these are updated, modified and accordingly implemented. The Audit Committee of Board of Directors also reviews these matters from time to time in their meetings.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

As mentioned in the last year's Annual Report, a lock out was declared in the plant w.e.f. 04th February, 2014 due to labour unrest. As per directions of the State Government though the lock out was uplifted w.e.f. 26th December, 2014 but the production activities are yet to be resumed. As a result of this during the financial year 2015-16 also there was no production/ no sale except some minor off grade/other material sales. Due to fixed overheads company has incurred a loss of ` 1423.60 lacs net of write back of deferred tax and income on sale of fixed assets including interest income of ` 839.67 lacs and ` 861.22 lacs respectively.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING PEOPLE EMPLOYED

Employees participation schemes such as Central Safety Committee, Quality Circles, Intra department level reviews have been adopted to ensure transparency and open communication at all levels. In house training to employees

was imparted focusing on safety, productivity and skills improvement inputs. Multi skills improvement program has been implemented encouraging the trade workmen to learn additional skills. Executives were nominated to various seminars and programs for exposure to the best business practices. Adequate cost consciousness in the minds of all employees has been inculcated to attain the ultimate goal of cost reduction. The overall manpower consisting of workmen, supervisors and managers etc. worked out to 438 excluding indirect employment.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report are based upon data available with the Company and on certain assumptions having regard to the economic conditions, government policies, political developments within and outside the country. The management is not in a position to guarantee the accuracy of the assumptions and the projected performance of the Company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein.

CORPORATE GOVERNANCE REPORT

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company follows good business ethics and practices aimed at ensuring growth and prosperity to the corporate entity for the benefit of all the partners constituting it viz. shareholders, promoters, investors, lenders, suppliers, customers, creditors and the work-force, in particular, and the society in general. With this end in view, the Board and Management of the Company has always been following good corporate governance practices of legal compliance, transparency, accountability etc. for efficient conduct of its business.

2. BOARD OF DIRECTORS

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies as on 31.03.2016	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2016	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director	Executive*	3	1	3	Yes
Mr. Ashim Saraf Joint Managing Director	Executive*	4**	Nil	2	Yes
Mr. Anurag Saraf Joint Managing Director	Executive*	5	2	3	No
Mr. C. N. Harman (upto 11-02-2016)	Executive	Nil	Nil	Nil	No
Mr. K. Jayabharat Reddy	Independent Non-Executive	3	3	3	No
Mr. P.V.R.K. Prasad	Independent Non-Executive	1	1	3	No

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies as on 31.03.2016	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2016	No. of Board Meetings attended	Whether Last AGM attended
Mr. A.S. Kapre	Independent Non-Executive	5	6	4	Yes
Mr. K. L. Mehrotra	Independent Non-Executive	Nil	Nil	4	No
Mrs. Urmila Gupta	Independent Non-Executive	3	7	3	No
Mr. Kesharao Pardhey	Independent Non-Executive	2	Nil	4	Yes

* Represents Promoter Group;

** Excluding directorship in foreign companies

During the Financial Year April 2015 to March 2016, 4 Board Meetings were held on 30/05/2015, 08/08/2015, 07/11/2015 and 12/02/2016.

3. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company met on 12th February, 2016 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors, as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

The Committee presently consists of 4 Members viz. Mr. K. Jayabharat Reddy, Mr. P.V.R.K. Prasad, Mr. A.S. Kapre who are Non-Executive Independent Directors of the Company and Mr. R.K. Saraf. The Chairman of the Committee is Mr. K. Jayabharat Reddy.

Mr. K. Jayabharat Reddy is a Post Graduate in Economics Statistics from Delhi School of Economics and Post Graduate in Economics from Madras University.

Mr. P.V.R.K. Prasad is a Post Graduate in English Literature (Gold Medalist) and Law Graduate from Nagpur University.

Mr. A.S. Kapre is an Engineering and Law Graduate and has over 3 decades experience mainly in Projects and Corporate Lending, Rehabilitation Finance and Risk Management.

Mr. R.K. Saraf is an Industrialist having several years rich business experience of running the industries.

b) No. of meetings and attendance:

There were four meetings during the year 2015-16 on 30/05/2015, 08/08/2015, 07/11/2015 & 12/02/2016. All four meetings were attended by all members, except Mr K. Jayabharat Reddy, Mr P V R K Prasad & Mr R K Saraf. Mr K. Jayabharat Reddy, Mr P V R K Prasad & Mr R K Saraf have attended only three meetings.

c) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 177 of the Companies Act, 2013, the rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. NOMINATION AND REMUNERATION COMMITTEE:

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, As informed in the last year's Annual report, the Board had re-constituted the then Nomination Committee as "Nomination and Remuneration Committee".

- The Committee presently consists of 3 Members viz. Mr. P.V.R.K. Prasad, Mr. K. L. Mehrotra and Mr. A.S. Kapre who are non-executive independent Directors of the Company.
- The Committee oversees the Company's nomination process for the Directors, Senior management and specifically to identify, screen and review individuals qualified to serve as Directors and at Senior Management consistent with criteria approved as per the Nomination & Remuneration Policy approved by the Board and to recommend, for approval of the Board, nominees for election at the AGM of the shareholders.

The Committee also reviews the compensation of the Company's Wholtime Directors and senior management. The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors.

- Details of remuneration payable to Managerial Personnel for the year 2015-16 :

Name of Directors		Total Remuneration including perquisites in cash	Estimated value of other perquisites in kind	Period of Agreement
1.	Mr. R.K. Saraf, CMD	₹ 1741394/-	₹ 115146/-	5 years from 01/04/14
2.	Mr. Ashim Saraf, JMD	₹ 1905979/-	₹ 199203/-	5 years from 01/04/14
3.	Mr. Anurag Saraf, JMD	₹ 1830463/-	₹ 266703/-	5 years from 01/02/13
4.	Mr. C. N. Harman, Director (Tech.)	₹ 1042768/-	₹ 108308/-	5 years from 01/08/14

- The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2015-16, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid	No. of equity shares of ₹ 1/- each held
1.	Mr. A. S. Kapre	₹ 65000/-*	150000
2.	Mr. K. Jayabharat Reddy	₹ 45000/-*	-
3.	Mr. P. V. R. K. Prasad	₹ 55000/-*	-
4.	Mrs. Urmila Gupta	₹ 30000/-	-
5.	Mr. K. L. Mehrotra	₹ 45000/-	-
6.	Mr. Keshao Rao Pardhey	₹ 40000/-	-
		₹ 280000/-	

* Includes sitting fees paid for attending Committee Meetings.

Notes: (i) There are no stock options and severance fees.

(ii) No notice period is specified for Directors resignation/termination.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, the Board re-named the then "Share Transfer and Shareholders'/Investors' Grievances Committee" as the "Stakeholders' Relationship Committee". The Committee reviews and resolves the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The Committee presently consists of 3 Members viz., Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. P.V.R.K. Prasad. The Chairman of the Committee is Mr. P.V.R.K. Prasad. One meeting of the Committee was held during the year on 12th February, 2016.

- Mr. S. S. Sharma, General Manager (Legal) & Company Secretary of the Company is the Compliance Officer
- No. of Shareholders' complaints received during the period 1-4-2015 to 31-3-2016 1
- No. of complaints not solved to the satisfaction of the Shareholders Nil
- Number of pending complaints as on 31-3-2016 Nil

D. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy. The CSR policy of the Company can be accessed at www.facoralloys.com.

The Committee presently consists of 3 Members viz., Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. P.V.R.K. Prasad. The Chairman of the Committee is Mr. P.V.R.K. Prasad.

Policy for Determining Material Subsidiaries

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website www.facoralloys.com.

Vigil Mechanism

The Board has approved the Vigil Mechanism that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

Under the Policy, every Director, employee or vendor of the Company has an assured access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Directors' Report. Further, the details of vigil mechanism can be accessed at www.facoralloys.com. No instances of fraud or other irregularities have been observed which need to be reported to the Board/Audit Committee.

5. GENERAL BODY MEETINGS

- a) Location and time where last three Annual General Meetings (AGMs) were held

AGM held	Day, date & time	Venue
10th AGM	Tuesday, 13 th August, 2013 at 3.00 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
11th AGM	Tuesday, 9 th September, 2014 at 10.30 a.m.	Officers' Club, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
12th AGM	Tuesday, 22 nd September, 2015 at 11.30 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)

- b) Whether any special Resolutions passed in the last AGM : Yes
 c) Whether any special Resolutions passed last year through postal ballot : Yes
 d) Whether any special Resolutions is proposed to be conducted through postal ballot this year : No
 e) Procedure for postal ballot : NA

6. DISCLOSURES

- a) All transactions entered into with related parties as defined under the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year were on an arm's length price basis and in the ordinary course of business and with requisite approvals as required. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.facoralloys.com. There were no materially significant related-party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- b) There were no instances of non-compliance and no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authorities on any matter related to capital markets during the last year.
- c) Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a 'Code of Conduct' for 'Prevention of Insider Trading' (The code). The code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. S. S. Sharma, General Manager (Legal) & Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

- d) Disclosure of information as per SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 – List of persons, who are constituting group as defined under MRTP Act, 1969 is as under:

I) PROMOTERS

1. Mrs. Mohinidevi Saraf
2. Mrs. Bimladevi Vithaldas Saraf
3. Mr. Narayandas Saraf
4. Mr. R. K. Saraf
5. Mr. Murlidhar Saraf

II) Relatives of above five Promoters as defined under the Companies Act, 2013.

III) Group / Associated Entities:

- | | |
|---|---|
| (1) Aone Technet Private Limited; | (2) ARK Mercantile Private Limited; |
| (3) Arka Resources Private Limited; | (4) Asim Minerals Private Limited; |
| (5) Bankey Bihari Footwears Private Limited; | (6) Best Minerals Limited; |
| (7) Bita Infosystem Private Limited; | (8) Boula Platinum Mining Private Limited; |
| (9) Vanita Enterprises Private Limited; | (10) CatiMadencilkthalatvelhracat A. S.; |
| (11) Dass Papers Private Limited; | (12) Deepee Sales Corporation; |
| (13) Divyajyoti Builders Private Limited; | (14) DP Infrastructure Holdings Private Limited; |
| (15) Embark Infosystems Private Limited; | (16) Facor Electric Limited; |
| (17) FACOR Employees Welfare Trust; | (18) Facor Energy India Limited; |
| (19) Facor Energy Limited; | (20) Facor Minerals (Netherlands) B.V.; |
| (21) Facor Minerals Pte. Ltd, Singapore; | (22) Facor Power Limited; |
| (23) FACOR Realty and Infrastructure Limited; | (24) Facor Solar Limited; |
| (25) FACOR Steels Limited; | (26) Facor Turkkrom Mining (Netherlands) B.V.; |
| (27) FAL Employees Welfare Trust; | (28) FAL Power Ventures Private Limited; |
| (29) Ferro Alloys Corporation Limited; | (30) GDP Holdings Private Limited; |
| (31) GDP Infrastructure Private Limited; | (32) Geedee Sales Services; |
| (33) YMR Enterprise Private Limited; | (34) Godawari devi Saraf and Sons; |
| (35) Mezeron Enterprises Private Limited; | (36) NDS Minerals Private Limited; |
| (37) Pioneer Facor IT Infradevelopers Pvt. Limited; | (38) Vakrangee Press Limited; |
| (39) Premier Commercial Corporation; | (40) Raghavendra Sarkar Ventures Private Limited; |
| (41) Rai Bahadur Shreeram And Company Pvt. Limited; | (42) Saraf Bandhu Private Limited; |
| (43) Shree Ram Durga Prasad Ores Private Limited; | (44) Shreeram Shipping Services Pvt. Limited; |
| (45) SRX Global Private Limited; | (46) Suchitra Investments & Leasing Limited; |
| (47) Trusta Resources S.L.; | (48) Tusta Trading Company Inc.; |
| (49) UMT International Limited; | (50) V&G Commercial Private Limited; |
| (51) Vidarbha Iron & Steel Corporation Limited. | |

7. MEANS OF COMMUNICATION

- a) Quarterly results are communicated through newspaper advertisement.
- b) The quarterly results are published in the “Financial Express” and “Praja Sakti” newspapers.
- c) We have Website for displaying results or official news releases.
- d) No presentation is made to institutional investors or to the analyst.

