EIGHTEENTH ANNUAL REPORT 2020-21

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
Non-Executive Director
(upto 12.08.2021)

K. Jayabharat Reddy
Non-Executive Indenpendent Director

A. S. Kapre
Non-Executive Indenpendent Director

K. L. Mehrotra
Non-Executive Indenpendent Director

Mrs. Urmila Gupta
Non-Executive Indenpendent Director

Executives

M.D. Saraf
President

M.S.S. Sarma
Chief Executive

Vijay Vashisth
Dy. Chief Financial Officer

Piyush Agarwal
Company Secretary

Solicitors
Khaitan & Khaitan

Statutory Auditors
K K Mankeshwar & Co.
Chartered Accountants

Internal Auditors
Rao & Kumar
Chartered Accountants

Registrars & Share Transfer Agents
(for Both Physical & Electronic)

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110020
Phone No.+91-11-26387281-83
Fax No.+91-11-26387384
E-Mail : info@masserv.com

Contents:

NOTICE

Notice is hereby given that the **18th ANNUAL GENERAL MEETING** of the Members of Facor Alloys Ltd. will be held on Monday, the 20th day of September, 2021 at 12:00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 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, 2021.

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

As Special Business:

3. 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 Rs.50,000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct audit of cost records for the financial year ended 31st March, 2022.

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

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution (Re-appointment of Mr. R. K. Saraf as the Managing Director of the Company and payment of remuneration):-

   "**RESOLVED THAT** pursuant to the provisions of sec 196, 197, Schedule V and any other applicable provisions of the Companies Act, 2013 read with the applicable Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), the approval of the members be & is hereby accorded to the re-appointment of Mr. R. K. Saraf (DIN:00006102) as the Managing Director of the Company, who shall not be subject to retirement by rotation, for a term of 3 years commencing from 01/04/2022 till 31/03/2025, on such remuneration by way of salary, perquisites, allowances and/ or benefits, within and up to the maximum limit as have been determined, fixed and approved by the Board on the recommendation of the Nomination & Remuneration Committee, subject to overall limit stipulated in Section 197 read with Schedule V of the Companies Act, 2013 and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Mr. R. K. Saraf of the OTHER PART, details whereof are given in the explanatory statement annexed with this notice, be and is hereby approved.

   RESOLVED FURTHER THAT the Board be & is hereby authorize to alter the terms & conditions of the re-appointment and/or remuneration as contained in the "Draft Agreement", subject to the same not exceeding the limit as specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

   RESOLVED FURTHER THAT Board may in its absolute discretion pay to Mr. R. K. Saraf, the Managing Director, being a Key Managerial Personnel, lower remuneration within the said maximum limits as stipulated in the Draft Agreement hereinabove referred to.

   RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to Schedule V to the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter, increase, enhance or widen the scope of remuneration including salary, perquisites, allowances and/or benefits, to the extent but within the maximum permissible limits for payment of managerial remuneration specified in Schedule V to the said Act and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, without any further reference to the Members of the Company in General Meeting.

   RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to execute and sign the agreement and other documents and take such steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution (Re-appointment of Mr. Ashim Saraf as the Joint Managing Director of the Company and payment of remuneration):-

   "**RESOLVED THAT** pursuant to the provisions of sec 196, 197, Schedule V and any other applicable provisions of the Companies Act, 2013 read with the applicable Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), the approval of the members be & is hereby accorded to the re-appointment of Mr. Ashim Saraf (DIN:00009581) as the Joint Managing Director of the Company, who shall be subject to retirement by rotation, for a term of 3 years commencing from 01/04/2022 till 31/03/2025, on such remuneration by way of salary, perquisites, allowances and/ or benefits, within and up to the maximum limit as have been determined, fixed and approved by the Board on the recommendation of the Nomination & Remuneration Committee, subject to overall limit stipulated in Section 197 read with Schedule V of the Companies Act, 2013 and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Mr. Ashim Saraf of the OTHER PART, details whereof are given in the explanatory statement annexed with this notice, be and is hereby approved.

RESOLVED FURTHER THAT the Board be & is hereby authorize to alter the terms & conditions of the re-appointment and/or remuneration as contained in the "Draft Agreement", subject to the same not exceeding the limit as specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to Schedule V to the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter, increase, enhance or widen the scope of remuneration including salary, perquisites, allowances and/or benefits, to the extent but within the maximum permissible limits for payment of managerial remuneration specified in Schedule V to the said Act and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, without any further reference to the Members of the Company in General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to execute and sign the agreement and other documents and take such steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution (Re-appointment of Mr. Anurag Saraf as the Joint Managing Director of the Company and payment of remuneration):-

"**RESOLVED THAT** pursuant to the provisions of sec 196, 197, Schedule V and any other applicable provisions of the Companies Act, 2013 read with the applicable Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), the approval of the members be & is hereby accorded to the re-appointment of Mr. Anurag Saraf (DIN:00009631) as the Joint Managing Director of the Company, who shall be subject to retirement by rotation, for a term of 3 years commencing from 01/04/2022 till 31/03/2025, on such remuneration by way of salary, perquisites, allowances and/ or benefits, within and up to the maximum limit as have been determined, fixed and approved by the Board on the recommendation of the Nomination & Remuneration Committee, subject to overall limit stipulated in Section 197 read with Schedule V of the Companies Act, 2013 and on such other terms, conditions and stipulations (including remuneration) as contained in the "Draft Agreement" to be entered into between the Company of the ONE PART and Mr. Anurag Saraf of the OTHER PART, details whereof are given in the explanatory statement annexed with this notice, be and is hereby approved.

RESOLVED FURTHER THAT the Board be & is hereby authorize to alter the terms & conditions of the re-appointment and/or remuneration as contained in the "Draft Agreement", subject to the same not exceeding the limit as specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to Schedule V to the said Act, the Board of Directors of the Company be and is hereby authorised and empowered to vary, alter, increase, enhance or widen the scope of remuneration including salary, perquisites, allowances and/or benefits, to the extent but within the maximum permissible limits for payment of managerial remuneration specified in Schedule V to the said Act and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, without any further reference to the Members of the Company in General Meeting.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to execute and sign the agreement and other documents and take such steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

NOTES:

1. As you are aware, in view of the continuing COVID-19 pandemic, for maintaining social distancing norms and pursuant to General Circular nos. 14/2020, 17/2020, 20/2020, and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, and January 13, 2021, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020, and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as "the Circulars"), companies are permitted to hold the AGM through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA & SEBI Circulars, the 18th AGM of the Company is being held through VC / OAVM.

2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.

3. Corporate members intending to attend the AGM through authorized representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to tumul11@gmail.com with a copy marked to evoting@nsdl.co.in.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Items No. 3-6 of the notice set out above is annexed hereto.

6. The relevant details of Directors seeking re-appointment pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard 2 on General Meetings is set out in the Report on Corporate Governance annexed herewith forming part of the Annual Report.

7. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2021 to 20th September, 2021 (both days inclusive).

8. National Securities Depositories Limited ("NSDL") will be providing facility of voting through remote e-Voting for participation in the AGM through VC/OAVM facility and e-Voting during the 18th AGM.

9. The remote e-voting period commences on Friday, September 17, 2021 (10:00 am) and ends on Sunday, September 19, 2021 (05:00 pm). No remote e-voting shall be allowed beyond the said date and time. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 13, 2021, may cast their vote by remote e-voting.

10. Shareholders can claim back the amount of unpaid dividend pertaining to the financial year 2008-09 to 2010-11 along with shares transferred to "Investor Education and Protection Fund" pursuant to the provisions of Section 124 of the Companies Act, 2013, on expiry of seven years from the date of transfer to unpaid dividends A/c after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

    Also, pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed dividend amounts and shares transferred to the IEPF Authority on the website of the Company.

    The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in / www.mca.gov.in.

11. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, for shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/ Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

12. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.

13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

14. SEBI has vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 read with subsequent Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 mandated that request for effecting transfer of equity shares held in physical form will not be processed with effect from 01.04.2019 except in case of request received for transmission or transposition of securities. Therefore, shareholders are requested to take action to dematerialize their shareholding in the company immediately.

15. 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 downloaded from website of RTA i.e. www.masserv.com under download section.

16. 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 through email on corpoffice@falgroup.in.

17. 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 INE828GO1013.

18. The VC/OAVM facility for members to join the meeting, shall be kept open 15 minutes before the start of the AGM and shall be closed on expiry of 30 minutes after start of the AGM. Members can attend the AGM through VC/ OAVM by following the instructions mentioned in this notice.

19. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

20. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Annual Report including audited financial statements for the financial year ended 31st March, 2021 including notice of 18th AGM is being sent only through electronic mode to those Members whose e-mail address have registered with the Company. Those members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.facoralloys.in, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.

    In case you have not registered your email id with depository or RTA, you may register the same in the following manner:

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, i.e. MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN (Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depositary Participant (DP) and register your email address as per the process advised by DP.

21. **Voting through electronic means:**

    In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

    In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

    In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in.

    For the sake of convenience, detailed procedure for e-voting is also available in the letter attached with this notice.

INSTRUCTION FOR REMOTE E-VOTING, E-VOTING AT AGM AND JOINING OF AGM THROUGH VIDEO CONFERENCING:-

(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility,** please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.

Type of shareholders	Login Method
	Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service **provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

(B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for shareholders other than Individual shareholders are given below:**

   i) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   iii) **Procedure for retrieve 'initial password'**

   If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

(C) Procedure for voting electronically and join Annual General Meeting

   a. After successful login, you will be able to see your company "EVEN".

   b. Select "EVEN" of your company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

   c. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

   d. Upon confirmation, the message "Vote cast successfully" will be displayed.

   e. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

   f. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com.
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com.
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at above point no. **(A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
4. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access it by following the steps mentioned above for attending the AGM through VC/OVAM.
2. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu.

3. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed.
4. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.

(E) Mr. Tumul Maheshwari, a Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(F) The scrutiniser shall, not later than two working days of conclusion of the meeting, submit a consolidated scrutinizer's report of the total votes cast in favour or against the resolutions, to the Chairman.

(G) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.facoralloys.in and on the website of NSDL and communicated to the Bombay Stock Exchange, where the shares of the Company are listed.