8. GENERAL SHAREHOLDER INFORMATION

- i) AGM-Date, Time and Venue:

Date	Time	Venue
29 th September, 2016	3.30 P.M.	Administrative Building, Shreeramnagar - 535 101, Garividi; Dist: Vizianagaram, Andhra Pradesh.

ii) The particulars of Directors as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under: -

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	List of Other Public Limited Companies in which Directorship held as on 31-3-2016	Chairman / Member of the committee of Board of other Public Limited Companies on which he/she was a Director as on 31-3-2016	No. of shares held
Mr. Ashim Saraf	27 th September, 1967	1st August, 2004	Business Administration	M.Sc (Tech) S.T.D from the Birla Institute of Technology & Sciences, Pilani	Vidarbha Iron & Steel Corporation Ltd. Facor Electric Limited Facor Solar Ltd Vakrangee Press Limited	1	17008
Mr. Rohit Saraf	16 th December, 1966	12 th August, 2016	Mining Operations & Administration	B.Com.	Ferro Alloys Corporation Ltd Vidarbha Iron & Steel Corporation Ltd PDP Steels Ltd.	Nil	872669

iii) Financial Year ending : 31st March

iv) Date of Book closure from : Friday, 23rd September, 2016 to Thursday, 29th September, 2016 (both days inclusive)

v) Dividend payment date : Not Applicable

vi) Listing on Stock Exchange and stock code : The Bombay Stock Exchange Ltd., 532656

vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2015-16 and performance in comparison to Broad based BSE-SENSEX index during the said financial year as downloaded from BSE website are as under:

Month	Bombay Stock Exchange (Rupees)			BSE SENSEX	
	High	Low	Volume (No. of shares)	High	Low
April 2015	1.35	0.84	6,71,792	29,094.61	26,897.54
May 2015	1.09	0.80	7,47,822	28,071.16	26,423.99
June 2015	1.10	0.76	8,89,059	27,968.75	26,307.07
July 2015	1.01	0.80	7,85,399	28,578.33	27,416.39
August 2015	1.11	0.72	8,87,681	28,417.59	25,298.42
September 2015	0.97	0.72	4,27,270	26,471.82	24,833.54
October 2015	0.98	0.71	11,99,499	27,618.14	26,168.71
November 2015	1.04	0.71	10,59,032	26,824.30	25,451.42
December 2015	1.61	0.87	16,87,826	26,256.42	24,867.73
January 2016	1.95	1.12	19,35,085	26,197.27	23,839.76
February 2016	1.20	0.74	8,32,517	25,002.32	22,494.61
March 2016	0.86	0.70	10,47,624	25,327.45	23,133.18

viii) Registrar & Transfer Agent (RTA):

The Company has appointed M/s Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062 as its Registrar and Share Transfer Agent for handling the share registry work in terms of both physical and electronic (Dematerialisation of shares). Accordingly, the shareholders are required to approach Beetal Financial & Computer Services (P) Ltd for all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialisation of shares held in the company. The shareholders are also requested to send all correspondence relating to company's shares to Beetal Financial & Computer Services (P) Ltd.

ix) Share Transfer System:

All valid transfer deeds received from the shareholders/investors are registered with the approval of the share transfer committee constituted by the Board of Directors of the Company and the share certificates after endorsement are generally returned by registered post within 15 days from date of lodgment of transfer deeds. The deficient transfer documents are returned to the sender with objection memos for making good the shortcomings.

x) a) Distribution of shareholding as on 31.03.2016:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
upto 500	39405	4095551	2.09
501 to 1000	5684	5249199	2.68
1001 to 2000	3329	5713802	2.92
2001 to 3000	1484	4033106	2.06
3001 to 4000	698	2600468	1.33
4001 to 5000	1051	5137420	2.63
5001 to 10000	1524	12112776	6.19
10001 and above	1509	156605033	80.09
Total	54684	195547355	100.00
Physical Mode		721854	
Electronic Mode		194825501	

b) Categories of shareholders as on 31.03.2016 :

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	91101382	46.59
b.	Financial Institutions	43082	0.02
c.	State Government Company/State Financial Corporation	8220	-
d.	Nationalised Banks	1780	-
e.	Bodies Corporate	14411594	7.37
f.	Others	89981297	46.02
	Total:	195547355	100.00

xi) Dematerialisation of shares and liquidity:

99.63 % of the share capital has been dematerialized as on 31st March, 2016.

xii) The Company has not issued any GDRs / ADRs / Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.**xiii) Plant location: Shreeramnagar-535 101, Garividi, Dist: Vizianagaram, Andhra Pradesh**

xiv) Address for correspondence:

- a) For matters relating to Company's shares:
Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062
- b) For other matters:
FACOR Alloys Ltd
Shreeramnagar-535101, Garividi; Dist: Vizianagaram, Andhra Pradesh.

9. COMPLIANCE:**Disclosure under Regulation 46 of the SEBI (LODR) Regulation, 2015 regarding certain agreements with the media companies:**

Pursuant to the requirement of Regulation 46 of the SEBI (LODR) Regulation, 2015, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted / will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee (s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties / contracts / agreements / Mous or similar instruments with media companies and / or their associates.

10. INVESTOR SAFEGUARDS AND OTHER INFORMATION:**a) Regulation 39 (4) of the SEBI (LODR) Regulation, 2015 for dealing with the unclaimed shares:**

Pursuant to a Scheme of Arrangement annexed to and forming part of the Rehabilitation Scheme sanctioned to Ferro Alloys Corporation Ltd. (FACOR) for its revival, it was trifurcated into three separate companies viz., Ferro Alloys Corporation Ltd. (FACOR), Facor Alloys Ltd. (FAL) & Facor Steels Ltd. (FSL). After reorganization and restructuring of share capital of FACOR, new equity shares of Re.1/- each fully paid up of all the above referred three companies in lieu of the old shares of ` 10/- each of FACOR were issued and these share certificates were forwarded to the eligible shareholders under cover of Registered Letter dated 31-08-2004. Certain letters in sizeable numbers were returned back undelivered to the company due to non-updation of latest Postal Addresses by the respective shareholders in the records of the company. Not only this but all subsequent correspondences addressed to these shareholders by the company such as Annual Report, Postal Ballot & Dividend Warrants etc. were also returned back undelivered due to the said reason.

Regulation 39 (4) of the SEBI (LODR) Regulation, 2015 which provides that company shall transfer all these unclaimed shares into one Folio in the name of "Unclaimed Suspense Account" and these shares can be dematerialized and kept with one of the Depository Participants and all corporate benefits in terms of securities accruing on such shares viz. Bonus shares, Split etc. shall also be credited to such Unclaimed Suspense Account. In compliance of the cited Regulation, this Annual Report should be construed as a seventh reminder from the company whereby a request is made to all the concerned shareholders to get the correct particulars/latest address recorded in the records of the company at the earliest. Company has also given a news paper advertisement to this effect besides uploading the message on company's website.

b) Registration of Email Addresses:

Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 read with Circular bearing No. CIR/CFD/DIL/7/2011 dated 05.10.2011 of SEBI, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Statement of Profit & Loss, Directors Report, Auditors Report etc. in electronic mode (hereinafter 'documents'), provided the Company has obtained email addresses of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agent, M/s Beetal Financial & Computer Services (P) Ltd., New Delhi.

In respect of shares held in electronic form, the email address along with DP ID / Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective Depository Participants. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form, to such shareholders.

c) Dematerialisation of Shares:

Shareholders are requested to convert their physical holding to demat / electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

d) Registration of National Electronic Clearing Services (NECS) / Electronic Clearing Services (ECS) mandate:

NECS/ECS facility ensures timely remittance of dividend without possible loss / delay in postal transit. Shareholders/ Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders / Members holding shares in physical form may register their NECS/ECS details with the Registrars and Share Transfer Agents, to receive dividends, if declared, via the NECS / ECS mode.

e) Updation of Address / Bank Details:

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

f) Consolidation of multiple folios (in respect of physical shareholding):

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence / corporate benefits could then be sent to the consolidated folio.

g) Compliances of mandatory requirements and adoption of the non mandatory requirements

The Company has complied with all the mandatory requirements and the following non-mandatory requirement : The statutory financial statements of the Company are unqualified.

11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

None

12. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	NA

II. Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	No
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance requirements	27	Yes

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct for the year ended 31st March, 2016.

Place : Noida, U.P.
Date : 12th August, 2016

R. K. Saraf
Chairman & Managing Director

AUDITORS' CERTIFICATE

To the Members of
Facor Alloys Limited

We have examined the compliance of conditions of Corporate Governance by Facor Alloys Ltd., for the year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchange for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in Listing Agreement/Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Salve & Co.**,
Chartered Accountants
(Regn. No. 109003W)

Place : Noida, U.P.
Date : 12th August, 2016

C.A. K.P. Sahasrabudhe
Partner
Membership No. 7021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Facor Alloys Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With reference to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer our separate report in Annexure- 'B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us.
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company did not have any long-term contracts including the derivative contracts for which there were any material foreseeable losses;
 - iii. there was no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For SALVE & Co.
Chartered Accountants
(Firm's Registration No.109003W)

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

Place : Noida, UP
Date : 27th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Facor Alloys Limited ('the Company'), on the Standalone Financial Statements for the year ended 31st March, 2016.

We report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the erstwhile pre-demerged Company. The immovable properties are transferred by virtue of BIFR Order No.314/98 dated 13th April, 2004. The two immovable properties acquired subsequent to demerger amounting to gross block of ` 27.36 lacs are held in the name of the Company.
- ii) Physical verification of inventory has been conducted at reasonable intervals by the Management. No material discrepancies were noticed on physical verification.
- iii) The Company has not granted unsecured loans to parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- iv) In our opinion and according to information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any security covered under section 185 and 186 of the Act during the year.
- v) The Company has not accepted any deposits from the public.
- vi) The Central Government has specified maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie such accounts and records have been made and maintained.
- vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, the following dues of income tax, sales tax and duties of excise have not been deposited by the Company on account of disputes:-

Nature of Dues	in Lacs (Net)	Forum where the Dispute is pending	Period
Income Tax	251.99	Commissioner of Income Tax (Appeals), Visakhapatnam	2009-10 & 2010-11
Sales Tax	21.27 7.44	A.P. High Court, Hyderabad APSTAT, Visakhapatnam	2009-2010 2012-2013
Duty of Excise	158.34 64.65 16.53 19.98	A.P. High Court, Hyderabad CESTAT, Hyderabad CESTAT, Bangalore Commissioner (Appeals), Visakhapatnam	1988-1989 2008-09, 2010-11 & 2012-13 2008-09 & 2011-12 2009-10, 2012-13 & 2013-14

- viii) The Company has defaulted in repayment of ₹ 6089.76 lacs to Bank of India against devolvement of SBLC on 3rd August, 2015, provided by the Bank for the term loan by the overseas lender to one of the overseas subsidiary of the Company. The Company's request for restructuring of this liability is under consideration of the Bank.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) or term loan during the year.
- x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Act.
- xii) To the best of our knowledge and according to the information and explanations given to us, the Company is not a Nidhi Company.
- xiii) To the best of our knowledge and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not entered into non-cash transaction with directors or persons connected with them.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SALVE & Co.
Chartered Accountants
(Firm's Registration No.109003W)

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

Place: Noida, UP
Date : 27th May, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Facor Alloys Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SALVE & Co.
Chartered Accountants
(Firm's Registration No.109003W)

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

Place : Noida, UP
Date : 27th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

STANDALONE ACCOUNTS

	Note Nos.	As at 31 st March, 2016	As at 31 st March, 2015
(` in lacs)			
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,955.48	1,955.48
Reserves and Surplus	3	<u>8,737.71</u>	10,161.31
		10,693.19	12,116.79
Non-Current Liabilities			
Long-Term Borrowings	4	-	1,000.00
Long-Term Provisions	5	<u>1,135.81</u>	1,150.03
		1,135.81	2,150.03
Current Liabilities			
Short-Term Borrowings	6	8,225.34	1,128.67
Trade Payables			
a) Outstanding dues of micro and small enterprises	7	-	-
b) Outstanding dues of creditors other than micro and small enterprises	7	711.22	694.90
Other Current Liabilities	8	1,506.76	770.67
Short-Term Provisions	9	<u>59.99</u>	62.93
		10,503.31	2,657.17
TOTAL		<u>22,332.31</u>	<u>16,923.99</u>
ASSETS			
Non-Current Assets			
Fixed Assets-Tangible	10	1,800.05	2,122.69
Non-Current Investments	11	6,963.78	6,963.98
Long-Term Loans and Advances	12	43.72	793.98
Deferred Tax Assets (Net)	13	<u>1,634.61</u>	794.94
		10,442.16	10,675.59
Current Assets			
Inventories	14	1,372.68	1,458.23
Trade Receivables	15	284.60	327.20
Cash and Cash Equivalents	16	79.72	961.85
Short-Term Loans and Advances	17	10,127.61	3,453.79
Other Current Assets	18	<u>25.54</u>	47.33
		11,890.15	6,248.40
TOTAL		<u>22,332.31</u>	<u>16,923.99</u>
Significant Accounting Policies Notes on Financial Statements	1 2 to 35		

As per our report of even date attached,

For and on behalf of the Board,

For SALVE & Co.
Chartered Accountants
(Regn.No.109003W)

O.P. SARASWAT
Dy.Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. K.P. SAHASRABUDHE
Partner
Membership No. 007021
Noida, UP : 27th May, 2016

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 27th May, 2016

ASHIM SARAF
Joint Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

	Note Nos.	Year Ended 31 st March, 2016	(` in lacs) Year Ended 31 st March, 2015
INCOME			
Revenue from Operations	19	185.24	209.91
Other Income	20	861.22	1,518.02
Total Revenue		1,046.46	1,727.93
EXPENSES			
Cost of Materials Consumed	21	-	-
Changes in Inventories of Finished Goods and Stock-in-Process	22	4.72	8.16
Employee Benefits Expense	23	1,286.61	1,182.14
Finance Costs	24	933.44	228.84
Depreciation and Amortisation Expense	10	301.84	291.60
Other Expenses	25	782.80	2,047.99
Total Expenses		3,309.41	3,758.73
Profit/(Loss) Before Tax		(2,262.95)	(2,030.80)
Tax Expenses			
Current Tax		-	-
Tax for Earlier Years		0.32	(24.78)
Deferred Tax		(839.67)	(1,198.66)
		(839.35)	(1,223.44)
Profit/(Loss) for the year		(1,423.60)	(807.36)
Earning per equity share of face value of ` 1/- each			
Basic and Diluted (in `)	26	(0.73)	(0.41)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 35		

As per our report of even date attached,

For and on behalf of the Board,

For SALVE & Co.
Chartered Accountants
(Regn.No.109003W)

O.P. SARASWAT
Dy.Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

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

S.S. SHARMA
General Manager (Legal)
& Company Secretary

ASHIM SARAF
Joint Managing Director

Noida, UP : 27th May, 2016Noida, UP : 27th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

(` in lacs)

	2015-16	2014-15
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(2,262.95)	(2,030.80)
Adjustment for:		
Depreciation	301.84	291.60
Exchange difference on translation (Net)	-	(0.03)
Profit/Loss on Sale of Investments	(4.96)	-
Interest and Dividend Income	(197.60)	(206.08)
Finance Costs	933.44	228.84
Profit/Loss on Sale of Fixed Assets (Net)	(645.53)	(1,291.69)
	<u>387.19</u>	<u>(977.36)</u>
Operating Profit before Working Capital Changes	(1,875.76)	(3,008.16)
Adjustment for:		
Trade and Other Receivables	(5,878.69)	2,416.15
Inventories	85.55	6.79
Trade Payables	290.57	(1,640.10)
Others	686.21	(90.91)
	<u>(4,816.36)</u>	<u>691.93</u>
Cash Generated from Operations	(6,692.12)	(2,316.23)
Direct Taxes Paid/Adjusted	(3.08)	(192.99)
	<u>(3.08)</u>	<u>(192.99)</u>
Net Cash Flow from Operating Activities	(6,695.20)	(2,509.22)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5.67)	(240.83)
Sale of Fixed Assets	672.00	1,321.39
Purchase of Investments	-	(409.36)
Sale of Investments	5.16	0.01
Interest and Dividend Income	219.88	257.60
	<u>891.37</u>	<u>928.81</u>
Net Cash Flow (used in) /from Investing Activities	891.37	928.81
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long and Short Term Borrowings	6,096.67	1,023.72
Finance Costs Paid	(488.76)	(235.06)
	<u>5,607.91</u>	<u>788.66</u>
Net Cash Flow (used in) /from Financing Activities	5,607.91	788.66
Net Increase/(Decrease) in Cash and Cash Equivalents	(195.92)	(791.75)
Opening Balance of Cash and Cash Equivalents	265.08	1,056.83
Closing Balance of Cash and Cash Equivalents	69.16	265.08
Net Increase/(Decrease) in Cash and Cash Equivalents	(195.92)	(791.75)

As per our report of even date attached,

For SALVE & Co.
Chartered Accountants
(Regn.No.109003W)

C.A. K.P. SAHASRABUDHE
Partner
Membership No. 007021
Noida, UP : 27th May, 2016

O.P. SARASWAT
Dy.Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 27th May, 2016

For and on behalf of the Board,

R.K. SARAF
Chairman & Managing Director

ASHIM SARAF
Joint Managing Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Corporate Information :
Facor Alloys Limited ("The Company") is a Public Limited Company incorporated in India under the Companies Act, 1956. It is part of Worldwide reputed FACOR Group of Industries. The Company is listed at Bombay Stock Exchange . The Company, one of the India's largest producers of Ferro Alloys Products produces Ferro Alloys product at its works in Andhra Pradesh and caters both domestic and international markets. The product is used in the manufacture of Steel/Stainless Steel.
- (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 and 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 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. 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.
- (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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS

- (k) Employee Benefits :
- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) 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

(` in lacs)

	As at 31st March, 2016	As at 31st March, 2015
Authorised Share Capital:		
360,000,000 (Previous Year- 360,000,000) Equity Shares of ` 1/- each	3,600.00	3,600.00
3,900,000 (Previous Year- 3,900,000) 0.01% Redeemable Preference Shares of ` 100/- each	3,900.00	3,900.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid up:		
195,547,355 (Previous Year- 195,547,355) Equity Shares of ` 1/- each fully paid-up	1,955.48	1,955.48
TOTAL	1,955.48	1,955.48

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
Rai Bahadur Shreeram and Company Private Limited	61,055,682	31.22%	61,055,682	31.22%

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	195,547,355	195,547,355
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	195,547,355	195,547,355

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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

3. RESERVES AND SURPLUS

(` in lacs)

	<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
Capital Reserve		
Balance as at the beginning and end of the year	8,700.51	8,700.51
Securities Premium Reserve		
Balance as at the beginning and end of the year	2,667.52	2,667.52
General Reserve		
Balance as at the beginning and end of the year	250.00	250.00
Statement of Profit and Loss		
Balance as at the beginning of the year	(1,456.72)	(649.36)
Add: Profit/(Loss) for the year	<u>(1,423.60)</u>	<u>(807.36)</u>
Balance as at the end of the year	<u>(2,880.32)</u>	<u>(1,456.72)</u>
TOTAL	<u>8,737.71</u>	<u>10,161.31</u>
4. LONG-TERM BORROWINGS		
(Secured)		
Loan from Others	-	1,000.00
TOTAL	<u>-</u>	<u>1,000.00</u>
5. LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
P.L. Encashment (Unfunded)	115.28	129.50
Others	<u>1,020.53</u>	<u>1,020.53</u>
TOTAL	<u>1,135.81</u>	<u>1,150.03</u>
6. SHORT-TERM BORROWINGS		
(A) From Banks (Secured) :		
Cash Credit Accounts (Refer Note 6.1)	7,225.34	1,128.67
(B) From Other (Secured) (Refer Note 6.2)	<u>1,000.00</u>	<u>-</u>
TOTAL	<u>8,225.34</u>	<u>1,128.67</u>

6.1 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 in respect of immovable properties and guaranteed by two Directors. It also includes ` 6089.76 lacs (Previous Year ` Nil) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's A/c.

The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

6.2 Secured by way of pledge of 17,42,700 Equity shares in Pioneer Facor IT Infradevelopers Pvt. Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

7. TRADE PAYABLES

(` in lacs)

	As at 31st March, 2016	As at 31st March, 2015
a) Outstanding dues of micro and small enterprises	-	-
b) Outstanding dues of creditors other than micro and small enterprises	711.22	694.90
TOTAL	<u>711.22</u>	<u>694.90</u>

8. OTHER CURRENT LIABILITIES

Unpaid dividends	10.56	17.86
Other Payables *	1,496.20	752.81
TOTAL	<u>1,506.76</u>	<u>770.67</u>

* Includes statutory dues, security deposits and advance from customers.

9. SHORT-TERM PROVISIONS

Provision for Employee Benefits: P.L.Encashment (Unfunded)	59.99	62.93
TOTAL	<u>59.99</u>	<u>62.93</u>

10. FIXED ASSETS

(` in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2016	Upto 1.04.2015	For the Year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets:										
Land Freehold	72.11	-	10.27	61.84	-	-	-	-	61.84	72.11
Mines and Quarries Freehold	1.14	-	0.16	0.98	-	-	-	-	0.98	1.14
Buildings	880.90	-	19.11	861.79	616.58	32.87	8.66	640.79	221.00	264.32
Railway Siding	53.99	-	-	53.99	40.07	1.89	-	41.96	12.03	13.92
Plant and Machinery	4,679.26	-	-	4,679.26	3,289.45	180.48	-	3,469.93	1,209.33	1,389.81
Office and Other Equipments	398.04	5.12	59.81	343.35	289.68	19.82	56.32	253.18	90.17	108.36
Furniture and Fixtures	328.75	0.55	65.44	263.86	165.44	39.96	64.19	141.21	122.65	163.31
Vehicles	603.66	-	34.70	568.96	493.94	26.82	33.85	486.91	82.05	109.72
TOTAL	7,017.85	5.67	189.49	6,834.03	4,895.16	301.84	163.02	5,033.98	1,800.05	2,122.69
Previous Year	6,849.67	240.83	72.65	7,017.85	4,646.51	291.60	42.95	4,895.16	2,122.69	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

11. NON-CURRENT INVESTMENTS

(` 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		
5,000 (Previous Year- 5,000) Best Minerals Limited of ` 100/- each	5.00	5.00
10,000 (Previous Year- 10,000) FAL Power Ventures Pvt. Ltd. of ` 10/- each (Formerly known as BEC Power Private Limited)	1,583.75	1,583.75
50,000 (Previous Year- 50,000) Facor Electric Limited of ` 10/- each	5.01	5.01
5,43,000 (Previous Year- 5,43,000) Facor Minerals Pte Limited of USD 1 each	281.53	281.53
21,51,605 (Previous Year- 21,51,605) Facor Minerals (Netherlands) BV of USD 1 each	1,216.14	1,216.14
	3,091.43	3,091.43
In Equity Shares of Associated Companies - Unquoted, fully paid up		
17,42,700 (Previous Year- 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ` 1/- each	1,855.63	1,855.63
Others - In Equity Shares -Quoted, fully paid up		
NIL (Previous Year- 6,600) Sunil Healthcare Limited of ` 10/- each	-	0.20
Others - In Equity Shares -unquoted, fully paid up		
1,36,663 (Previous Year-1,36,663) Vidharbha Iron & Steel Corporation Limited of ` 10/- each	13.67	13.67
2,00,00,000 (Previous Year- 2,00,00,000) Facor Power Limited of ` 10/- each (Refer Note below)	2,000.00	2,000.00
	2,013.67	2,013.67
In Government Securities : Unquoted		
6 Years National Savings Certificates	3.05	3.05
Deposited with Government/Semi Government Authorities as Security Deposit ` 2.55 lacs (Previous Year ` 2.55 lacs)		
TOTAL	6,963.78	6,963.98
Aggregate cost of Quoted Investments	-	0.20
Market Value of Quoted Investments	-	2.50
Aggregate amount of Unquoted Investments	6,963.78	6,963.78
Note : Non-disposable undertaking is given to Rural Electrification Corporation Ltd. for not to divest or encumber the shares.		
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Other Loans	-	750.00
Security Deposits	43.72	43.98
TOTAL	43.72	793.98

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS
13. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

(` in lacs)

	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	374.06	436.41
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	140.48	115.12
Unabsorbed Depreciation and Unabsorbed Business loss	1,868.19	1,116.23
	2,008.67	1,231.35
Net Deferred Tax Assets /(Liabilities)	1,634.61	794.94

14. INVENTORIES

(As per Inventory taken, valued and as certified by the Management)

(At Cost unless otherwise stated)

Raw Materials	1,285.33	1,365.18
Finished Goods (At Cost or Net realisable value whichever is lower)	0.64	5.36
Stores and Spare Parts	70.58	70.71
Loose Tools	16.13	16.98
TOTAL	1,372.68	1,458.23

15. TRADE RECEIVABLES

(Unsecured and Considered Good)

Over six months	280.97	327.20
Others	3.63	-
TOTAL	284.60	327.20

16. CASH AND BANK BALANCES
CASH AND CASH EQUIVALENTS

Cash in hand	1.07	4.70
With Scheduled Banks:		
In Current Accounts	18.05	260.38
In Cash Credit Accounts	0.04	-
In Current Accounts- For Unpaid Dividend	10.56	17.86
In Fixed Deposit Accounts:		
With original maturity upto three months	50.00	-
	78.65	278.24
	79.72	282.94

OTHER BANK BALANCES

In Fixed Deposit Accounts:		
With original maturity of more than twelve months	-	678.91
TOTAL	79.72	961.85