By order of the Board,

Piyush Agarwal
Company Secretary

Date: 12th August, 2021
Place: Delhi

Registered Office:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CINL27101AP2004PLC043252
Tel. No. : 08952-282029
Fax No. : 08952-282188
E-Mail : facoralloys@falgroup.in
Website : www.facoralloys.in

ANNEXURE TO THE NOTICE

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

ITEM NO.3

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, 2022, at a remuneration of Rs.50,000/- plus taxes 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 seven/eight years.

The Board recommends the remuneration of Rs.50,000/- plus taxes 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. 3 of the Notice.

ITEM NO.4

The Company at its 16th Annual General Meeting held on Saturday, the 28th September, 2019, had appointed Mr. R. K. Saraf as a Managing Director of the company for a period of three years with effect from 01st April 2019 and his existing tenure of office is expiring on 31.03.2022.

Mr. R. K. Saraf aged around 79 years, is one of the promoter Director of M/s Facor Alloys Ltd. and has rich & vast experience in the Ferro Alloys industry for more than four decades. Moreover, upon trifurcation of M/s Ferro Alloys Corporation Ltd. (FACOR), the Ferro Alloys Division was transferred to this Company called FACOR Alloys Ltd. and he is then appointed as its Chairman & Managing Director. In order to take the full benefit of his vast and rich experience in the Ferro Alloys Industry, it is proposed to re-appoint him as Managing Director of the Company on identical terms as to remuneration and otherwise for a further period of three years with effect from 01.04.2022.

The Board of Directors of the Company therefore re-appointed Mr. R.K. Saraf as Managing Director of the Company for a period of 3 years w.e.f. 01-04-2022 subject to your approval.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

The material terms & conditions of his reappointment and remuneration which are in conformity with the Schedule V to the Act are as contained in the draft Agreement and as given in the attached Annexure "A" forming part of the Explanatory Statement.

Accordingly, Company seeks approval of the members for the resolution in item no. 4 of this Notice. Mr. R. K. Saraf is interested in this resolution relating to him. Mr. Ashim Saraf, Director of the Company, is related to Mr. R. K. Saraf and hence he is also interested in this resolution.

ITEM NO.5

The Company at its 16th Annual General Meeting held on Saturday, the 28th September, 2019, had appointed Mr. Ashim Saraf as Joint Managing Director of the company for a period of three years with effect from 01st April 2019 and his existing tenure of office is expiring on 31.03.2022.

Mr. Ashim Saraf is holding degree in M.Sc (Tech) from the Birla Institute of Tech. & Science, Pilani. He has several years experience in business and administration to his credit. Under his guidance the Company is doing well. Accordingly the Board considers that his services will be useful and in the interest of the Company and he be re-appointed as 'Joint Managing Director' of the Company subject to the approval of Members of the Company.

The Board of Directors of the Company ('the Board') have considered the re-appointment of Mr. Ashim Saraf as Joint Managing Director for a further period of 3 (Three) years, effective from 01st April, 2022 subject to the prior approval of shareholders, and such other approvals and/or sanctions, as may be required, on the terms and the remuneration permissible under amended Section 197 read with Schedule V to the Companies Act, 2013 ("the Act"), as amended, and embodied in the draft Agreement, to be entered into with Mr. Ashim Saraf, who shall be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act.

The material terms & conditions of re-appointment and remuneration of Mr. Ashim Saraf, as contained in the draft Agreement and given in the attached Annexure "A" forming part of the Explanatory Statement have been recommended by the Nomination and Remuneration Committee and are in accordance with the amended Schedule V to the Companies Act, 2013 ("the Act").

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Accordingly, Company seeks approval of the members for the resolution in item no. 5 of this Notice. Mr. Ashim Saraf is interested in this resolution relating to him. Mr. R. K. Saraf, Director of the Company, is related to Mr. Ashim Saraf and hence he is also interested in this resolution.

ITEM NO.6

The Company at its 16th Annual General Meeting held on Saturday, the 28th September, 2019, had appointed Mr. Anurag Saraf as Joint Managing Director of the company for a period of three years with effect from 01st April 2019 and his existing tenure of office is expiring on 31.03.2022.

Mr. Anurag Saraf aged around 50 years is a Bachelor of Engineering in Electronics and is having rich experience in Business Administration. His experience, advice and guidance will be of immense benefit to the Company. Accordingly the Board considers that his services will be useful and in the interest of the Company and he be re-appointed as 'Joint Managing Director' of the Company subject to the approval of Members of the Company.

The Board of Directors of the Company ('the Board') have, therefore, considered the re-appointment of Mr. Anurag Saraf as Joint Managing Director for a period of 3 (Three) years, effective from 01st April, 2022 subject to the prior approval of shareholders, and such other approvals and/or sanctions, as may be required, on the terms and the remuneration permissible under amended Section 197 read with Schedule V to the Companies Act, 2013 ("the Act"), as amended, and embodied in the draft Agreement, to be entered into with Mr. Anurag Saraf, who shall be liable to retire by rotation, in terms of Section 160 of the Act, including other provisions of the Act.

The material terms & conditions of re-appointment and remuneration of Mr. Anurag Saraf, as contained in the draft Agreement and given in the attached Annexure "A" forming part of the Explanatory Statement have been recommended by the Nomination and Remuneration Committee and are in accordance with the amended Schedule V to the Companies Act, 2013 ("the Act").

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Accordingly, Company seeks approval of the members for the resolution in item no. 6 of this Notice. Mr. Anurag Saraf is evidently interested in this resolution concerning him.

By order of the Board,

Piyush Agarwal
Company Secretary

Date: 12th August, 2021
Place: Delhi

Registered Office:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CINL27101AP2004PLC043252
Tel. No. : 08952-282029
Fax No. : 08952-282188
E-Mail : facoralloys@falgroup.in
Website : www.facoralloys.in

ANNEXURE A FORMING PART OF EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

MATERIAL TERMS AND CONDITIONS OF THE APPOINTMENT OF MANAGING DIRECTOR/ JOINT MANAGING DIRECTORS

The material terms and conditions of the re-appointment of Managing Director/Joint Managing Directors and their remuneration by way of salary, dearness allowance, perquisites and benefits (which are in conformity with the schedule V to the Companies Act, 2013) and as contained in the draft Agreement, are as under:

1. Term of Office:
   a) Mr. R. K. Saraf, Managing Director: 3 years with effect from 01.04.2022
   b) Mr. Ashim Saraf, Joint Managing Director: 3 years with effect from 01.04.2022
   c) Mr. Anurag Saraf, Joint Managing Director: 3 years with effect from 01.04.2022
2. Remuneration for each of them:
   a) Basic Salary: Rs.105000 per month in scale of Rs.100000- 5000-150000/-
   b) Perquisites and allowances:

In addition to the aforesaid salary, each of the Managing Director and Joint Managing Directors shall also be eligible to the perquisites and allowances as given hereunder; the monetary value of such perquisites and allowances being restricted in the aggregate to Rs. 5,40,000/- per annum or Rs. 45,000/- per month in each case.

The perquisites and allowances payable to each of the Managing Director and Joint Managing Directors will include dearness and other allowances, accommodation [furnished or otherwise] or House Rent Allowance in lieu thereof, reimbursement of expenses for utilization of gas, electricity, water, furnishing, medical reimbursement at actuals for self and his family, leave travel concession at actuals for self and his family, club fees, medical insurance and such other perquisites within the limits of amount specified above. The said perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there-under (including any statutory modification(s) or re-enactment thereof, for the time being in force). In the absence of any such Rules, the same shall be evaluated at actual cost. However, the Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

The Managing Director and Joint Managing Directors shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The term "Family" means spouse, dependent children and dependent parents of Managing Director and Joint Managing Directors.

The remuneration payable to each of the Managing Director and Joint Managing Directors by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of Rs. 18,00,000/- per annum or Rs. 1,50,000/- per month for each of them.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites payable to the Managing Director and Joint Managing Directors of the Company at any time, such that the overall remuneration shall not exceed the aggregate limit of Rs. 18,00,000/- per annum or Rs. 1,50,000/- per month for each of them as specified above.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Managing Director and Joint Managing Directors, the company has no profits or its profits are inadequate, then also they shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if any, required.

By order of the Board,

Piyush Agarwal
Company Secretary

Date: 12th August, 2021
Place: Delhi

<u>Registered Office</u>:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CINL27101AP2004PLC043252
Tel. No. : 08952-282029
Fax No. : 08952-282188
E-Mail : facoralloys@falgroup.in
Website : www.facoralloys.in

DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **18th ANNUAL REPORT** on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2021.

FINANCIAL RESULTS

₹ in Lakh

Particulars	Standalone		Consolidated	
	2020-21	2019-20	**2020-21**	2019-20
Gross Revenue from operations	**14366.74**	29139.31	**14366.74**	29139.31
Other Income	**403.69**	2842.20	**403.91**	3095.11
Total Revenue	**14770.43**	31981.51	**14770.65**	32234.42
Operating expenses	**15248.97**	29692.01	**15285.66**	29767.25
Profit before interest, Depreciation, Tax and Amortization (EBIDTA)	**(478.54)**	2289.50	**(515.01)**	2467.17
Finance Costs	**332.67**	379.93	**394.18**	403.66
Depreciation and amortization expenses	**200.33**	239.02	**200.33**	256.57
Profit/(Loss) before exceptional item and tax	**(1011.54)**	1670.55	**(1109.52)**	1806.94
Exceptional item	**842.67**	559.39	**842.67**	559.39
Profit/(Loss) before taxation	**(168.87)**	2229.94	**(266.85)**	2366.33
Taxation (including Deferred Tax)	**(213.04)**	1201.83	**(213.04)**	1201.83
Profit/(Loss) after Taxation (PAT)	**44.17**	1028.11	**(53.81)**	1164.50
Other Comprehensive Income	**(30.63)**	(104.05)	**(208.70)**	1023.02
Total Comprehensive Income for the period Comprising profit/(loss) & Other comprehensive Income for the period	**13.54**	924.06	**(262.51)**	2187.52

OVERALL PERFORMANCE

During the year under consideration, Company achieved the production of 36140 M.T. as against 66500 M.T. in the previous year recording a surge/ downfall of 45.65%.

The demand for ferro alloys principally is determined by developments within the Stainless Steel industry. The global stainless steel market size was valued at USD 93.69 billion in 2018 and is expected to witness a CAGR of 5.2% from 2019 to 2025. Rising demand from end-use industries such as automotive, oil and gas, and construction is anticipated to propel the growth. Stainless steel caters to demand from various application segments such as building and construction, heavy industries, consumer goods, and others. Stable Stainless Steel industry scenario augurs well for the ferro alloys industry.

The Asia Pacific is mainly driven by the increasing production of stainless steel in China and India. Ferrochrome is widely used to manufacture stainless steel as it is resistant to corrosion and has an aesthetic appearance.

Exports (Deemed) are at Rs.71.40 crores as against Rs.145.32 crores in the previous year and during the year under review foreign currency earnings in rupee terms was NIL. The Company derived 49.74% of its total sales from deemed exports.

On account of above and other factors including lower sales realization, the Loss before tax was at Rs.10.12 crore as compared to Profit before tax of Rs.16.71 crore in the previous year.

The COVID-19 pandemic has disrupted business operations partially due to lockdown and other emergency measures imposed by the State government. The management has continuously considered the possible effects that may impact the carrying amounts of property, plant and equipment, trade receivables, inventories, investments, loans and other assets. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different in the future course of action. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

DIVIDEND

In view of the insignificant profit, the Directors regret their inability to recommend any dividend for the financial year ended 31st March 2021 on Equity Shares of the company.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 is ₹19.55 crores. During the year under review, the Company has not issued any further shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

The equity shares of the Company are listed on BSE Limited and the Company has duly paid the annual listing fees to the cited Stock Exchange.

ANNUAL RETURN

The annual return of the company as on March 31, 2021, in terms of the provisions of Section 134(3)(a) of the Companies Act, 2013 is available on the company's website www.facoralloys.in.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times in FY 2020-21 viz. on 30th June 2020, 14th August, 2020, 11th November 2020 and 11th February 2021. The maximum interval between any two meetings did not exceed 120 days or / except as permissible by law in this regard.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standards ('IND-AS') under Companies Act, 2013 on accounting and disclosure requirements, and as prescribed by SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, the Audited Consolidated Financial Statements are provided in this 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 updated Form AOC-1) is given in the Note no-37 of the consolidated financial statements. 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, 2021, 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 profit 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, 2021 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 (hereinafter referred to as "Nomination & Remuneration Policy") 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-1** to this Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration no.106009W) were appointed as Statutory Auditors for a term of 5 years to hold office from the conclusion of 14th AGM held on 20th September, 2017 upto the conclusion of the 19th AGM to be held in 2022.

The statutory auditor has confirmed their eligibility and submitted the certificate in writing that they are not being disqualified to hold the office of the statutory auditor.

The Auditors' Report to the Shareholders on the Standalone & Consolidated Audited Financial Results for the year under review has expressed unqualified opinion in the respective audit reports for the financial year 2020-2021. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company.

Secretarial Auditors

The Company has appointed Mr. Tumul Maheshwari of M/S. MT & Co., New Delhi, Company Secretaries to conduct secretarial audit and his Report on Company's Secretarial Audit is appended to this Report as **Annexure-2**.

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

COST AUDITOR

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are applicable for the business activities carried out by the Company during the period under review.

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 2021. 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.

There are no qualifications, reservations or adverse remarks or disclaimers made in the Cost Audit Report for the financial year 2020-2021.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the company. Further, there was no significant change in the nature of business carried on by its subsidiaries.

DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to the financial statements as designed and implemented by the Company are adequate and commensurate with the size and scale of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the internal auditors and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

During the financial year under review, no material or serious observation has been received from the Internal

Auditors of the Company for inadequacy or ineffectiveness of such controls.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status of the Company and its business operations in future.

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-3** 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.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints has been received by the committee during the year under review.

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.

During the year under review, the Company has made CSR spending of 2% of the average net profit for last three financial years as per the applicable provisions.

In view of the same, the Company has made the requisite CSR spending on the specified activities during the financial year ended 31.03.2021, the details of which is provided in **Annexure-4**.

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).

In the opinion of the Board, the independent directors possessing the necessary skills like integrity, expertise and experience (including the proficiency) etc. for being appointed on the Board of the Company.

TRANSFER OF UNCLAIMED EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) SUSPENSE ACCOUNT

During the year under review, there is no outstanding amount of dividend which remained unpaid or unclaimed for a period of seven years and equity shares whose dividend were unclaimed/unpaid for seven consecutive years required to be transferred to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The details of shares/shareholders in respect of which dividend has not been claimed and transferred to the IEPF, as required are provided on our website www.facoralloys.in and on the website of the Ministry of Corporate Affairs.

Any person, whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim his/her refunds from the IEPF authority. The detailed procedure for claiming shares and/or Dividend Amount is available on the website of IEPF (www.iepf.gov.in).

The Nodal Officer for the purpose of IEPF is Company Secretary and the website address is www.facoralloys.in.

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.

Your 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.

PUBLIC DEPOSITS

During the year under review, the Company has not invited any deposit from public.

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 in excess of ₹ 102,00,000/- per annum or ₹ 8,50,000/- 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on date, Company has 8 Directors with an Executive Chairman. Out of the 8 Directors, 3 are Executive Directors and 5 are Non-Executive Directors. Out of the 5 Non-Executive Directors, 4 are Independent Directors including one Woman Independent Director and 1 is Non-Executive & Non Independent Director. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board in its meeting held on 12th April, 2021 accepted the resignation of Mr. O. P. Saraswat (Dy. CFO) and places on record its appreciation for his contributions to the Company and Mr. Vijay Vashisth has been appointed as the Dy. CFO to hold office with effect from 16th April, 2021.

Currently, Mr. R. K. Saraf (Managing Director), Mr. Ashim Saraf & Mr. Anurag Saraf (Joint Managing Directors), Mr. Vijay Vashisth (Dy. CFO) and Mr. Piyush Agarwal (Company Secretary & Compliance Officer) are the key managerial personnel of the Company.

None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.

Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

REPORTING OF FRAUDS BY AUDITORS OF THE COMPANY

During the year under review, none of the Auditors of the company has reported to the audit committee under Section 143 (12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

CORPORATE GOVERNANCE

Management Discussion and Analysis, Corporate Governance Report and Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

COMMITTEES OF THE BOARD

The Audit Committee formed by the Board of Directors of the Company consists of Mr. K. Jayabharat Reddy, Mr. K.L. Mehrotra & Mr. A.S. Kapre who are Non-Executive Independent Directors and Mr. R.K. Saraf, Managing Director of the Company. Mr. K. Jayabharat Reddy is the Chairman of the Committee. 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.

Details on the composition of other committees of the Board are provided in the corporate governance report and majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) respectively relating to Meetings of the Board and its Committees including general meetings of the company which are mandatory in nature.

INDUSTRIAL RELATIONS

During the year under review, the overall industrial relations in the Company remained cordial.

ACKNOWLEDGEMENT AND APPRECIATION

Your directors place on record their sincere appreciation for the significant contribution made by its employees through their dedication, hard work and commitment and also for the trust reposed in the company by all other stakeholders. The board of directors also acknowledge the support extended by the analysts, bankers, government agencies, media, customers, business partners, members and investors at large. The Company sincerely thanks the Central & State Governments for their continued support and warm co-operation extended towards the business as well as the Company's social functions. It looks forward to your continued support in the company's endeavour to accelerate access to innovative and affordable business.

On behalf of Board of Directors
for Facor Alloys Ltd.

Place : Delhi
Dated : 12th August, 2021

R.K. SARAF
Chairman & Managing Director

PARTICULARS OF REMUNERATION

Pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Act and the Rules made there under, in respect of employees of the Company is as under:-

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
Mr. R.K.Saraf	5.36:1
Mr. Ashim Saraf	6.24:1
Mr. Anurag Saraf	5.53:1
Mr. K Jaybharat Reddy	0.04:1
Mr. A.S.Kapre	0.19:1
Mr. Kishan Lal Mehrotra	0.22:1
Mrs. Urmila Gupta	0.13:1
Mr. Rohit Saraf	0.03:1

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)
Mr. R.K.Saraf	2.20%
Mr. Ashim Saraf	0.68%
Mr. Anurag Saraf	-12.67%
Mr. K Jaybharat Reddy	-66.67%
Mr. A.S.Kapre	-18.75%
Mr. Kishan Lal Mehrotra	7.14%
Mrs. Urmila Gupta	80.00%
Mr. Rohit Saraf	-66.67%
Other KMP	
Dy. Chief Financial Officer	3.72%
Company Secretary	8.09%

iii) The percentage increase in the median remuneration of the employees in the financial year 2020-21 — (-) 24%

iv) The number of permanent employees on the rolls of the Company — 459

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average increase in the salaries of employees other than managerial personnel in the last financial year i.e. 2020-21 was (-) 16.80% and percentage increase in the managerial remuneration for the same financial year was 0.29%.

vi) The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

Annexure-1

NOMINATION AND REMUNERATION POLICY

Effective from 01st April, 2014

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 formulate criteria or manner for effective evaluating performance of Board, its committee and individual Directors and review its implementation and compliance.

d) Devising a policy on diversity of Board of Directors.

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 and has been modified subsequently and approved on 13th February, 2019.

II Effective Date:

This policy shall be effective from the date of adoption by the Board of Directors of the Company and shall stand modified from the date of its approval, from time to time, 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 29th May, 2014.

The Committee shall comprise of at least 3 Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent Directors.

The quorum for the meeting of Nomination and Remuneration Committee shall either be two members or one third of the total strength of the committee, whoever is higher (including at least one Independent Director in attendance).

The Chairman of the Committee shall be an Independent Director.

Nomination and Remuneration Committee shall meet once in a year.

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.

c) Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

d) Company means Facor Alloys Limited.

e) Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.

f) Key Managerial Personnel (KMP) means-

   (i) Chairman and Managing Director

   (ii) Joint Managing Director;

   (iii) Dy. Chief Financial Officer;

   (iv) Company Secretary;

g) 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

a) Directors (Executive and Non-Executive)

b) Key Managerial Personnel

c) Senior Management Personnel

VI General

a) This Policy is divided in three parts viz.,

Part – A covers the matters to be dealt with and recommended 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 and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii) Formulate the criteria for evaluation of performance of independent directors and the board of directors;

iii) Extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

iv) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

v) Devise a policy on diversity of board of directors;

vi) 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 of any person as Whole-time Director who has attained the age 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.

d) The Company shall not appoint of any person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person.

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 formulate criteria for evaluation of performance of Independent Directors and 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 April, as applicable in respect of a Whole-time Director and 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 breakup 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 amended Schedule V of the Companies Act, 2013.