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

17. SHORT-TERM LOANS AND ADVANCES	(` in lacs)	
	As at 31st March, 2016	As at 31 st March, 2015
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	8,684.54	2,748.50
Loans and Advances to Other	750.00	-
Others	693.07	705.29
TOTAL	<u>10,127.61</u>	<u>3,453.79</u>

18. OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	0.08	21.87
Claims Recoverable	25.46	25.46
TOTAL	<u>25.54</u>	<u>47.33</u>

19. REVENUE FROM OPERATIONS		
Sale of products, less returns	126.97	15.03
Sale of Services	-	196.16
	<u>126.97</u>	<u>211.19</u>
Less: Excise Duty	14.11	1.66
	<u>112.86</u>	<u>209.53</u>
Add: Export Incentives	72.38	0.38
TOTAL	<u>185.24</u>	<u>209.91</u>

GROSS SALES

	Year Ended 31st March, 2016	Year Ended 31 st March, 2015
19.1 PARTICULARS OF SALE OF PRODUCTS		
Ferro Alloys	68.27	10.53
Off Grade / By-products	58.70	4.50
Services rendered (Conversion Charges)	-	196.16
TOTAL	<u>126.97</u>	<u>211.19</u>

20. OTHER INCOME		
INTEREST INCOME		
Interest on Deposits	25.27	101.56
Other Interest	172.33	104.52
	<u>197.60</u>	<u>206.08</u>
Miscellaneous receipts	13.13	0.25
Profit /(Loss) on Fixed Assets Sold/ Discarded (Net)	645.53	1,291.69
Foreign Exchange Gain	-	20.00
Profit/Loss on Sale of Investments	4.96	-
TOTAL	<u>861.22</u>	<u>1,518.02</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS
21. COST OF MATERIALS CONSUMED

(₹ in lacs)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Opening stock of Materials	1,365.18	1,348.73
Purchases / (Sales)	<u>(79.85)</u>	16.45
	1,285.33	1,365.18
Less: Closing stock of Materials	1,285.33	1,365.18
Cost of Materials Consumed	<u>-</u>	<u>-</u>

22. CHANGES IN INVENTORIES OF FINISHED GOODS

Closing stock:		
Finished Goods	0.64	5.36
Opening stock:		
Finished Goods	<u>5.36</u>	13.52
Decrease/(Increase) in Inventories	<u>4.72</u>	<u>8.16</u>

23. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus	878.47	679.46
Contribution to Provident and Other Funds	150.85	185.79
Welfare Expenses	192.08	245.50
Directors' Remuneration	<u>65.21</u>	71.39
TOTAL	<u>1,286.61</u>	<u>1,182.14</u>

24. FINANCE COSTS

Interest:		
On Fixed Loan	138.00	31.90
On Others	<u>795.44</u>	196.94
	933.44	228.84
TOTAL	<u>933.44</u>	<u>228.84</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS
25. OTHER EXPENSES

(₹ in lacs)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Power and Fuel	69.09	1,131.30
Mining, Handling and other Production Expenses	139.30	59.80
Freight, Shipment and Sales Expenses	30.76	9.99
Stores and Spares	0.53	0.28
Works Expenses	337.98	566.34
Transport Expenses	2.69	3.55
Repairs and Maintenance to Plant and Machinery	15.40	30.19
Repairs and Maintenance to Buildings	98.65	117.53
Insurance	14.07	17.79
Rent (Net)	14.25	27.80
Rates and Taxes	9.59	14.49
Payment to Auditors	3.94	3.82
Directors' Sitting Fees	2.80	3.50
Foreign Exchange Loss	0.35	-
Miscellaneous Expenses	43.40	61.61
TOTAL	782.80	2,047.99

25.1 PAYMENT TO AUDITORS
(A) Statutory Auditor

Audit Fees	2.75	2.75
Tax Audit Fees	0.15	0.15
Certification and Consultation Fees	0.20	0.30
Reimbursement of Expenses	0.54	0.02
Sub-Total (A)	3.64	3.22

(B) Cost Auditor

Audit Fees	0.20	0.50
Reimbursement of Expenses	0.10	0.10
Sub-Total (B)	0.30	0.60

TOTAL (A + B)

3.94	3.82
-------------	-------------

26. EARNING PER SHARE (BASIC AND DILUTED)

(i) Net Profit after Tax	(1,423.60)	(807.36)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (₹ per share)	(0.73)	(0.41)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS
27. Disclosure pursuant to Accounting Standard - 15 (Revised) "Employee Benefits" :
Defined Contribution Plan :

Amount of ` 75.28 Lacs (Previous Year ` 84.63 Lacs) is recognised as expense and included in "Employee Benefits Expense" in Note 23 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 summarises 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	861.11	192.43	1,010.79	218.69
Interest Cost	68.89	15.39	90.97	19.68
Current Service Cost	39.50	11.59	39.77	13.41
Actuarial Losses/(Gains)	48.10	(19.33)	16.38	(33.09)
Benefits Paid	(134.83)	(24.80)	(296.80)	(26.26)
Present value of Defined Benefit Obligation at the close of the year	882.77	175.28	861.11	192.43

(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	715.86	-	965.33	-
Add : Expected Return on Plan Assets	60.85	-	82.05	-
Add/(Less) : Actuarial Gains/(Losses)	20.06	-	(36.08)	-
Add : Contributions	1.29	-	1.36	-
Less : Benefits Paid	(134.83)	-	(296.80)	-
Fair Value of Plan Assets at the close of the year	663.23	-	715.86	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
STANDALONE ACCOUNTS

- (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	882.77	175.28	861.11	192.43
Less : Fair Value of Plan Assets	663.23	-	715.86	-
Present Value of unfunded obligation	219.54	175.28	145.25	192.43

- (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	39.50	11.59	39.77	13.41
Interest Cost	68.89	15.39	90.97	19.68
Expected return on Plan Asset	(60.85)	-	(82.05)	-
Net actuarial loss/(gain)	28.04	(19.33)	52.46	(33.09)
Net periodic cost	75.58	7.65	101.15	-

- (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	5%	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	145.25	192.43	45.46	218.69
Expenses as above	75.58	7.65	101.15	-
Contributions Paid	(1.29)	(24.80)	(1.36)	(26.26)
Closing net liability	219.54	175.28	145.25	192.43

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

(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	882.77	175.28	861.11	192.43	1,010.79	218.69	947.86	209.13
Plan Assets	663.23	-	715.86	-	927.82	-	910.35	-
Surplus/(Deficit)	(219.54)	(175.28)	(145.25)	(192.43)	(82.97)	(218.69)	(37.51)	(209.13)

	2015-16		2014-15	
	` in lacs	Percentage	` in lacs	Percentage
28. (a) 1. Value of Consumption of imported Components and Spare Parts:	-	-	-	-
2. Value of Consumption of indigenous Components and Spare Parts:	1.59	100.00	2.63	100.00
	<u>1.59</u>	<u>100.00</u>	<u>2.63</u>	<u>100.00</u>

29. C.I.F. Value of Imports of (i) Raw Material; and (ii) Capital goods are ` NIL (Previous year ` NIL).

30. Expenditure in Foreign Currency :

(` in lacs)

	2015-16	2014-15
(i) Travelling Expenses	51.32	16.74
(ii) Miscellaneous	1.33	2.91
	<u>52.65</u>	<u>19.65</u>

31. Segment Information:

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 single segment as per Accounting Standard (AS) 17 dealing with segment reporting issued by ICAI.

32. Contingent Liabilities and Commitments

(I) Contingent Liabilities :

- Claims against the Company not acknowledged as debts, since disputed ` 1520.61 lacs (Previous Year ` 944.14 lacs). Amount paid under protest ` 57.54 lacs (Previous Year ` NIL).
- A corporate guarantee for a sum of 1.6 Million USD is provided to Bank of India, London as a collateral security to the Term Loan sanctioned to Cati Madencilik Ithalat Ve Ihracat A.S., a tier II subsidiary of the Company.
- 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:

- Estimated amount of contracts on Capital Account and other commitments remaining to be executed and not provided for in accounts ` NIL (Previous Year ` NIL).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

33. Related Party Disclosure:-

I List of related parties:-

- A** Name and nature of relationship with the related party where control exists:
 Best Minerals Ltd. - Subsidiary Company
 Facor Electric Ltd. - Subsidiary Company
 FAL Power Ventures Pvt Ltd. - Subsidiary Company
 Facor Minerals Pte Ltd. - Subsidiary Company
 Facor Minerals (Netherlands) B.V. (FMN)- Subsidiary Company
 Facor Turkkrom Mining (Netherlands) B.V. (FTM) - Subsidiary of FMN
 Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM
- B** Associate and Enterprise, over which Key Management Personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :
- | | |
|--|---|
| 1. Pioneer Facor IT Infradevelopers Pvt. Limited - Associate | 2. Facor Steels Limited |
| 3. Rai Bahadur Shreeram and Company Private Limited | 4. Godawaridevi Saraf & Sons |
| 5. GDP Infrastructure Private Limited | 6. Shreeram Shipping Services Pvt. Ltd. |
| 7. Ferro Alloys Corporation Limited | 8. Vidharbha Iron & Steel Corporation Limited |
| 9. Facor Power Limited | |
- C** Key Management Personnel :
- | | |
|----------------------------------|------------------------------|
| i) R.K. Saraf | Chairman & Managing Director |
| ii) Ashim Saraf | Joint Managing Director |
| iii) Anurag Saraf | Joint Managing Director |
| iv) C.N.Harman (upto 11-02-2016) | Director (Technical) |
- D** Relative of Key Management - Personnel :
- | | |
|--------------|-----------|
| i) M.D.Saraf | President |
|--------------|-----------|

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 Assets	-	-	-	236.14	-	-
ii) Rent paid	-	-	55.77	56.76	-	-
iii) Rent received	-	5.00	74.55	67.20	-	-
iv) Reimbursement of Expenditure Paid/(Received)(Net)	-	-	22.98	18.70	-	-
v) Services Received/(Provided) (Net)	-	-	15.80	13.05	-	-
vi) Interest Received	-	-	(62.63)	(62.50)	-	-
vii) Short Term Loans and Advances given/(Received)	6,629.49	(385.22)	(52.70)	29.91	-	-
viii) Key Management Personnel and their Relative's Remuneration	-	-	-	-	94.02	93.40
ix) Investments	-	408.86	-	-	-	-
x) Balances outstanding at the year end:						
a) Short Term Loans and Advances given	8,163.06	1,533.57	521.48	574.18	-	-
b) Trade Receivables	-	-	82.60	723.34	-	-
c) Key Management Personnel and their Relative's Remuneration	-	-	-	-	82.45	46.59
d) Other Payables	-	-	45.55	21.15	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

III Disclosure in respect of Related Party Transactions during the year: (₹ in lacs)

S.No.	Particulars	Relationship	2015-16	2014-15
1.	PURCHASE OF ASSETS :			
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	-	236.14
	Total		<u>-</u>	<u>236.14</u>
2.	RENT PAID :			
	Rai Bahadur Shreeram and Company Pvt. Ltd.	Others	0.36	0.36
	GDP Infrastructure Pvt. Ltd.	Others	-	1.08
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	54.09	54.00
	Godawaridevi Saraf & Sons	Others	1.32	1.32
	Total		<u>55.77</u>	<u>56.76</u>
3.	RENT RECEIVED:			
	Ferro Alloys Corporation Ltd.	Others	57.75	50.40
	Facor Power Limited	Others	16.80	16.80
	Facor Electric Limited	Subsidiary	-	5.00
	Total		<u>74.55</u>	<u>72.20</u>
4.	REIMBURSEMENT OF EXPENDITURE:			
	Paid			
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	13.23	13.78
	Godawaridevi Saraf & Sons	Others	21.51	17.17
	Sub-Total		<u>34.74</u>	<u>30.95</u>
	Received			
	Ferro Alloys Corporation Ltd.	Others	8.82	9.19
	Facor Power Ltd.	Others	2.94	3.06
	Sub-Total		<u>11.76</u>	<u>12.25</u>
	Net Expenditure Paid		<u>22.98</u>	<u>18.70</u>
5.	SERVICE RECEIVED / (PROVIDED):			
	Paid			
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	23.96	22.13
	Received			
	Ferro Alloys Corporation Ltd.	Others	(6.12)	(6.81)
	Facor Power Ltd.	Others	(2.04)	(2.27)
	Sub-Total		<u>(8.16)</u>	<u>(9.08)</u>
	Net Services Paid		<u>15.80</u>	<u>13.05</u>
6.	INTEREST RECEIVED:			
	Facor Power Ltd.	Others	62.63	62.50
	Total		<u>62.63</u>	<u>62.50</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

		(` in lacs)		
S.No.	Particulars	Relationship	2015-16	2014-15
7.	SHORT TERM LOANS & ADVANCES:			
	Loans Received:			
	Facor Steels Ltd.	Others	-	(0.21)
	Facor Power Limited	Others	(51.70)	-
	Shreeram Shipping Services Pvt. Ltd.	Others	(1.00)	-
	Facor Minerals (Netherlands) B.V.	Subsidiary	-	(390.16)
	Sub-Total		<u>(52.70)</u>	<u>(390.37)</u>
	Loans Given:			
	Facor Power Limited	Others	-	30.06
	Shreeram Shipping Services Pvt. Ltd.	Others	-	0.06
	Best Minerals Limited	Subsidiary	0.19	0.36
	Facor Electric Limited	Subsidiary	0.78	4.41
	FAL Power Ventures Pvt. Limited	Subsidiary	0.70	0.17
	Facor Minerals (Netherlands) B.V.	Subsidiary	6,627.82	-
	Sub-Total		<u>6,629.49</u>	<u>35.06</u>
	Total		<u>6,576.79</u>	<u>(355.31)</u>
8.	KEY MANAGEMENT PERSONNEL AND THEIR RELATIVE'S REMUNERATION:			
	Shri R.K.Saraf	Key Management Personnel	18.56	18.81
	Shri Ashim Saraf	Key Management Personnel	21.05	21.06
	Shri Anurag Saraf	Key Management Personnel	20.98	20.99
	Shri C.N.Harman	Key Management Personnel	13.46	12.88
	Shri M D Saraf	Relative of Key Management Personnel	19.97	19.66
	Total		<u>94.02</u>	<u>93.40</u>
9.	INVESTMENT			
	Facor Minerals (Netherlands) B.V.	Subsidiary	-	408.86
	Total		<u>-</u>	<u>408.86</u>
10.	BALANCE OUTSTANDING AT THE YEAR END:			
	(A) Short Term Loans & Advances-Given:			
	Best Minerals Ltd.	Subsidiary	5.59	5.40
	Facor Electric Limited	Subsidiary	307.37	306.59
	FAL Power Ventures Pvt. Limited	Subsidiary	1,203.58	1,202.88
	Facor Minerals (Netherlands) B.V.	Subsidiary	6,646.52	18.70
	Sub-Total		<u>8,163.06</u>	<u>1,533.57</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

STANDALONE ACCOUNTS

S.No.	Particulars	Relationship	2015-16	2014-15
				(` in lacs)
	Facor Steels Limited	Others	15.29	15.29
	Facor Power Limited	Others	505.32	557.02
	Shreeram Shipping Services Pvt. Ltd.	Others	0.87	1.87
	Sub-Total		521.48	574.18
	Total		8,684.54	2,107.75
(B)	Trade Receivables/ (Payables)			
	Ferro Alloys Corpon. Limited	Others	-	640.74
	Facor Steels Limited	Others	82.60	82.60
	Total		82.60	723.34
(C)	Key Management Personnel and their Relatives' Remuneration			
	Shri R.K.Saraf	Key Management Personnel	19.53	10.78
	Shri Ashim Saraf	Key Management Personnel	15.87	8.49
	Shri Anurag Saraf	Key Management Personnel	14.37	8.47
	Shri C.N.Harman	Key Management Personnel	21.44	11.47
	Shri M D Saraf	Relative of Key Management Personnel	11.24	7.38
	Total		82.45	46.59
(D)	Other Current Liabilities:			
	Other Payables:			
	Vidharbha Iron & Steel Company Ltd.	Others	4.92	4.92
	Godawaridevi Saraf & Sons	Others	30.36	14.21
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	10.27	2.02
	Total		45.55	21.15

34. Details of Loans given, Investments made and Guarantee given covered U/s 186(4) of the Companies Act, 2013

Loans given, Investments made and Guarantees given by the Company in respect of loans are given under respective heads.

35. Previous Year's figures have been re-grouped wherever necessary.

As per our report of even date attached,

For SALVE & Co.
Chartered Accountants
(Regn.No.109003W)

C.A. K.P. SAHASRABUDHE
Partner
Membership No. 007021
Noida, UP : 27th May, 2016

O.P. SARASWAT
Dy.Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 27th May, 2016

For and on behalf of the Board,
R.K. SARAF
Chairman & Managing Director

ASHIM SARAF
Joint Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Facor Alloys Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the Group and its associate as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) The consolidated financial statements also include the Group's share of net profit of Rs.4.60Lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of two subsidiary companies, whose financial statements reflect total assets of ` 6,962.19 Lacs as at 31st March, 2016, total revenues of ` nil and net cash flows amounting to ` (-) 9.23 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the

Management and our opinion on these Consolidated Financial Statements, in as far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2016 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 Group and the operating effectiveness of such controls, refer to our report in "Annexure A"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and its associate in its financial statements;
 - ii. the Group and its associate did not have any long-term contracts including the derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Group and its associate incorporated in India during the year ended 31st March, 2016.

For SALVE & Co.
Chartered Accountants
(Firm's Registration No.109003W)

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

Place : Noida, UP
Date : 27th May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENT OF FACOR ALLOYS LIMITED

Report on the Internal Financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act).

We have audited the internal financial controls over financial reporting of Facor Alloys Limited ("the holding Company") and its subsidiary companies and its associate company which are companies incorporated in India, for the year ended 31st March, 2016 in conjunction with our audit of the Consolidated Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiaries and associate company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from management for entities unaudited.

For SALVE & Co.
Chartered Accountants
(Firm's Registration No.109003W)

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

Place : Noida, UP
Date : 27th May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

			(` in lacs)
	Note Nos.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,955.48	1,955.48
Reserves and Surplus	3	<u>7,054.54</u>	<u>9,134.57</u>
		9,010.02	11,090.05
Non-Current Liabilities			
Long-Term Borrowings	4	988.89	7,077.08
Long-Term Provisions	5	<u>1,136.12</u>	<u>1,150.03</u>
		2,125.01	8,227.11
Current Liabilities			
Short-Term Borrowings	6	8,607.37	1,128.67
Trade Payables			
a) Outstanding dues of micro and small enterprises	7	-	-
b) Outstanding dues of creditors other than micro and small enterprises	7	711.22	694.90
Other Current Liabilities	8	2,212.06	3,075.80
Short-Term Provisions	9	<u>59.99</u>	<u>62.93</u>
		11,590.64	4,962.30
TOTAL		<u>22,725.67</u>	<u>24,279.46</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	2,392.12	2,789.26
Intangible Assets	10	8,303.74	8,639.76
Capital Work-in-Progress	10	<u>1,114.52</u>	<u>828.13</u>
		11,810.38	12,257.15
Non-Current Investments	11	3,836.40	3,832.00
Long-Term Loans and Advances	12	50.82	802.41
Other Non- Current Assets	13	1,364.29	1,363.70
Deferred Tax Assets (Net)	14	<u>1,661.83</u>	<u>794.94</u>
		18,723.72	19,050.20
Current Assets			
Inventories	15	1,388.03	1,473.92
Trade Receivables	16	285.91	328.54
Cash and Cash Equivalents	17	105.24	1,231.64
Short-Term Loans and Advances	18	2,197.23	2,147.83
Other Current Assets	19	<u>25.54</u>	<u>47.33</u>
		4,001.95	5,229.26
TOTAL		<u>22,725.67</u>	<u>24,279.46</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date attached,

For SALVE & Co.Chartered Accountants
(Regn.No.109003W)**C.A. K.P. SAHASRABUDHE**Partner
Membership No. 007021
Noida, UP : 27th May, 2016**O.P. SARASWAT**

Dy.Chief Financial Officer

S.S. SHARMAGeneral Manager (Legal)
& Company Secretary
Noida, UP : 27th May, 2016

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

ASHIM SARAF

Joint Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note Nos.	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
(` in lacs)			
INCOME			
Revenue from Operations	20	185.24	398.83
Other Income	21	<u>872.20</u>	<u>1,519.66</u>
Total Revenue		1,057.44	1,918.49
EXPENSES			
Cost of Materials Consumed	22	-	-
Changes in Inventories of Finished Goods and Stock-in-Process	23	4.72	8.16
Employee Benefits Expense	24	1,302.62	1,202.60
Finance Costs	25	1,120.98	738.29
Depreciation and Amortisation Expense	26	1,100.42	982.82
Other Expenses	27	<u>862.98</u>	<u>2,734.30</u>
Total Expenses		4,391.72	5,666.17
Profit/(Loss) Before exceptional items and Tax		(3,334.28)	(3,747.68)
Exceptional items		-	-
Profit/(Loss) Before Tax		(3,334.28)	(3,747.68)
Tax Expenses			
Current Tax		0.17	-
Tax for Earlier Years		0.47	(24.78)
Deferred Tax		<u>(866.18)</u>	<u>(1,198.66)</u>
		(865.54)	(1,223.44)
Profit/ (Loss) after Tax but before share of			
Profit/ (Loss) from Associate & Minority Interest		(2,468.74)	(2,524.24)
Share of Profit/ (Loss) from Associate After Tax		4.60	4.30
Minority Interest		(128.41)	(258.34)
Profit/ (Loss) for the year		(2,335.73)	(2,261.60)
Earning per equity share of face value of ` 1/- each			
Basic and Diluted (in `)	28	(1.19)	(1.16)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date attached,

For and on behalf of the Board,

For SALVE & Co.Chartered Accountants
(Regn.No.109003W)**O.P. SARASWAT**

Dy.Chief Financial Officer

R.K. SARAF

Chairman & Managing Director

C.A. K.P. SAHASRABUDHEPartner
Membership No. 007021**S.S. SHARMA**General Manager (Legal)
& Company Secretary**ASHIM SARAF**

Joint Managing Director

Noida, UP : 27th May, 2016Noida, UP : 27th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(` in lacs)

	2015-16	2014-15
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax	(3,334.28)	(3,747.68)
Add : Income from associate after Tax	4.60	4.30
Adjustment for:		
Depreciation	1,100.42	982.88
Exchange difference on translation (Net)	-	(0.03)
Interest and Dividend Income	(208.21)	(207.72)
Finance Costs	1,120.98	738.29
Profit/Loss on Sale of Fixed Assets (Net)	(645.53)	(1,291.69)
	<u>1,367.66</u>	<u>221.73</u>
Operating Profit before Working Capital Changes	(1,962.02)	(3,521.65)
Adjustment for:		
Trade and Other Receivables	747.90	2,466.10
Inventories	85.89	378.88
Trade Payables	(1,376.68)	147.96
Others	920.91	(325.61)
	<u>378.02</u>	<u>2,667.33</u>
Cash Generated from Operations	(1,584.00)	(854.32)
Direct Taxes Paid/Adjusted	(3.08)	(192.99)
	<u>(3.08)</u>	<u>(192.99)</u>
Net Cash Flow from Operating Activities	(1,587.08)	(1,047.31)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(292.06)	(1,399.50)
Addition to Intangibles	(403.09)	(1,126.01)
Sale of Fixed Assets	687.03	1,353.74
Purchase/Sale of Investments	(4.40)	(4.79)
Interest and Dividend Income	230.00	247.66
	<u>217.48</u>	<u>(928.90)</u>
Net Cash Flow (used in) /from Investing Activities		
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long and Short Term Borrowings	1,390.51	1,257.95
Other Non current assets	(0.59)	(1.25)
Finance Costs Paid	(609.92)	(732.07)
	<u>780.00</u>	<u>524.63</u>
Adjustment to net worth on consolidation:		
i) Foreign Currency Translation Reserve	316.02	49.79
ii) Adjustment to minority interest	128.41	(336.04)
iii) Addition to Capital Reserves	(60.32)	(20.13)
iv) Adjustment on account of consolidation	-	910.71
	<u>384.11</u>	<u>604.33</u>
Net Cash Flow (used in)/from Financing Activities	1,164.11	1,128.96
Net Increase/(Decrease) in Cash and Cash Equivalents	(205.49)	(847.25)
Opening Balance of Cash and Cash Equivalents	300.17	1,147.42
Closing Balance of Cash and Cash Equivalents	94.68	300.17
Net Increase/(Decrease) in Cash and Cash Equivalents	(205.49)	(847.25)

As per our report of even date attached,

For SALVE & Co.
Chartered Accountants
(Regn.No.109003W)
C.A. K.P. SAHASRABUDHE
Partner
Membership No. 007021
Noida, UP : 27th May, 2016

O.P. SARASWAT
Dy.Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 27th May, 2016

For and on behalf of the Board,
R.K. SARAF
Chairman & Managing Director

ASHIM SARAF
Joint Managing Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements 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.