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 without approval required under the Companies Act, 2013, he / she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the company and until such sum is refunded, hold it in trust for the Company.

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 to the Whole time Directors as may be decided by the Board of Directors within the monetary limit approved by shareholders, 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-2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Facor Alloys Limited,
Sreeramnagar, P.O. Garividi
Vizianagaram-535101(Andhra Pradesh)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Facor Alloys Limited, (CIN No. L27101AP2004PLC043252) (hereinafter called the Company). I have not done audit of financial statements of 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, during the audit period covering the financial year ended on 31st March 2021, the Company has 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 2021 according to the provisions of:

(i) *The Companies Act, 2013 (the Act) and the rules made thereunder;*

(ii) *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;*

(iii) *The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;*

(iv) *Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;*

(v) *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, 2015;*

  (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;*

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*;*

  (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; NA*

  (f) *The Securities and Exchange Board of India (Registrars to an 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; NA and*

  (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; NA*

I have also examined compliance with the applicable clauses of the following:

(i) *Secretarial Standards issued by The Institute of Company Secretaries of India*

(ii) *SEBI Listing Regulations (LODR), 2015;*

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

I further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive 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 Companies Act as required under the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed note 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes 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 during the year under report, the Company has not undertaken any corporate event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For ***MT & Co.***
Company Secretaries

(Tumul Maheshwari)
Proprietor
Place: Delhi ***ACS No. 16464 C.P. No. 5554***
Date: 24/07/2021 ***UDIN No.*** **A016464C000681909**

This report is to be read with Annexure-A which forms an integral part of this report.

ANNEXURE-A

To,
The Members,
Facor Alloys Limited,
Sreeramnagar, P.O. Garividi
Vizianagaram-535101(Andhra Pradesh)

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 process 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 ***MT & Co.***
Company Secretaries

(Tumul Maheshwari)
Proprietor
Place: Delhi ***ACS No. 16464***
Date: 24/07/2021 ***C.P. No. 5554***

Note: The COVID-19 outbreak has been declared as a global pandemic by WHO. In the month of April 2021, Delhi government announced a lockdown which was extended multiple times for various days across the state to contain the spread of the virus. Due to COVID- 19 pandemic impact, the compliance documents for the period were obtained through electronic mode and verified with requirements.

Annexure-3

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	:	All Yard/Tower lightings were replaced with LED lightings to save energy. Conservation of Energy is an ongoing process and other necessary steps are being taken for the reduction and efficient use of energy.
b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy	:	Not identified.
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	:	a) working out a process to recover the metallics entrapped with the High Carbon Ferro Chrome slag by crushing and jigging and experimenting to know the actual percentage of metallics that can be recovered. Reusing this metallics in main process chromium recovery can be improved. b) In place of circular pans,metal pots were introduced under tap hole to collect the liquid metal since April, 2018 to improve quality of the product and to minimize the generation of mixtures.
b. Benefits derived as a result of above R & D	:	Quality of the metal has improved and mixture generation is minimized. Other benefits are yet to be established.
c. Future plan of action	:	To increase production of 1 lakh ton per year.
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	:	To explore new avenues of exports and to understand latest developments in the international markets, your directors undertake foreign tours as and when required.
2) Total Foreign Exchange used and earned (2020-2021)	:	**(₹ in Lakhs)**
i) CIF value of imports	:	NIL
ii) Expenditure in Foreign Currency	:	7.31
iii) Foreign Exchange earned	:	NIL

On behalf of Board of Directors
for Facor Alloys Ltd.

Place : Delhi
Dated : 12th August, 2021

R. K. SARAF
Chairman & Managing Director

Annexure-4

ANNUAL REPORT ON CSR ACTIVITIES OF FACOR ALLOYS LIMITED FOR FY 2020-21

Sr. No.	Particulars	Remarks
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.	The Company has framed Corporate Social Responsibility Policy and is guided by its social responsibility towards the society, in general and environment, in particular and remains committed to its further development. The Company promotes projects that are in line with Schedule VII to the Companies Act, 2013 and: • are sustainable and create long term change, • Channelize resources & efforts towards making positive and sustainable contribution in social and economic development; and • Align CSR practices & programs to complement and support the developmental priorities at local, state and national levels. The CSR activities of the Company are mainly focused on the following broad themes with goals to improve overall socio-economic indicators of Company's area of operation: • Promoting healthcare, sanitation and making safe drinking water available; • Employment enhancement through training and vocational skill development; • Promoting education; and • Ensuring sustainable environment The CSR Policy has been uploaded on the Company's website: www.facoralloys.in
2	The Composition of the CSR Committee.	Mr. K.L. Mehrotra, Chairman Mr. R.K. Saraf, Member Mr. Ashim Saraf, Member
3	Average net profit of the Company for last three financial years	Rs.1171.34 Lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs.23.43 Lakhs
5	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year;	Rs.23.43 Lakhs
	b) Amount unspent, if any;	Not applicable
	c) Manner in which the amount spent during the financial year is detailed below	The company has duly incurred the CSR Expenses of ₹ 23.43 lakh during the FY 2020-21 as covered under the activities mentioned in sl. no. ii of Schedule VII of the Companies Act, 2013 as well as the CSR Policy of the Company.

For and on behalf of the Board
for Facor Alloys Limited

(K. L. Mehrotra)
Chairman –CSR Committee

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro chrome is an alloy of chrome and iron with 50% to 68% chrome content primarily used in manufacturing stainless steel. Ferro chrome strengthens and offers corrosion resistance to stainless steel, thereby making it a unique product with multiple applications. Most of the world's ferro chrome is produced in China, South Africa, Kazakhstan and India. China is the world's largest producer of ferro chrome and contributes to more than half of global ferro chrome demand. It is the hub of ferro chrome production heavily dependent on chrome ore imports, primarily from South Africa.

Global ferro chrome production, in line with stainless steel production, grew from 12.36 million tonnes in 2017 to 13.41 million tonnes in 2018, registering a growth of 8.53%. India's ferro chrome production stood at 1.3 million tonnes in 2018 registering a growth of 8.79% from 2017. The country exports 50% of its annual ferro chrome output, primarily to China, South Korea, Japan and Taiwan.

The demand for ferro alloys principally is determined by developments within the Stainless Steel industry. The global stainless steel market size was valued at USD 93.69 billion in 2018 and is expected to witness a CAGR of 5.2% from 2019 to 2025. Rising demand from end-use industries such as automotive, oil and gas, and construction is anticipated to propel the growth. Stainless steel caters to demand from various application segments such as building and construction, heavy industries, consumer goods, and others. Stable Stainless Steel industry scenario augurs well for the ferro alloys industry.

RISKS AND CONCERNS /OPPORTUNITIES AND THREATS / OUTLOOK

Ferro alloy industry is mainly driven by demand from the steel industry. The global ferro chrome industry is largely dependent on Chinese demand and the stainless steel cycle. China's consumption is met through a combination of domestic production and substantial imports from countries including South Africa, India and Zimbabwe. Other leading importers of ferro chrome are the US, South Korea and the European Union (EU) although the EU and US have witnessed a steady decline in their dependence on imports for ferro chrome in the last decade. The global crude stainless steel production grew by 5.5% to 50.73 million tonnes in 2018 from 48.08 million tonnes in 2017. The global stainless steel market size is projected to expand at a CAGR of over 5% till 2025 from 2018.

Further Company had entered into a Conversion Agreement with M/s. Tata Steel Limited (TSL) for conversion of Chrome Ore into Ferro Chrome. The Agreement is extendable on mutually agreed terms and conditions. This has led to reasonable stability in the business of the Company.

The Indian Ferro Alloys Industry is 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. Further Ferro Alloys Industry is purely dependent on the demand for Steel in the country. Cheaper steel imports from countries like China can cause damage to the domestic steel companies which can impact the demand for Ferro Alloys. Highly volatile prices of Chrome ore also pose a risk to the realizations of the domestic ferro alloys producers. Besides above, 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. Further Reductants viz Anthracite Coal, Coke, Charcoal etc. are vital inputs for the Ferro Alloys Industry. 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. Ferro alloy industry is saddled with the overcapacity issues also. Further the problems of this industry are aggravated because of the high input cost of power. The ferro alloy Industry is a power intensive Industry, the power cost is about 35-40 percent of its total production cost. 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.

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

During the year under consideration, Company achieved the production of 36140 M.T. as against 66500 M.T. in the previous year recording a surge/ downfall of 45.65%.

Exports (Deemed) are at Rs.71.40 crores as against Rs.145.32 crores in the previous year and during the year under review foreign currency earnings in rupee terms was NIL. The Company derived 49.74% of its total sales from deemed exports.

On account of above and other factors including lower sales realization, the Loss before tax was at Rs.10.12 crore as compared to Profit before tax of Rs.16.71 crore in the previous year.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE

a) Key ratios and margins

Particulars	FY 2020-21	FY 2019-20
Debtors turnover ratio	**8.87**	26.17
Inventory turnover ratio	**35.53**	28.62
Interest coverage ratio	**1.09**	7.50
Current ratio	**0.81**	0.70
Debt equity ratio	**-**	-
Operating profit margin (%)	**-4.73%**	7.04%
(before exceptional items)		
Net profit margin (%) (afterexceptional items)	**0.31%**	3.53%

b) Significant change in Financial Ratios

Particulars	**FY 2020-21**	FY 2019-20	**Changes in %**	**Reasons for Changes**
Debtors turnover ratio	8.87	26.17	-66.13	Due to increased credit period allowed to debtors as compared to FY 2019-20
Interest Coverage ratio	1.09	7.50	-85.40	Due to reduction in EBITDA as sales has come down by approx. 51% as compared to FY 2019-20
Operating profit margin	-4.73%	7.04%	-167.18	Due to decrease in sales by approx. 51% as compared to FY 2019-20
Net profit margin	0.31%	3.53%	-91.28	Due to decrease in sales by approx. 51 %, reduction in other income by approx. 86% & decrease of tax expense by approx. 118% as compared to FY 2019-20

DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH DETAILED EXPLANATIONS THEREFORE

Particulars	**FY 2020-21**	FY 2019-20	**Changes in %**	**Reasons for Changes**
Return on net worth (%) (after Exceptional items)	**0.30%**	7.22%	**-95.84%**	Mainly due to reduction in PAT because of lower operations.