(B) Principles of Consolidation

a) The consolidated financial statements present the consolidated accounts of Facor Alloys Limited, its following subsidiaries and associate companies in terms of Accounting Standard 21 & Accounting Standard 23 notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

Subsidiary Companies

Sl. No.	Name of the Company	Relationship	Proportion of ownership & Voting Power	Country of Incorporation
1.	Best Minerals Limited (BML)	Subsidiary	100.00%	India
2.	FAL Power Ventures Pvt. Ltd. (FPVPL) [Formerly known as BEC Power Pvt. Ltd.]	Subsidiary	100.00%	India
3.	Facor Electric Ltd. (FEL)	Subsidiary	100.00%	India
4.	Facor Minerals Pte. Limited (FML)	Subsidiary	100.00%	Singapore
5.	Facor Minerals (Netherlands) B.V. (FMN)	Subsidiary	93.48%	Netherland
6.	Facor Turkkrom Mining (Netherlands) B.V. (FTM)	Subsidiary of FMN	51.00%	Netherland
7.	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)	Subsidiary of FTM	100.00%	Turkey

Associate Company:

Sl. No.	Name of the Associate	Proportion of ownership & Voting Power	Country of Incorporation
1.	Pioneer Facor IT Infradevelopers Pvt. Ltd.	20.40%	India

- b) The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and any unrealized profits.
- c) The consolidated financial statements have been prepared using accounting policies for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.
- d) The financial statements of FML have been prepared in accordance with Singapore Generally Accepted Accounting Principles. This subsidiary is not significant as compared to the Company's consolidated operations and hence, the impact thereof, if any, on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material.
- e) The financial statements of FMN and fellow subsidiary FTM have been prepared in accordance with Netherland Generally Accepted Accounting Principles. The impact on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material in view of Company's consolidated operations.
- f) The financial statements of fellow subsidiary Cati have been prepared in accordance with IFRS. The impact on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material in view of Company's consolidated operations.
- g) In translating the financial statements of the non-integral foreign subsidiary for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expenses items are translated at average exchange rate; and all resulting exchange differences are accumulated in foreign currency translation reserve.
- h) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in financial statements as Goodwill or Capital Reserve as the case may be.
- i) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- j) The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary and further losses applicable to the minority are adjusted against the majority interest. If the subsidiary subsequently report profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
- k) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- l) Investments in Associate Company has been accounted under the equity method as per (AS 23) – “Accounting for Investments in Associate in Consolidated Financial Statements”.
- m) The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (C) Investments other than investments in subsidiaries and associate have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.
- (D) Other Significant Accounting Policies;
These are set out under the head “Significant Accounting Policies” of the company & the subsidiaries. Differences in accounting policies followed by the other entities have been reviewed and no adjustments have been made, since the impact of these differences is not significant.
- (E) Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosure.
- (F) Deferred tax expense or benefit is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
- (G) Consolidated Employee benefits are same as Employee benefits of standalone Facor Alloys Limited.
- (H) Consolidated contingent liabilities and commitments are the same as contingent liabilities and commitments of standalone Facor Alloys Limited.

2. SHARE CAPITAL

(` in lacs)

	As at 31st March, 2016	As at 31 st March, 2015
Authorised Share Capital:		
360,000,000 (Previous Year- 360,000,000) Equity Shares of ` 1/- each	3,600.00	3,600.00
3,900,000 (Previous Year- 3,900,000) 0.01% Redeemable Preference Shares of ` 100/- each	3,900.00	3,900.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid up:		
195,547,355 (Previous Year- 195,547,355) Equity Shares of ` 1/- each fully paid-up	1,955.48	1,955.48
TOTAL	1,955.48	1,955.48

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

Name of the Shareholder	As at 31st March, 2016		As at 31 st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	61,055,682	31.22%	61,055,682	31.22%

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

Particulars	As at 31st March, 2016	As at 31 st March, 2015
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	195,547,355	195,547,355
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	195,547,355	195,547,355

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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

3. RESERVES AND SURPLUS

(` in lacs)

	As at 31 st March, 2016	As at 31 st March, 2015
Capital Reserve		
Balance as at the beginning of the year	8,687.14	8,707.27
Add : Addition during the year	<u>(60.32)</u>	<u>(20.13)</u>
Balance as at the end of the year	8,626.82	8,687.14
Securities Premium Reserve		
Balance as at the beginning and end of the year	2,667.52	2,667.52
Foregin Currency Translation Reserve		
Balance as at the beginning of the year	(175.49)	5.21
Add: Movement during the year	<u>316.02</u>	<u>(180.70)</u>
Balance as at the end of the year	140.53	(175.49)
General Reserve		
Balance as at the beginning and end of the year	250.00	250.00
Statement of Profit & Loss		
Balance as at the beginning of the year	(2,294.60)	(1,061.57)
Add: Profit/(Loss) for the year	(2,335.73)	(2,261.60)
Less: Transferred to Goodwill on Consolidation	-	910.71
Share of Minority interest	<u>-</u>	<u>117.86</u>
	<u>(2,335.73)</u>	<u>(1,233.03)</u>
Balance as at the end of the year	<u>(4,630.33)</u>	<u>(2,294.60)</u>
TOTAL	<u>7,054.54</u>	<u>9,134.57</u>

4 LONG-TERM BORROWINGS

(Secured)		
Term Loan from Bank (Refer note 4.1)	590.25	5,758.05
Loan from Others	-	1,000.00
(Unsecured)		
Loan from Others	398.64	312.94
Deferred payment liabilities	-	6.09
TOTAL	<u>988.89</u>	<u>7,077.08</u>

4.1 Secured by pledge of Fixed Assets of Cati Madencilik Ithalat ve Ihracat A.S. and collaterally secured by corporate gurantee of Facor Alloys Ltd. ` 590.25 lacs (Previous year ` 751.05 lacs): Payable in 20 equal quarterly instalments.

5 LONG TERM PROVISIONS

Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	115.28	129.50
Others	<u>1,020.84</u>	<u>1,020.53</u>
TOTAL	<u>1,136.12</u>	<u>1,150.03</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
6 SHORT-TERM BORROWINGS

(₹ in lacs)

	<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
(A) From Banks (Secured) :		
Cash Credit Accounts (refer note 6.1)	<u>7,225.34</u>	<u>1,128.67</u>
(B) From Other :		
(Secured) (refer note 6.2)	<u>1,000.00</u>	-
(Unsecured)	<u>382.03</u>	-
TOTAL	<u>8,607.37</u>	<u>1,128.67</u>

6.1 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 in respect of immovable properties and guaranteed by two Directors. It also includes ₹ 6089.76 lacs (Previous Year ₹ Nil) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's A/c. The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

6.2 Secured by way of pledge of 17,42,700 Equity shares in Pioneer Facor IT Infradevelopers Pvt. Ltd.

7 TRADE PAYABLES

a) Outstanding dues of micro and small enterprises	-	-
b) Outstanding dues of creditors other than micro and small enterprises	<u>711.22</u>	<u>694.90</u>
TOTAL	<u>711.22</u>	<u>694.90</u>

8 OTHER CURRENT LIABILITIES

Unpaid dividends	<u>10.56</u>	17.86
Other Payables *	<u>2,201.50</u>	<u>3,057.94</u>
TOTAL	<u>2,212.06</u>	<u>3,075.80</u>

* Includes statutory dues, security deposits and advance from customers.

9 SHORT-TERM PROVISIONS

Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	<u>59.99</u>	<u>62.93</u>
TOTAL	<u>59.99</u>	<u>62.93</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10 FIXED ASSETS

(` in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2015	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2016	Upto 1.04.2015	For the Year	Deductions/ Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets:										
Land Freehold	118.91	-	10.27	108.64	-	-	-	-	108.64	118.91
Mines and Quarries Freehold	1.14	-	0.16	0.98	-	-	-	-	0.98	1.14
Buildings	880.90	-	19.11	861.79	616.58	32.87	8.66	640.79	221.00	264.32
Railway Siding	53.99	-	-	53.99	40.07	1.89	-	41.96	12.03	13.92
Plant and Machinery	5,338.16	-	14.54	5,323.62	3,343.72	237.67	-	3,581.39	1,742.23	1,994.44
Office and Other Equipments	398.47	5.12	59.81	343.78	290.09	19.82	56.32	253.59	90.19	108.38
Furniture and Fixtures	339.42	0.55	65.67	274.30	167.31	40.93	64.19	144.05	130.25	172.11
Vehicles	615.54	-	34.96	580.58	499.50	28.13	33.85	493.78	86.80	116.04
TOTAL	7,746.53	5.67	204.52	7,547.68	4,957.27	361.31	163.02	5,155.56	2,392.12	2,789.26
Previous Year	7,007.62	843.91	105.00	7,746.54	4,664.08	336.16	42.95	4,957.28	2,789.26	-
Intangible Assets:										
Mining Concession Licence and Intellectual Properties	58.23	26.16	4.87	79.52	4.27	1.12	-	5.39	74.13	53.96
Goodwill	9,878.03	381.80	-	10,259.83	1,292.23	737.99	-	2,030.22	8,229.61	8,585.80
TOTAL	9,936.26	407.96	4.87	10,339.35	1,296.50	739.11	-	2,035.61	8,303.74	8,639.76
Previous Year	8,810.24	1,137.19	11.18	9,936.25	649.78	646.72	-	1,296.50	8,639.76	-
Capital Work- in- Progress									1,114.52	828.13

11 NON-CURRENT INVESTMENTS

(` in lacs)

	As at 31st March, 2016	As at 31st March, 2015
Trade Investments : (At Cost)		
In Equity Shares of Associate Company - Unquoted, fully paid up		
17,42,700 (Previous Year - 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ` 1/- each (at cost)	1,855.63	1,855.63
Add: Share of Profit / (Loss) net	(35.96)	(40.56)
	1,819.67	1,815.07
Others - In Equity Shares -Quoted, fully paid up		
NIL (Previous Year- 6,600) Sunil Healthcare Limited of ` 10/- each	-	0.20
Others - In Equity Shares -Unquoted, fully paid up		
1,36,663 (Previous Year-1,36,663) Vidarbha Iron & Steel Corporation Limited of ` 10/- each	13.67	13.67
20,000,000 (Previous Year- 20,000,000) Facor Power Limited of ` 10/- each (Refer Note below)	2,000.00	2,000.00
	2,013.67	2,013.67
In Government Securities : Unquoted		
6 Years National Savings Certificates	3.05	3.05
12 Years National Plan Saving Certificates	0.01	0.01
TOTAL	3,836.40	3,832.00
11.1 Aggregate cost of Quoted Investments	-	0.20
11.2 Market value of Quoted Investment	-	2.50
11.3 Aggregate amount of Unquoted Investments	3,836.40	3,831.80

Note : Non-disposable undertaking is given to Rural Electrification Corporation Ltd. for not to divest or encumber the shares.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

12 LONG-TERM LOANS AND ADVANCES	(₹ in lacs)	
(Unsecured and Considered Good)	As at	As at
	31st March, 2016	31 st March, 2015
Other Loans	-	750.00
Security Deposits	50.82	52.41
TOTAL	50.82	802.41
13 OTHER NON CURRENT ASSETS		
Unamortised Expenditures	1,364.29	1,363.70
TOTAL	1,364.29	1,363.70
14 DEFERRED TAX ASSETS/LIABILITIES (NET)		
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	374.06	436.41
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 and Others to be allowed on payment basis	140.48	115.12
Unabsorbed Depreciation & Unabsorbed business loss	1,895.41	1,116.23
	2,035.89	1,231.35
Net Deferred Tax Assets/(Liabilities)	1,661.83	794.94
15 INVENTORIES		
(As per Inventory taken, valued and as certified by the Management)		
(At Cost unless otherwise stated)		
Raw Materials	1,285.33	1,365.18
Stock-in-Process (At Cost or Net realisable value whichever is lower)	15.35	15.69
Finished Goods (At Cost or Net realisable value whichever is lower)	0.64	5.36
Stores and Spare Parts	70.58	70.71
Loose Tools	16.13	16.98
TOTAL	1,388.03	1,473.92
16 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	280.97	327.20
Others	4.94	1.34
TOTAL	285.91	328.54

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
17 CASH AND BANK BALANCES

(₹ in lacs)

	As at 31st March, 2016	As at 31st March, 2015
CASH AND CASH EQUIVALENTS		
Cash in hand	10.39	13.21
With Scheduled Banks:		
In Current Accounts	24.12	276.79
In Cash Credit Accounts	0.04	-
In Current Accounts- For Unpaid Dividend	10.56	17.86
In Fixed Deposit Accounts:		
With original maturity upto three months	60.13	10.17
	94.85	304.82
	105.24	318.03
OTHER BANK BALANCES		
In Fixed Deposit Accounts:		
With original maturity of more than twelve months	-	913.61
TOTAL	105.24	1,231.64

18 SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Loans and Advances to Related Parties	521.48	1,214.92
Loans and advances to others	750.00	-
Others:		
Balance with Government authorities	210.26	206.78
Prepaid expenses	3.92	2.12
Others	711.57	724.01
TOTAL	2,197.23	2,147.83

19 OTHER CURRENT ASSETS

Interest accrued on Fixed Deposits	0.08	21.87
Claims Recoverable	25.46	25.46
TOTAL	25.54	47.33

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
20 REVENUE FROM OPERATIONS

(₹ in lacs)

	<u>Year Ended 31st March, 2016</u>	<u>Year Ended 31st March, 2015</u>
Sale of products, less returns	126.97	203.95
Sale of Services	-	196.16
	<u>126.97</u>	<u>400.11</u>
Less: Excise Duty	14.11	1.66
	<u>112.86</u>	<u>398.45</u>
Add: Export Incentives	72.38	0.38
TOTAL	<u>185.24</u>	<u>398.83</u>

GROSS SALES
20.1 PARTICULARS OF SALE OF PRODUCTS

Ferro Alloys	68.27	10.53
Chrome Ore	-	188.92
Off Grade / By-products	58.70	4.50
Services rendered (Conversion Charges)	-	196.16
TOTAL	<u>126.97</u>	<u>400.11</u>

21 OTHER INCOME
INTEREST INCOME:

Interest on Deposits	25.27	101.56
Other Interest	182.94	106.16
	<u>208.21</u>	<u>207.72</u>
Miscellaneous receipts	13.13	0.25
Profit /(Loss) on Fixed Assets Sold/Discarded (Net)	645.53	1,291.69
Foreign exchange gain	0.37	20.00
Profit/(Loss) on Sale of Investments	4.96	-
TOTAL	<u>872.20</u>	<u>1,519.66</u>

22 COST OF MATERIALS CONSUMED

Opening stock of Materials	1,365.18	1,348.73
Purchases / (Sales)	(79.85)	16.45
	<u>1,285.33</u>	<u>1,365.18</u>
Less: Closing stock of Materials	1,285.33	1,365.18
Cost of Materials Consumed	<u>-</u>	<u>-</u>

23 CHANGES IN INVENTORIES OF FINISHED GOODS

Closing stock:		
Finished Goods	0.64	5.36
Opening stock:		
Finished Goods	5.36	13.52
Decrease/(Increase) in Inventories	<u>4.72</u>	<u>8.16</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

24 EMPLOYEE BENEFITS EXPENSE

(` in lacs)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Salaries, Wages and Bonus	878.47	679.46
Contribution to Provident and Other Funds	150.85	185.79
Welfare Expenses	192.08	245.50
Directors' Remuneration	81.22	91.85
TOTAL	1,302.62	1,202.60

25 FINANCE COSTS

Interest:		
On Fixed Loan	318.64	433.19
On Others	795.44	244.84
	1,114.08	678.03
Other Borrowing Costs	6.90	60.26
TOTAL	1,120.98	738.29

26 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation	361.31	336.15
Less: Considered in Pre-operative Expenditure	-	0.06
	361.31	336.09
Amortisation	739.11	646.73
TOTAL	1,100.42	982.82

27 OTHER EXPENSES

Power and Fuel	69.09	1,131.30
Mining, Handling and other Production Expenses	192.96	654.84
Freight, Shipment and Sales Expenses	30.76	9.99
Stores and Spares	0.53	0.28
Works Expenses	362.93	643.39
Transport Expenses	2.69	3.55
Repairs and Maintenance to Plant and Machinery	15.40	30.19
Repairs and Maintenance to Buildings	98.65	117.53
Insurance	14.07	17.79
Rent (Net)	14.25	32.80
Rates and Taxes	9.62	14.67
Payments to Auditors	5.40	12.81
Directors' Sitting Fees	2.80	3.50
Foreign Exchange Loss	0.43	0.03
Miscellaneous Expenses	43.40	61.63
TOTAL	862.98	2,734.30

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

28 EARNING PER SHARE (BASIC AND DILUTED)

(` in lacs)

	Year Ended 31st March, 2016	Year Ended 31 st March, 2015
(i) Net Profit after Tax	(2,335.73)	(2,261.60)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (` per share)	(1.19)	(1.16)

29 Consolidated related party transactions are same as related party transactions of standalone Facor Alloys Limited except for following transactions which are additional in consolidated financial statement.

Amount Received by Cati Madencilik Ithalat Ve Ihracat A.S. from Mr. Gokhan Cevik, Director amounting to ` 77.25 lacs (Previous year ` 15.58 lacs).

Balance outstanding ` 93.80 lacs (Previous year ` 15.58 lacs)

30 Details of Loans given, Investments made and Guarantee given covered U/s 186 (4) of the Companies Act, 2013

Loans given, Investments made and Guarantee given by the Company in respect of loans are given under the respective heads.

31 Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate.

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (` in lacs)	As % of consolidated profit or loss	Amount (` in lacs)
	1	2	3	4	5
	Parent				
	Facor Alloys Limited	171.52	10,693.19	57.67	(1,423.60)
	Subsidiaries				
	Indian				
1	Best Minerals Ltd.	(0.17)	(10.41)	0.01	(0.24)
2	FAL Power Ventures Pvt. Ltd.	-	-	-	-
3	Facor Electric Ltd.	-	-	-	-
	Foreign				
1	Facor Minerals Pte. Ltd.	0.03	1.65	(0.41)	10.14
2	Facor Minerals (Netherlands) B.V.	(68.36)	(4,262.14)	42.74	(1,055.04)
	Minority Interest in all Subsidiaries	(3.01)	(187.90)	5.20	(128.41)
	Indian-Associates (Investment as per equity method)				
1	Pioneer Facor IT Infradevelopers Pvt. Ltd.	(58.00)	1,819.67	0.20	4.60

As per our report of even date attached,

For SALVE & Co.
Chartered Accountants
(Regn.No.109003W)

C.A. K.P. SAHASRABUDHE
Partner
Membership No. 007021
Noida, UP : 27th May, 2016

O.P. SARASWAT
Dy.Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 27th May, 2016

For and on behalf of the Board,
R.K. SARAF
Chairman & Managing Director

ASHIM SARAF
Joint Managing Director

ANNEXURE-2

FORM AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies

Part “ A” : Subsidiaries

(` in Lacs)

1	Sl.No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Madencilik Ithalat ve Ihracat A. S.
								(Refer below Note no. 2)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US\$ 66.44	US\$ 66.44	US\$ 66.44	US\$ 66.44
5	Share Capital	5.00	1.00	5.00	360.77	1529.19	1461.68	867.61
6	Reserves & Surplus	(10.41)	-	-	1.65	(4262.14)	(103.82)	(875.29)
7	Total Assets	0.27	1204.91	312.74	374.21	6587.98	1392.71	2030.62
8	Total Liabilities	0.27	1204.91	312.74	374.21	6587.98	1392.71	2030.62
9	Investments	0.01	-	-	-	-	1338.98	-
10	Turnover	-	-	-	-	-	-	-
11	Profit before taxation	(0.24)	-	-	10.46	(1081.55)	(15.99)	(154.14)
12	Provision for taxation	-	-	-	0.32	(26.51)	-	(26.51)
13	Profit after taxation	(0.24)	-	-	10.14	(1055.04)	(15.99)	(127.63)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	93.48%	51%	100%

- Notes :** (1) Following are the names of subsidiaries which are yet to commence operations:
- i) FAL Power Ventures Pvt. Ltd.
 - ii) Facor Electric Limited
 - iii) Facor Minerals Pte Ltd.
 - iv) Facor Minerals (Netherlands) B.V.
 - v) Facor Turkkrom Mining (Netherlands) B.V.
 - vi) Cati Madencilik Ithalat Ve Ihracat A.S. (Subsidiary of Facor Minerals (Netherlands) B.V.) (wholly owned subsidiary of Facor Turkkrom Mining (Netherlands) B.V.)
- (2) Financial Information is based on unaudited results.

Part “B” : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Pioneer Facor IT Infradevelopers Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2016
2	Date on which the Associate or Joint Venture was associated or acquired	17.03.2010
3	Shares of Associates held by the company on the year end	
	No.	1742700
	Amount of Investment in Associates	1819.67
	Extent of Holding %	20.40%
4	Description of how there is significant influence	There is significant influence due to holding of more than 20% Equity Share Capital
5	Reason why the associate/joint venture is not considered	-
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (`/Lacs)	593.43
7	Profit/Loss for the year	
	(i) Considered in Consolidation (`/Lacs)	4.60
	(ii) Not considered in Consolidation	-

RATIO OF REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of remuneration of each director to the median employee's remuneration and such other details are furnished below-

i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year :-

Name of the Director	Ratio
R.K.Saraf	13.47:1
Ashim Saraf	15.28:1
Anurag Saraf	15.22:1
C.N.Harman	8.35:1

ii) the percentage increase in remuneration of each Director, Dy. Chief Financial Officer & Company Secretary in the financial year:

Name of the Director	% increase/(Decrease)
R.K.Saraf	-1.28%
Ashim Saraf	-0.07%
Anurag Saraf	-0.06%
C.N.Harman	-10.66%
Other KMP	
Dy.Chief Financial Officer	13.16%
Company Secretary	10.65%

iii) comparison of the each remuneration of the key Managerial Personnel against the performance (PBT) of the Company:

Name of Key Managerial Personnel	Increase /(Decrease)	
	Remuneration (%)	Company's Performance (%)
R.K.Saraf	-1.28%	-11.43
Ashim Saraf	-0.07%	-11.43
Anurag Saraf	-0.06%	-11.43
C.N.Harman	-10.66%	-11.43
O.P.Saraswat	13.16%	-11.43
S.S.Sharma	10.65%	-11.43

- iv) The percentage increase in the median remuneration of the employees in the financial year 2015-16 50.46%
- v) The number of permanent employees on the rolls of the Company 506
- vi) The explanation on the relationship between average increase in remuneration and company performance (PBT)
 - Average increase in the remuneration in (%) 9.96%
 - Increase in Company's performance (%) -11.43
- vii) Comparison of the remuneration of key managerial personnel against the performance (PBT) of the Company
 - Average Increase in remuneration (%) 6.77%
 - Increase in Company's performance (%) -11.43
- viii) Market Capitalisation as on 31.03.2016 (Rs. in Crore) 15.64
- Market Capitalisation as on 31.03.2015 (Rs. in Crore) 17.21
- Decrease in Market Capitalisation (Rs. in Crore) 1.56
- Price Earning Ratio as at 31.03.2016 (in Multiples) -1.10
- Price Earning Ratio as at 31.03.2015 (in Multiples) -2.15

Our Principal Addresses:

Registered Office and Works

Shreeramnagar:

Shreeramnagar-535 101
Garividi, Dist : Vizianagaram
(Andhra Pradesh)
Phone : 91-8952-282029 & 282038
Fax : 91-8952-282188
Gram : FACOR
E-Mail : facoralloys@facorgroup.in
Website : www.facoralloys.com
CIN : L27101AP2004PLC043252

Regional Offices:

Mumbai:

A/101, Gokul Arcade,
C.T.S. No. 173-A,
Swami Nityanand
Marg, Vile Parle (East),
Mumbai - 400 057
Phone : 91-22-26823930-33
Fax : 91-22-26823934
E-Mail : facormumbai@facorgroup.in

Shri Anil Banka

Manager (Accounts)

Other Offices:

Visakhapatnam:

Manganese House, Harbour
Approach Road,
Visakhapatnam - 530 001
Phone : 91-891-2569011
2569013 / 6668003
Gram : FACOR
Fax : 91-891-2564077
E-Mail : facorvizag@facorgroup.in

Shri Naresh Kumar

Dy. General Manager [Finance]

Corporate Office

Noida :

Facor House, A-45-50, Sector-16,
Noida, Dist.Gautam Buddha Nagar,
U.P.-201 301 India
Phone : +91-120417 1000
Fax : +91-120425 6700
E-Mail : facordelhi@facorgroup.in

Shri Ishwar Das

Manager (Administration)

Kolkata:

Everest House,17th Floor,
46/C, Block-G, Jawaharlal Nehru
Road, Kolkata - 700 071
West Bengal
Phone : 40103400
Gram : FACORAGENT
E-Mail : facorkolkata@facorgroup.in
Fax : 91-33-40103434

Shri Pratap Lodge

General Manager [East Zone]

Nagpur:

Shreeram Bhawan
Ramdaspath
Nagpur- 440 010
Phone : 2436920 - 21
Gram : FACOR
Fax : 91-712-2432295

Shri H.S.Shah

Dy. General Manager

Head Office

Tumsar

Shreeram Bhawan
Tumsar- 441 912
Dist : Bhandara (Maharashtra)
Phone : 91-7183-232251, 232233
& 233090
Gram : FACOR
E-Mail : facorho@facorgroup.in
Fax : 91-7183-232271

Chennai:

37F, Whites Road, Second Floor
Royapettah, Chennai - 600 014
Phone : 28411092 - 6
Gram : FACORAGENT
E-Mail : facorchennai@facorgroup.in
Fax : 91-44-28411097

Shri R.G. Chari

General Manager [South Zone]

Bhubaneswar:

GD-2/10, Chandrasekharpur
Bhubaneswar-751 023
[Odisha]
Phone : 2302881 / 882
Gram : FACOR
E-Mail : facorbbsr@dataone.in
Fax : 91-674-2302612

Shri M.V. Rao

Resident Manager

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-Ordinary General Meeting of the Members of Company will be held at the Registered Office of the Company at "Administrative Building, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh" on Saturday, the 12th day of November, 2016 at 3.30 P.M. to transact, with or without modifications as may be permissible, the following business:-

Special Business:

Item: Erosion in the Net Worth of the Company

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Report of Board of Directors of the Company to the shareholders on the erosion of more than 50% of the Net Worth of the Company as at the end of the Financial year ended 31st March, 2016 in relation to its peak net worth during the immediately preceding four financial years, be and is hereby considered, noted and approved.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary including reporting of the fact of such erosion to the Board for Industrial and Financial Reconstruction (BIFR) in the prescribed form and in accordance with the provisions of Section 23 (1) (a) (i) of SICA and to do all such acts, deeds and things as may be considered necessary, proper or desirable or expedient to give effect to the above resolution."