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 459 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

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Your Company prides itself in being a responsible corporate citizen, committed to running its business in the best possible manner while being completely transparent complying with all relevant rules & regulations. The Company adheres to the highest ethical standards which is combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, honesty of purpose, quality consciousness and customer satisfaction.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

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 31.03.2021	Names of the other Listed Entities where the Director holds Directorship and the Category of Directorship	No. of Membership/ Chairmanship of Board Committee of other Public Limited Companies as on 31.03.2021	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director (DIN : 00006102)	Executive*	Nil	Nil	Nil	4	Yes
Mr. Ashim Saraf Joint Managing Director (DIN : 00009581)	Executive*	2**	Nil	Nil	4	Yes
Mr. Anurag Saraf Joint Managing Director (DIN : 00009631)	Executive*	1	Nil	Nil	3	No
Mr. Rohit Saraf (DIN : 00003994)	Non-Independent Non-Executive*	Nil**	Nil	Nil	1	No
Mr. K. Jayabharat Reddy (DIN : 00038342)	Independent Non-Executive	Nil	Nil	Nil	1	No
Mr. A.S. Kapre (DIN : 00019530)	Independent Non-Executive	1	1. Sunflag Iron and Steel Co Ltd. – Independent Non-Executive Director	Nil	4	Yes
Mr. K. L. Mehrotra (DIN : 00062172)	Independent Non-Executive	Nil	Nil	Nil	4	Yes
Mrs. Urmila Gupta (DIN : 00637110)	Independent Non-Executive	4	1. B.A.G. Films and Media Limited – Independent Non-Executive Director	5	4	Yes

* Represents Promoter Group; ** Excluding directorship in foreign companies

1. Mr. Ashim Saraf is son of Mr. R. K. Saraf and Mr. Rohit Saraf & Mr. Anurag Saraf are sons of Mr. R. K. Saraf's brothers.
2. Mr. Rohit Saraf & Mr. A. S. Kapre, Non-Executive Directors are holding 8,72,669 & 1,50,000 equity shares of the company.
3. The details of familiarization program imparted to Independent Directors are disclosed in the Website of the company www.facoralloys.in.

4. During the period under review, no Independent Director of the Company has resigned, before the expiry of his term of appointment. Further in the opinion of the Board the independent directors of the Company fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.
5. During the Financial Year April 2020 to March 2021, four Board Meetings were held on 30/06/2020, 14/08/2020, 11/11/2020 and 11/02/2021.
6. The Company is engaged in Iron and Steel Industry. It is having a manufacturing unit with facilities to production of ferro alloys.
7. The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its aforesaid business for it to function effectively and those actually available with the Board are as follows:

Name of the Director & Category of Directorship	Specific skills/expertise/competence acquired
Mr. R.K. Saraf, Promoter-Executive, Chairman & Managing Director	Rich and versatile experience in the field of ferro alloys, mining, power and corporate management
Mr. Ashim Saraf, Promoter-Executive, Joint Managing Director	Rich and versatile experience in the field of ferro alloys, mining and corporate management
Mr. Anurag Saraf, Promoter-Executive, Joint Managing Director	Rich and versatile experience in the field of Iron and Steel Industry and corporate management
Mr. Rohit Saraf, Promoter-Non-Executive Non-Independent	Rich and versatile experience in the field of ferro alloys, mining, power and corporate management
Mr. K. Jayabharat Reddy, Non-Executive, Independent	Rich and versatile experience in the field of General and Public Administration, industrial management and policy formation
Mr. A.S. Kapre, Non-Executive, Independent	Rich and versatile experience in the field of Project and Corporate Lending, Rehabilitation, Finance and risk management
Mr. K. L. Mehrotra, Non-Executive, Independent	Rich and versatile experience in the field of handling technical and commercial matters and corporate management
Mrs. Urmila Gupta, Non-Executive, Independent	Rich and versatile experience in the field of administration, policy formation and corporate management

3. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company met on 11th February, 2021 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.

Moreover, none of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) <u>Composition, name of members and Chairman:</u>

The Committee presently consists of 4 Members viz. Mr. K. Jayabharat Reddy, Mr. K.L. Mehrotra, Mr. A.S. Kapre who are Non-Executive Independent Directors of the Company and Mr. R.K. Saraf, Executive Director of the Company. 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. K.L. Mehrotra is B.Tech, FIE, MIIM, MII. CHEME and has over 4 decades experience mainly in dealing with technical & commercial matters of Government Organisations in senior level.

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 of rich business experience of running the industries.

b) No. of meetings and attendance:

There were four meetings during the year 2020-21 on 30/06/2020, 14/08/2020, 11/11/2020 & 11/02/2021. Mr. A. S. Kapre, Mr. R.K. Saraf and Mr. K.L. Mehrotra attended all meetings whereas Mr. K. Jayabharat Reddy attended only one meeting.

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 Regulation 18 of 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, the composition, name of members and Chairman of "Nomination and Remuneration Committee" is as follows:

a) The Committee presently consists of 4 Members viz. Mr. R. K. Saraf, Executive Director, Mr. K. L. Mehrotra, Mr. A. S. Kapre and Mrs. Urmila Gupta who are non-executive independent Directors of the Company. The Chairman of the Committee is Mr. K. L. Mehrotra.

b) 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 whole-time 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.

c) No. of meetings and attendance:

There was only one meeting during the year 2020-21 on 11/11/2020 and the meeting was attended by all members.

d) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Details of remuneration payable to Managerial Personnel for the year 2020-21:

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	₹ 18,09,328/-	—	3 years from 01/04/2019
2.	Mr. Ashim Saraf, JMD	₹ 19,28,391/-	₹ 1,78,767/-	3 years from 01/04/2019
3.	Mr. Anurag Saraf, JMD	₹ 16,32,137/-	₹ 2,36,554/-	3 years from 01/04/2019

f) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2020-21, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid	No. of equity shares of Re.1/- each held
1.	Mr. A. S. Kapre	₹ 65,000/-*	1,50,000
2.	Mr. K. Jaybharat Reddy	₹ 15,000/-*	-
3.	Mrs. Urmila Gupta	₹ 45,000/-*	-
4.	Mr. K. L. Mehrotra	₹ 75,000/-*	-
5.	Mr. Rohit Saraf	₹ 10,000/-	8,72,669
	TOTAL	₹ 2,10,000/-	

* 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 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. K.L. Mehrotra. The Chairman of the Committee is Mr. K.L. Mehrotra. One meeting of the Committee was held during the year on 11th February, 2021 and the meeting was attended by all members.

a) Mr. Piyush Agarwal, Company Secretary of the Company is the Compliance Officer.

b) No. of Shareholders' complaints received during the period 01-04-2020 to 31-03-2021 Nil

c) No. of complaints not solved to the satisfaction of the Shareholders Nil

d) Number of pending complaints as on 31-03-2021 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.in.

The Committee presently consists of 3 Members viz., Mr. K.L. Mehrotra, Mr. R. K. Saraf and Mr. Ashim Saraf. The Chairman of the Committee is Mr. K.L. Mehrotra.

Policy for Determining Material Subsidiaries

In terms of Regulation 24 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.in.

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.in. 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
15th AGM	Monday, 17th September, 2018 at 11.30 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
16th AGM	Saturday, 28th September, 2019 at 04.00 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
17th AGM	Tuesday, 15th September, 2020 at 12.00 p.m.	Through VC / OAVM in view of MCA Circular dated May 5, 2020 and as such there was no need to have a venue for the AGM

b) The following special resolutions were passed in the previous three Annual General Meetings :

17th September, 2018	I) Re-appointment of Mr K Jayabharat Reddy (DIN 00038342) as Independent Director of the Company II) Re-appointment of Mr A S Kapre (DIN 00019530) as Independent Director of the Company III) Re-appointment of Mr K L Mehrotra (DIN 00062172) as Independent Director of the Company IV) Continuance of Directorship of Mrs Urmila Gupta (DIN 00637110) as Independent Woman Director of the Company V) Re-appointment & Payment of remuneration of Mr R K Saraf (DIN 00006102) as Managing Director of the Company VI) Re-appointment & payment of remuneration of Mr Ashim Saraf (DIN 00009581) as Joint Managing Director of the Company

28th September, 2019	I) Re-appointment of Mrs. Urmila Gupta (DIN 00637110) as Independent Woman Director of the Company II) Re-appointment & Payment of remuneration of Mr R K Saraf (DIN 00006102) as Managing Director of the Company III) Re-appointment & payment of remuneration of Mr Ashim Saraf (DIN 00009581) as Joint Managing Director of the Company IV) Re-appointment & payment of remuneration of Mr Anurag Saraf (DIN 00009631) as Joint Managing Director of the Company V) Write off the investment held by the Company in Facor Minerals Pte. Limited, Singapore, a step down wholly owned Subsidiary VI) Keeping the Register of Members with Registrar And Share Transfer Agent of the company u/s 94 of the Companies Act, 2013.
15th September, 2020	I) Keeping the Register of Members with Registrar And Share Transfer Agent of the company u/s 94 of the Companies Act, 2013.

c) Whether any special Resolutions passed last year through postal ballot : No

d) Person who conducted the postal ballot exercise : NA

e) Whether any special Resolution is proposed to be conducted through postal ballot this year : No

f) 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.in. 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 persons who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. Piyush Agarwal, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations.

d) During the period under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015.

e) There was no case of not accepting any recommendations of any Committee of the Board which was mandatorily required during the year 2020-21.

f) The Company has neither issued any debt instruments nor accepted any fixed deposit program or any scheme or proposal involving mobilization of funds in India or abroad during the year 2020-21.

g) The Company has received a certificate from M/s. MT & Co., Company Secretaries, certifying that none of the Directors of the Company are debarred or disqualified from being appointed for continuing as Directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed herewith as a part of the report.

h) The details of the total fees of all services paid by the Company and its Subsidiaries for the financial year-2020-2021, on a consolidated basis, to M/s K. K. Mankeshwar & Co, Statutory Auditors and all the entities in the network firm/ network entity of which the statutory auditor is a part, are as under:-

₹ in Lakh

Payment to Statutory Auditors	2.75
Other Services	0.58
Reimbursement of expenses	0.03
Total	3.36

i) The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Prevention of Sexual Harassment at workplace Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. There were no complaints at the beginning of the year i.e. as on 1st April, 2020. During the year the Company has not received any complaint and no complaints were pending as on 31st March, 2021.

j) The Company has complied with the requirements, as specified in Para 2 to 10 of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

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) The Company has a functional website for displaying results.

d) No presentation is made to institutional investors or to the analyst.

e) No official news releases are displayed in the website of the company.