By order of the Board of Director
For **Facor Alloys Limited**

(S.S. Sharma)

General Manager (Legal) & Company Secretary
Membership No. FCS-2624

Place : Noida (U.P.)

Date : 12th August, 2016

NOTES:

- The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to special businesses set out above is annexed hereto.
- A route map to reach the venue of the Extra-Ordinary General Meeting, including prominent land mark for easy location, has been provided at the end of the EGM notice.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA-ORDINARY GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than

48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- In terms of Sick Industrial Companies (Special Provisions) Act, 1985, the shareholders of the Company are required to take note of the Report of Board of Directors on erosion of the networth and causes for such erosion within sixty days of finalization of the audited accounts of the Company. The Audited accounts has been finalised by the members of the Company in 13th Annual General Meeting of the Company held on 29th September, 2016. The Annual Report had already been forwarded to all the shareholders at the time of 13th AGM and the same is also available on the Company's website www.facoralloys.com.
- Accordingly, this Extra-Ordinary General Meeting of the members of the company is scheduled to be held at 3.30 p.m. on Saturday, 12th November, 2016.
- As per the provisions of Section 101 of the Companies Act, 2013 read with rules made thereunder, Notice of the EGM is being sent to all the members in the electronic mode, whose email addresses are registered with the Depository Participant, unless any member has requested for a hard copy of the same and for members who have not registered their email addresses, physical copy of above documents is being sent.
- As per the green initiative of Ministry of Corporate Affairs (MCA), members are requested to provide their e-mail addresses to the Registrar & Share Transfer Agent of the Company namely M/s Beetal Financial & Computer Services (P) Ltd., in order to receive the various Notices and other Notifications from the Company, in electronic form.
- Members may also note that the Notice of this EGM is also available on Company's website: www.facoralloys.com.
- Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management And Administration) Amendment, Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the EGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice

of the Extra Ordinary General Meeting of the Company. E-voting is optional. The facility for voting, through ballot/polling paper shall also be made available at the venue of the EGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the EGM.

The instructions for shareholders voting electronically are as under:

- (i) In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 5th November, 2016 as the 'Cut-off Date'. The remote e-voting/voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 5th November, 2016 only. The voting period begins on 9th November, 2016 at 10.00 a.m. (IST) and ends on 11th November, 2016 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5th November, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 11th November, 2016.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" tab.
- (v) Now, select the Electronic Voting Sequence Number- "EVSN-160829004" along with "Facor Alloys Limited" from the drop down menu and click on "SUBMIT".
- (vi) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to Login. If both the details are not recorded with the depository or company please enter the Member ID / Folio number in the Dividend Bank details field as mentioned in instruction (vi).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 5th November, 2016 may follow the same instructions as mentioned above for e-Voting.
- (xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- I. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date/record date i.e. Saturday, 05th November, 2016.
 - II. Mr. P.S. Rathi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall after the conclusion of voting at the EGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the EGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
 - IV. The Results of e-voting shall be declared on or after the EGM of the Company and the Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.facoralloys.com and on the website of CDSL within two days of passing of the Resolution of the EGM of the Company and communicated to the Stock Exchange, where the shares are listed.
10. The Chairman shall, at the Extra -Ordinary General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of “ballot paper” for all those Members who are present at the EGM but have not casted their votes by availing the remote e-voting facility.
 11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days, up to and including the date of the Extra-Ordinary General Meeting of the Company.
 12. Members are requested to always quote their Folio No./Client ID & DP ID in all correspondence with the Company’s Registrars and the Company. Members are also requested to notify any change of address to their Depository Participants. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agent of the Company at the following address:-
M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062.

Registered Office:

Administrative Building,
Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram,
Andhra Pradesh
CIN L27101AP2004PLC043252
Tel. No. 08952-282029
Fax No. 08952-282188
E-Mail facoralloys@facorgroup.in
Website www.facoralloys.com

By order of the Board

S.S. Sharma
General Manager (Legal)
& Company Secretary

Dated: 12th August, 2016

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013:

Item: Erosion in the Net Worth of the Company

As per Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ('the Act'), if the accumulated losses of an Industrial Company as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, the said Company falls within the definition of "Potential Sick Company". In terms of requirement of Section 23 of the Act, such Company is required:

1. To report the fact of such erosion to the Board for Industrial and Financial Reconstruction and
2. To hold a general meeting of shareholders for considering such erosion within 60 (sixty) days from the date of adoption of Audited Financial Statement at the Annual General Meeting.

As per the Audited Accounts of the Company for the financial year ended 31st March, 2016, which were laid before the members at the Annual General Meeting held on 29th September, 2016 and duly approved and adopted by the members in the Annual General Meeting, the accumulated losses of your Company as at 31st March, 2016 amounting to Rs.28.80 crores has resulted in erosion of more than 50% of its peak net worth during the four financial years immediately preceding the financial year. Hence the Company has become a 'Potential Sick Company' as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

In terms of the provisions of Section 23 a report on such erosion and its causes is required to be submitted before the shareholders for their consideration and approval within 60 days from the finalization of accounts. The said report is annexed herewith and is forming part of this notice.

Accordingly, the said report of the Board of Directors on such erosion and revival measures being taken as per Section 23 of the Act is being placed before the members for their consideration and noting.

Therefore this EGM is scheduled in pursuance of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985 to consider such erosion in Net worth.

None of the Directors and Key Managerial Personnel of the Company including their relatives is concerned or interested, financially or otherwise in the resolutions.

The Board recommends consideration of the proposed resolution for your approval as an Ordinary Resolution.

REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY PURSUANT TO THE PROVISIONS OF SECTION 23 OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985, (SICA)

Dear Shareholders,

As per the duly finalized audited accounts at the end of the financial year on 31st March, 2016, the accumulated losses of the Company

stood at Rs.28.80 Crores, which eroded the peak net worth of the Company in the immediately preceding four financial years by more than 50%. As per the Provisions of the Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), a company is required to report the fact of such erosion to the Board for Industrial & Financial Reconstruction (BIFR) within a period of 60 days from the date of finalisation of the duly finalized audited accounts of the company for the relevant financial year. The Board of Directors of the company is also required to report to its shareholders the fact of such erosion with causes for such erosion by forwarding a report to that effect and holding a general meeting of the shareholders of the company for considering such erosion. Therefore, this report is being submitted to the Members of the Company along with notice of this Extra-Ordinary General Meeting.

Causes of Erosion of Net Worth

Company is engaged mainly in the manufacture and sale of ferro alloys. Ferro Alloy is a crucial intermediate to Steel Industry. Hence, growth of Ferro Alloy Industry is primarily driven by the growth and progress of Steel Industry. Further Ferro Alloys being a power intensive industry, power constitutes a major portion of its cost of production. The company's plant is located in Andhra Pradesh southern India where the repeated power tariff hikes by State Run Power utility Company coupled with frequent power cuts have been always a major concern for the Company. Besides this Company is also heavily burdened by way of claims for Fuel Surcharge Adjustments to the extent of Rs.62.49 crores including arrears for earlier years. Further lack of demand both in domestic & export market coupled with weak price trend have aggravated the situation. Production activities in Company's plant are suspended for the last 31 months due to labour unrest. Due to the above and other reasons the Company is incurring continuous losses for the last more than two years.

Some of the steps taken/being taken to overcome these difficult situations are as under :-

- a) Persistent representations/follow up with the State Government to provide continuous power at subsidized rates have yielded good result. State Government has been kind enough to grant a subsidy of Rs.1.50 per unit in power tariff for an initial period of one year. Further representations/ follow up are being made for adjusting this granted subsidy of Rs.1.50 per unit in monthly power bills itself.
- b) Necessary steps are being taken to solve the labour issues and to improve the productivity and reducing power consumption by close monitoring of the production/sales as well as control over costs/overheads.
- c) As per reports, sizeable increases in the capacity of stainless steel industry are expected to be commissioned over the next few years in different countries of the world and it is expected that with this seeing the light of the day, over supplies of ferro chrome in the market will get balanced and the prices will start looking up giving some relief to the Company and improving its financial position.

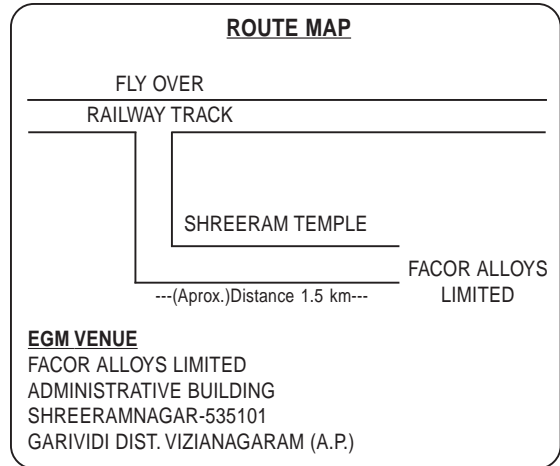
The above measures are expected to go a long way in improving the performance of the Company.

Registered Office:
 Administrative Building,
 Shreeramnagar-535 101,
 Garividi, Dist. Vizianagaram,
 Andhra Pradesh
 CIN L27101AP2004PLC043252
 Tel. No. 08952-282029
 Fax No. 08952-282188
 E-Mail facoralloys@facorgroup.in
 Website www.facoralloys.com

By order of the Board

S.S. Sharma
 General Manager (Legal)
 & Company Secretary

Dated: 12th August, 2016



FACOR ALLOYS LIMITED

CIN L27101AP2004PLC043252

Registered Office & Works : SHREERAMNAGAR-535 101, Dist. Vizianagaram, A.P., India

Phones: +91 8952 282029, 282038, 282456 Fax: +91 8952 282188

E-Mail : facoralloys@facorgroup.in, Website: www.facoralloys.com

Thirteenth Annual General Meeting on 29th September, 2016

FORM NO. MGT-11

PROXY FORM

(Pursuant to section 105 (6) of the Companies Act, 2014 and rule 19(3) of the Companies (Management and Administration) Rules, 2015)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No./DP ID-Client ID No.	

I/ We, being the member(s) of the above named Company, holding.....shares, hereby appoint:

(1) Name: Address:

E-mail Id : Signature:.....or failing him;

(2) Name: Address:

E-mail Id : Signature:.....or failing him;

(3) Name: Address:

E-mail Id : Signature:.....or failing him;

and whose signature(s) are appended below as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Members of the Company to be held on Thursday, the 29th September, 2016 at 3.30 p.m. at Administrative Building, Shreeramnagar-535101 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2016
2.	Re-appointment of Mr. Ashim Saraf, Joint Managing Director (DIN 00009581) who retires by rotation
3.	Appointment of Auditors and fixing their remuneration
Special Business	
4.	Appointment of Mr. Rohit Saraf (DIN 00003994) as an Additional Director
5.	Ratification of Cost Auditors' remuneration
6.	Re-classification of promoter of the Company
7.	Erosion in the Net Worth of the Company (as referred in EGM Notice)

Signed this day of 2016

Signature of Shareholder(s) :

Signature of Proxy holder(s) :



Note : This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

REGISTERED BOOK POST

If undelivered please return to :

FACOR ALLOYS LIMITED

Shreeramnagar - 535 101
Garividi; Dist. Vizianagaram
(Andhra Pradesh)
INDIA