8. GENERAL SHAREHOLDER INFORMATION

i) AGM-Date, Time and Venue:

Date	Time	Venue
20th September, 2021	12:00 P.M.	The Company is conducting meeting through VC / OAVM in view of MCA Circulars dated May 5, 2020 & dated 13th January, 2021 and as such there is no need to have a venue for the AGM. For more details, please refer to the Notice of this AGM.

ii) The particulars of Directors seeking appointment/re-appointment/retiring by rotation at the ensuing Annual General Meeting as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are as under:-

A	**NAME**	**MR. R. K. Saraf**
B	**Brief resume**	
i)	DIN	00006102
ii)	Date of Birth	04th July, 1942
iii)	Date of first appointment on the Board of the Company	01st August, 2004
iv)	Qualification	B.Sc.
v)	Experience in specific functional area	Ferro Alloys, Mining, Power & Corporate Management
C	Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 4 of the Notice convening Annual General Meeting dated 12.08.2021 read with explanatory statement thereto
D	Remuneration last drawn (including sitting fees for FY 2020-21, if any) (per annum)	Details of remuneration is provided elsewhere in this report
E	Remuneration/ Sitting fees proposed to be paid	As per details given in Annexure A forming part of the explanatory statement.
F	Nature of expertise in specific functional areas	More than four decades rich & versatile experience in ferro alloys, mining, power and corporate management
G	Name(s) of other Listed entities in which the person holds the Directorship	NIL
H	Chairman/Member of the Committee of the Board of Directors of the Company	1. Stakeholder's Relationship Committee 2. Corporate Social Responsibility Committee 3. Nomination & Remuneration Committee 4. Audit Committee.

	NAME	MR. R. K. Saraf
I	Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL
J	No. of Shares ofRe.1/- each held by the Director	2256
K	Relationship with Directors inter-se (As per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014)	Mr. R. K. Saraf is the father of Mr. Ashim Saraf.
L	No. of Board Meetings held/ attended during the year	Out of 4 Board Meetings held, he attended all the meetings during the financial year ended 31.03.2021

A	**NAME**	**MR. Ashim Saraf**
B	**Brief resume**	
i)	DIN	00009581
ii)	Date of Birth	27th September, 1967
iii)	Date of first appointment on the Board of the Company	01st August, 2004
iv)	Qualification	M.Sc. (Tech) from the Birla Institute of Technology and Sciences, Pilani
v)	Experience in specific functional area	Ferro Alloys & Corporate Management
C	Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 5 of the Notice convening Annual General Meeting dated 12.08.2021 read with explanatory statement thereto
D	Remuneration last drawn (including sitting fees for FY 2020-21, if any) (per annum)	Details of remuneration is provided elsewhere in this report
E	Remuneration/ Sitting fees proposed to be paid	As per details given in Annexure A forming part of the explanatory statement.
F	Nature of expertise in specific functional areas	Several years rich & versatile experience in Ferro Alloys & Corporate Management
G	Name(s) of other Listed entities in which the person holds the Directorship	NIL
H	Chairman/Member of the Committee of the Board of Directors of the Company	1. Stakeholder's Relationship Committee 2. Corporate Social Responsibility Committee 3. Committee for Prevention of Sexual Harassment at workplace
I	Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL
J	No. of Shares of Re.1/- each held by the Director	17008
K	Relationship with Directors inter-se (As per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014)	Mr. Ashim Saraf is son of Mr. R. K. Saraf.
L	No. of Board Meetings held/ attended during the year	Out of 4 Board Meetings held, he attended all the meetings during the financial year ended 31.03.2021

A	NAME	MR. Anurag Saraf
B	**Brief resume**	
i)	DIN	00009631
ii)	Date of Birth	17th May, 1971
iii)	Date of first appointment on the Board	
	of the Company	15th Jan, 2013
iv)	Qualification	B.E. (Electrical)
v)	Experience in specific functional area	Iron & Steel Industry and Corporate Management
C	Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 6 of the Notice convening Annual General Meeting dated 12.08.2021 read with explanatory statement thereto
D	Remuneration last drawn (including sitting fees for FY 2020-21, if any) (per annum)	Details of remuneration is provided elsewhere in this report
E	Remuneration/ Sitting fees proposed to be paid	As per details given in Annexure A forming part of the explanatory statement.
F	Nature of expertise in specific functional areas	Several years rich & versatile experience in Iron & Steel Industry and Corporate Management
G	Name(s) of other Listed entities in which the person holds the Directorship	NIL
H	Chairman/Member of the Committee of the Board of Directors of the Company	NIL
I	Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL
J	No. of Shares ofRe.1/- each held by the Director	2507354
K	Relationship with Directors inter-se (As per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014)	None
L	No. of Board Meetings held/ attended during the year	Out of 4 Board Meetings held, he attended 3 meetings during the financial year ended 31.03.2021

iii) Financial Year : 1st April to 31st March

iv) Date of Book closure from : Tuesday, 14th September, 2021 to Monday, 20th September, 2021 (both days inclusive)

v) Dividend payment date : Not Applicable

vi) Listing on Stock Exchange and (Stock Code) : The Bombay Stock Exchange Ltd., (532656)
The Company has paid the listing fees for the F.Y. 2021-22 to BSE

vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2020-21 as downloaded from BSE website are as under:

Month	**Bombay Stock Exchange (Rupees)**		
	High	**Low**	**Volume (No. of shares)**
April 2020	1.30	1.02	10,47,479
May 2020	1.41	1.04	16,23,041
June 2020	1.92	1.21	34,00,922
July 2020	1.64	1.14	22,43,947
August 2020	1.48	1.15	20,32,194

Month	Bombay Stock Exchange (Rupees)		
	High	Low	Volume (No. of shares)
September 2020	1.39	1.15	16,33,225
October 2020	1.35	1.16	14,80,672
November 2020	1.74	1.19	30,46,011
December 2020	3.81	1.46	1,34,38,255
January 2021	4.26	3.05	73,38,752
February 2021	3.40	2.46	36,38,320
March 2021	2.78	1.86	34,94,322

viii) Registrar & Transfer Agent (RTA):

Currently, the Company is availing the services M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 for its share registry work for both the form i.e. physical as well as electronic.

Accordingly, the shareholders are requested to approach M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020, 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.

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 the stipulated time period from date of lodgment of transfer deeds. The deficient transfer documents are returned to the sender with objection memos for making good the shortcomings.

SEBI has notified vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/ P/2018/73 dated 20th April, 2018 and No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated 16th July, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, the shares in physical mode cannot be transferred after 31st March, 2019. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. However, the shareholders shall be able to continue to hold shares in physical form.

The Company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants.

Further, pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which it has directed to all the Listed Companies to mandatorily record the PAN and Bank Account details of all the shareholders holding shares in physical mode. In this connection, the company has sent correspondence to the shareholders during FY-2018-19, who are holding shares in physical mode. Once again the Company is requested the shareholders holding shares in physical mode to update their PAN and Bank Account details who has not updated the same so far.

x) a) Distribution of shareholding as on 31.03.2021:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
1 to 5000	33278	21483283	10.99
5001 to 10000	1413	11232424	5.74
10001 to 20000	672	10172990	5.20
20001 to 30000	289	7221548	3.69
30001 to 40000	126	4532937	2.32
40001 to 50000	89	4189079	2.14
50001 to 100000	196	14895812	7.62
100001 and above	148	121819282	62.30
Total	36211	195547355	100.00
Physical Mode	323986	0.17	
Electronic Mode	195223369	99.83	

b) Categories of shareholders as on 31.03.2021:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Financial Institutions/ Banks	39854	0.02
c.	Mutual Funds	1780	0.00
d.	Bodies Corporate	3624594	1.85
e.	Others	105272399	53.84
	Total:	**195547355**	**100.00**

xi) Dematerialization of shares and liquidity:

99.83% of the share capital has been dematerialized as on 31st March, 2021.

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:

M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

b) For other matters:

160 B, Western Avenue, Sainik Farms, New Delhi-110062, India.

xv) The policies on dealing with related party transactions and determining material subsidiaries are disclosed in the website of the company www.facoralloys.in.

xvi) Commodity price risk or foreign exchange risk & hedging activities :

The company is resorting to natural hedges across transactions, i.e., netting-off of inflows and outflows and hedging the net flows will not be resorted to.

xvii) Compliance with Discretionary Requirements:

a. The Board has duly reviewed the Statutory Auditors' Reports on the Standalone / Consolidated accounts for the year ended 31st March, 2021 and has noted that the same do not have any qualifications.

b. The company has appointed a third party firm as the Internal Auditors which carry out the audit and the report is presented to the Audit Committee for review and further directions.

9. COMPLIANCE:

a) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s), back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates 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.

b) Accounting treatment in preparation of financial statements:

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

10. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

a) 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, i.e. M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

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 shall be enable to send notices and documents, in electronic form, to such shareholders.

b) **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.

c) **Updation of Address / Bank Details /PAN no. etc.:**

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details/PAN no. with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

d) **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.

e) **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 both Standalone/Consolidated of the Company are not in qualifying nature.

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
E-mail 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
Disclosure of shareholding by non-executive directors	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, 2020.

Place: Delhi
Date: 12th August, 2021

R.K. Saraf
Chairman & Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Facor Alloys Limited,
Shreeramnagar-535 101,
Garividi (Andhra Pradesh)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Facor Alloys Limited having CIN L27101AP2004PLC043252 and having registered office at Shreeramnagar-535 101, Garividi (Andhra Pradesh) (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me / us by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Therefore, following Directors of Facor Alloys Limited as on 27th May, 2021 stand qualified for being appointed or continuing as Directors of companies:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	ROHIT SARAF	00003994	12/08/2016
2	RAM KISHAN SARAF	00006102	15/09/2008
3	ASHIM SARAF	00009581	01/08/2004
4	ANURAG MURLIDHARJI SARAF	00009631	15/01/2013
5	ANAND SADASHIV KAPRE	00019530	27/10/2007
6	JAYABHARAT REDDY KOTI	00038342	01/09/2004
7	KISHAN LAL MEHROTRA	00062172	18/09/2010
8	URMILA GUPTA	00637110	13/02/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MT & Co.**
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464, C.P. No.5554
UDIN No. A016464C000381037

Date: 27/05/2021
Place: Delhi

CERTIFICATION BY CMD AND DY CFO

To the Board of Directors
Facor Alloys Limited

We have reviewed the financial statements and the cash flow statement of Facor Alloys Ltd. for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

[a] [i] These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

[ii] These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

[b] There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

[c] We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

[d] We have indicated to the Auditors and the Audit Committee that:

[i] There have been no significant changes in internal control over financial reporting during the year;

[ii] There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

[iii] There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Delhi
Date: 19th June, 2021

R. K. Saraf
Chairman & Managing Director

Vijay Vashisth
Dy. CFO

CERTIFICATE / REPORT ON CORPORATE GOVERNANCE

To the Members of
Facor Alloys Limited

I have examined the compliance of the conditions of Corporate Governance by Facor Alloys Limited (CIN: L27101AP2004PLC043252) ("the Company") for the year ended on 31st March, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations for the year ended on 31st March, 2021.

I, 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 **MT & Co.,**
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464, C.P. No.5554
UDIN No: A016464C000681898

Date: 27/07/2021
Place: Delhi

Note: The COVID-19 outbreak has been declared as a global pandemic by WHO. In the month of April 2021, Delhi government announced a lockdown which was extended multiple times for various days across the state to contain the spread of the virus. Due to COVID- 19 pandemic impact, the compliance documents for the period were obtained through electronic mode and verified with requirements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of FACOR ALLOYS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising loss and other comprehensive income), the profit, changes in equity and its cash flows and for the year then ended on that date.

Basis for opinion

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

Other information

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

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone financial statements

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

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

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

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

Auditor's responsibilities for the audit of the Standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the statement of 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 Indian Accounting Standards specified under Section 133 of the Act.
   e. On the basis of the written representations received from the directors as on 31st March, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i) The Company has disclosed the impact of pending litigations on its financial position in note no. 34 in its standalone financial statements.
      ii) The Company did not have any long-term contracts including derivatives 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 Company.

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:21046219AAAACM8811

Place: New Delhi
Date: 25th June 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

1. In respect of Company's Fixed Asset

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.

   b. The company has a regular programme of physical verification of fixed assets. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its asset.

   c. The tittle deeds of immovable property are in name of erstwhile pre-demerged company. The immovable properties are transferred by virtue of BIFR Order No.314/98 dated 13th April 2004. The immovable properties acquired subsequent to demerger are held in the name of the company.

2. Physical verification of the inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed.

3. According to the information and explanation given to us, the Company has granted unsecured loans to bodies corporate, covered in the register maintained under Section 189 of Companies Act, 2013, in respect of which:

   a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the company's interest.

   b. The schedule of repayment of principle and payment of interest has been stipulated and found that repayments or receipts of principle amounts and interest have been regular as per stipulations.

4. In our opinion and according to the information and explanation given to us the company has complied with the provision of section 185 and 186 of the Act in respect of loans, making investments and providing guarantees and securities, as applicable.

5. According to the information and explanation given to us, the Company has not accepted any deposits during the year.

6. The maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013 for the business activities carried out by the company and we are of opinion that prima facie such accounts and records have been made and maintained

7. According to the information and explanation given to us, in respect of statutory dues:

   a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

   c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in lakhs*
Custom Duty	A.P.High Court, Hyderabad	1988 – 1989	158.34
Sales Tax	A.P.High Court, Hyderabad,	2009 – 2010	21.27
	APSTAT– Visakhapatnam,	2010-2011, 2011 –2012, 2012 – 2013	8.51
Income Tax	Addnl. Comm. IT (Appeals), Visakhapatnam	2010 – 2011	27.75

* Amount is net of payment under protest

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. In our opinion and according to the information and explanation given to us, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company

13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statement etc., as required by the applicable accounting standards.

14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year and hence reporting under clause 3(xiv) of the order is not applicable to the company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.

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

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:21046219AAAACM8811

Place: New Delhi
Date: 25th June 2021

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS 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 as of March 31, 2021 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:21046219AAAACM8811

Place: New Delhi
Date: 25th June 2021

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

(₹ in Lakhs)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	**13,181.14**	13,927.03
Right of Use Assets (ROU)	5	**41.36**	316.33
Investments in Subsidiaries and Associates	6	**-**	-
Financial Assets			
(i) Investments	7	**0.57**	1.07
(ii) Other Non-Current Financial Assets	8	**2,178.34**	2,877.80
Deferred Tax Asset (Net)	9	**646.72**	427.39
Total Non-Current Assets		**16,048.13**	**17,549.62**
Current Assets			
Inventories	10	**211.34**	596.58
Financial Assets			
(i) Trade Receivables	11	**2,206.84**	1,031.52
(ii) Cash and Cash Equivalents	12	**20.11**	66.70
(iii) Other Current Financial Assets	13	**1,207.02**	1,095.88
Current Tax Assets (Net)	14	**447.09**	1,072.27
Other Current Assets	15	**301.53**	630.62
Assets Classified as Held for Sale	16	**802.55**	1,053.67
Total Current Assets		**5,196.48**	**5,547.24**
Total Assets		**21,244.61**	**23,096.86**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	**1,955.48**	1,955.48
Other Equity	18	**12,748.77**	12,735.23
Total Equity		**14,704.25**	**14,690.71**
Liabilities			
Non-Current Liabilities			
Provisions	19	**132.90**	130.60
Other Non-Current Financial Liabilities	20	**22.76**	311.55
Total Non-Current Liabilities		**155.66**	**442.15**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	21	**642.00**	985.00
(ii) Trade Payables			
Micro Small and Medium Enterprises	22	**163.05**	235.44
Others	22	**1,910.79**	2,643.37
(iii) Other Financial Liabilities	23	**304.05**	251.16
Other Current Liabilities	24	**2,099.06**	2,587.12
Provisions	25	**1,265.75**	1,261.91
Total Current Liabilities		**6,384.70**	**7,964.00**
Total Liabilities		**6,540.36**	**8,406.15**
Total Equity and Liabilities		**21,244.61**	**23,096.86**
Notes to Financial Statements	1 to 45		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

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

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Place: New Delhi
Date: 25th June, 2021

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from Operations	26	**14,366.74**	29,139.31
Other Income	27	**403.69**	2,842.20
Total Income		**14,770.43**	**31,981.51**
Expenses			
Cost of Materials Consumed		**4,386.27**	11,707.12
Change in Inventory of Finished Goods and Work in Progress	28	**259.50**	(146.88)
Employee Benefits Expense	29	**1,724.03**	1,804.91
Finance Costs	30	**332.67**	379.93
Depreciation and Amortisation Expense		**200.33**	239.02
Other Expenses	31	**8,879.17**	16,326.86
Total Expenses		**15,781.97**	**30,310.96**
Profit/ (Loss) Before Tax and Exceptional Items		**(1,011.54)**	**1,670.55**
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		**-**	-
B) Profit / (Loss) on Sale/Discard of Fixed Asset		**842.67**	559.39
Profit/ (Loss) Before Tax		**(168.87)**	**2,229.94**
Tax Expense:			
Current Tax/Mat	32	**-**	-
Tax for earlier years		**(4.01)**	-
Deferred Tax		**(209.03)**	1,201.83
Profit/ (Loss) for the Period (A)		**44.17**	**1,028.11**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of defined benefit plans		**(40.93)**	(139.04)
Deferred Tax relating to remeasurement of defined benefit plans		**(10.30)**	(34.99)
Total Other Comprehensive Income for the Period (B)		**(30.63)**	**(104.05)**
Total Comprehensive Income for the Period (A + B)		**13.54**	**924.06**
Earnings per Equity Share	33		
Basic		**0.02**	0.53
Diluted		**0.02**	0.53
Notes on Financial Statements	1 to 45		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

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

Place: New Delhi
Date: 25th June, 2021

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

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(DIN: 00006102)
Place: Vizianagaram, A.P.

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

	For the year ended	
(a) Equity Share Capital	**31 March 2021 Amount**	**31 March 2020 Amount**
At the begging of the year	1,955.48	1,955.48
Changes in Equity Share Capital during the year	-	-
At the end of the year	**1,955.48**	**1,955.48**

(b) Other Equity

Particulars	Reserves & Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Portion of Borrowings	Remeasurement of Defined Benefit Plans	
Balance at 31 March 2019	**8,700.51**	**2,667.52**	**250.00**	**279.41**	**16.64**	**(97.59)**	**11,816.49**
Transition impact of Ind AS 116	-	-	-	(5.32)	-	-	(5.32)
Restated balance as at 1st April 2019	**8,700.51**	**2,667.52**	**250.00**	**274.09**	**16.64**	**(97.59)**	**11,811.17**
Profit for the year	-	-	-	1,028.11	-	-	1,028.11
Other comprehensive Income/ (Loss) for the year	-	-	-	-	-	(104.05)	(104.05)
Total Comprehensive Income for the year	**-**	**-**	**-**	**1,028.11**	**-**	**(104.05)**	**924.06**
Balance at 31 March 2020	**8,700.51**	**2,667.52**	**250.00**	**1,302.20**	**16.64**	**(201.64)**	**12,735.23**
Profit for the year	-	-	-	44.17	-	-	44.17
Other Comprehensive for the year	-	-	-	-	-	(30.63)	(30.63)
Total Comprehensive Income for the year	**-**	**-**	**-**	**44.17**	**-**	**(30.63)**	**13.54**
Balance at 31 March 2021	**8,700.51**	**2,667.52**	**250.00**	**1,346.37**	**16.64**	**(232.27)**	**12,748.77**

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

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

Vijay Vashisth
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Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Place: New Delhi
Date: 25th June, 2021

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	**Cash flows from Operating Activities**		
	Net Profit/ (Loss) after Prior Period Items and Before Tax	**(168.87)**	2,229.94
	Adjustments For:		
	a) Interest Income	**(230.01)**	(218.42)
	b) Depreciation	**200.33**	239.02
	c) Provision for Doubtful Advances	**0.60**	0.65
	d) Gain on Sale of Fixed Assets	**(842.67)**	(559.39)
	e) Interest Expense	**332.67**	379.93
	Operating Cash Profit before Working Capital Changes	**(707.95)**	**2,071.73**
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	**(804.97)**	762.23
	b) Increase/(Decrease) in Other Current Liabilities	**(488.06)**	461.63
	c) Increase/(Decrease) in Other Current Financial Liabilities	**53.30**	30.63
	d) (Increase)/Decrease in Other Non Current Financial Assets	**927.97**	(300.53)
	e) (Increase)/Decrease in Provisions	**(34.79)**	(147.49)
	f) (Increase)/Decrease in Other Current Financial Assets	**(111.71)**	473.39
	g) (Increase)/Decrease in Inventories	**385.24**	842.42
	h) (Increase)/Decrease in Trade Receivables	**(1,175.32)**	162.73
	i) (Increase)/Decrease in Other Current Assets	**329.09**	(73.99)
	j) Increase/(Decrease) in Other Non Current Financial Liabilities	**(288.79)**	311.55
	k) (Increase)/Decrease in Long Term Loans & Advances	**-**	12.50
	Cash Generated from/ (used in) Operations	**(1,915.99)**	**4,606.80**
	Less: Income Tax Paid (Net of Refunds)	**629.19**	(300.23)
	Net Cash Generated from/ (used in) Operating Activities(A)	**(1,286.80)**	**4,306.57**
B	**Cash Flow from Investing Activities:**		
	(Purchase) of Property, Plant and Equipment and Capital Work in Progress	**(30.99)**	(5.84)
	Net Proceeds of Property, Plant and Equipment and Capital Work in Progress	**1,716.80**	2,118.87
	Payment including advances for acquiring Right-of-Use Asset	**-**	(362.79)
	Interest Received	**229.98**	219.57
	Net movement in Investments	**0.50**	0.50
	Net Cash Generated from/ (Used in) Investing Activities (B)	**1,916.29**	**1,970.31**
C	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Borrowings	**(343.00)**	(3,702.17)
	Interest Expense Paid	**(333.08)**	(3,344.32)
	Net Cash generated from/ (used in) Financing Activities (C)	**(676.08)**	**(7,046.49)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(46.59)**	(769.61)
	Cash and Cash Equivalents at the Beginning of the year	**66.70**	836.31
	Cash and Cash Equivalents at the End of the year	**20.11**	**66.70**

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

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

Place: New Delhi
Date: 25th June, 2021

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. **REPORTING ENTITY**

Facor Alloys Limited referred to as "FAL" or "the Company" is domiciled in India. The Company's registered office is at Shreeramnagar, Garividi, Dist. Vizianagram, Andhra Pradesh – 535101.

The Company is listed at Bombay Stock Exchange. At one point of time FAL was one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel. FAL was incorporated in 2004 under the Companies Act, 1956.

The standalone financial statements for the year ended March 31, 2021, were approved for issue in accordance with a resolution of the Board of Directors of the Company on June 25, 2021.

2. **SIGNIFICANT ACCOUNTING POLICIES**

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

a) Basis of preparation

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

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

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

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000) as per the requirement of Schedule III ,unless otherwise stated.

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

b) Basis of measurement

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

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

Current and non-current classification

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

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

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

All other assets are classifiedas non-current.

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

All other liabilities are classified as non-current.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

c) Use of judgements and estimates

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

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

A. Judgements

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

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

B. Assumptions and estimation uncertainties

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

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

d) Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed. –

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate item (major components) of property, plant and equipment.

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

Subsequent Measurement

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

Depreciation

The charge in respect of depreciation on tangible assets 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.

Cost of leasehold land is amortised over the lease period.

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

e) Intangible assets

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

f) Financial instruments

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

Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

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

Business model assessment

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

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

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

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

Debt instruments at amortized cost

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

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

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

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

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

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

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

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

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

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

All other Financial Instruments are classified as measured at FVTPL.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Derecognition of financial assets

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

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

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

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

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

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

Financial liabilities

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

g) Inventories

Raw material, stores and spares, work in progress and finished goods are valued at lower of cost or net realizable value

h) Revenue Recognition

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

(i) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis.

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

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

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

i) Leases

The Company has adopted Ind AS 116 using the modified retrospective approach from 01.04.2019 and therefore the comparative information till March,31, 2019 has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

payments made at or before the commencement date, plus any initial direct costs incurred and an estimate and an estimate cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assetare determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate.

Lease payment included in the measurement of the lease liability comprise followings;

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

j) Foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

(iii) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

(iv) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

k) Employee benefits

i. Short term employee benefits

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ii. Defined contribution plans

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

a) Provident Fund

b) Superannuation Fund

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

The company has following long term employment benefit plans:

a) Leave encashment

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

l) Borrowing Cost

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

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

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

m) Income tax

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

i. Current tax

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

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

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ii. Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

n) Impairment of non-financial assets

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

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

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

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

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

o) Provisions

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

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

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

p) Segment Reporting

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The board of directors of Facor alloys Limited has been identified as being the chief operating decision maker by the Management of the company. Refer **note 35** for segment information presented.

q) Cash and cash equivalents

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

r) Non-current assets held for sale

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

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

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

s) Events occurring after the balance sheet date

All material events occurring after the balance sheet date upto the date of approval of financial statements by the board of directors, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period.

3. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs (MCA), notifies new standard or amendments to the existing standards. There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company’s financial statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 31 March 2020	Adjustment	Additions	Deletions/ Adjustments	As at 31 March 2021	As at 31 March 2020	Adjustment	For the year	Adjustments / Deductions	As at 31 March 2021	As at 31 March 2021
Tangible Assets											
Freehold Land	12,140.67	-	-	596.67	11,544.00	-	-	-	-	-	11,544.00
Mines and Quarries Freehold	637.44	-	-	-	637.44	-	-	-	-	-	637.44
Buildings	208.64	0.10	-	9.95	198.79	59.39	0.02	6.91	9.27	57.05	141.74
Railway Sidings	12.03	-	-	-	12.03	5.25	-	0.89	-	6.14	5.89
Plant and Machinery	1,515.32	-	29.53	-	1,544.85	648.74	-	121.62	-	770.36	774.49
Office Equipments	122.97	-	1.34	23.59	100.72	65.75	-	11.67	13.77	63.65	37.07
Furniture & Fixtures	122.36	-	0.04	6.32	116.08	82.05	-	9.61	3.85	87.81	28.27
Vehicles	73.98	-	-	44.97	29.01	45.20	-	3.17	31.60	16.77	12.24
Total	**14,833.41**	**0.10**	**30.91**	**681.50**	**14,182.92**	**906.38**	**0.02**	**153.87**	**58.49**	**1,001.78**	**13,181.14**

The vehicles given on operating lease has been terminated during the year and no further vehicle is on lease as on 31.03.2021.

Particulars	Gross Block					Depreciation					Net Block
	As at 31 March 2019	Adjustment	Additions	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2019	Adjustment	For the year	Adjustments / Deductions	As at 31 March 2020	As at 31 March 2020
Tangible Assets											
Freehold Land	12,968.17	-	-	827.50	12,140.67	-	-	-	-	-	12,140.67
Mines and Quarries Freehold	637.44	-	-	-	637.44	-	-	-	-	-	637.44
Buildings	217.48	-	-	8.84	208.64	53.30	-	7.71	1.62	59.39	149.25
Railway Sidings	12.03	-	-	-	12.03	4.21	-	1.04	-	5.25	6.78
Plant and Machinery	1,454.87	60.45	-	-	1,515.32	440.93	60.45	147.36	-	648.74	866.58
Office Equipments	93.05	26.60	5.60	2.28	122.97	23.31	26.60	16.95	1.11	65.75	57.22
Furniture & Fixtures	118.76	3.45	0.24	0.09	122.36	65.89	3.45	12.76	0.05	82.05	40.31
Vehicles	80.95	0.40	-	7.37	73.98	42.72	0.40	6.74	4.66	45.20	28.78
Total	**15,582.75**	**90.90**	**5.84**	**846.08**	**14,833.41**	**630.36**	**90.90**	**192.56**	**7.44**	**906.38**	**13,927.03**

The above includes following assets given on operating lease:

Particulars	As at 31 March 2020			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year
Vehicles	8.63	5.04	3.59	0.32
Total	**8.63**	**5.04**	**3.59**	**0.32**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 Right-of-Use Asset

Transition to Ind AS 116

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessors.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

5.1 The Company as lessee

(i) Building acquired on finance lease represent office building. Initial lease term was 108 months, which has been modified to 29 months and lease payment consideration has also been modified from ₹ 4.50 lakh per month to ₹ 1.75 lakh per month during the year. The gain on modification of lease amounting to ₹ 48.42 lakhs has been recognised in the current year under other income in note no. 27.1.

(ii) Company has taken vehicle on lease with lease term of 60 months, remaining lease term is 36 months as on 31 March 2021.

5.2 Company as a lessor

The Company is not required to make any adjustments on transition to Ind As 116 for leases in which it acts as a lessor.

The details of the right-of-use asset held by the Company is as follows:

Right-of-Use Asset **(₹ in Lakhs)**

Particulars	Cost				Amortisation					Net Carrying Amount	
	As at 31 March 2020	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2021	As at 31 March 2020	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2021	As at 31 March 2021	As at 31 March 2021
Building	304.55	-	298.13	6.42	34.81	-	34.81	69.62	-	6.42	269.74
Vehicles	58.24	-	-	58.24	11.65	-	11.65	-	23.30	34.94	46.59
Total	**362.79**	**-**	**298.13**	**64.66**	**46.46**	**-**	**46.46**	**69.62**	**23.30**	**41.36**	**316.33**

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 April 2019	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2020	As at 31 March 2019	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2020	As at 31 March 2020
Building	304.55	-	-	304.55	-	-	34.81	-	34.81	269.74
Vehicles	-	58.24	-	58.24	-	-	11.65	-	11.65	46.59
Total	**304.55**	**58.24**	**-**	**362.79**	**-**	**-**	**46.46**	**-**	**46.46**	**316.33**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
6	**Investment in Subsidiary and Associates**		
	Investment Measured at Fair Value		
a	**Investment in Subsidiary Company - Equity instruments (fully paid-up) (Unquoted)**		
	5,000 Equity Shares of Best Minerals Limited of ₹ 100 each fully paid (cost ₹ 5.00 lakhs, fully impaired)	**-**	-
	10,000 Equity Shares of FAL Power Ventures Pvt. Limited of ₹ 10 each fully paid (cost ₹ 1583.75 lakhs, fully impaired)	**-**	-
	50,000 Equity Shares of Facor Electric Limited of ₹ 10 each fully paid (cost ₹ 5.01 lakhs, fully impaired)	**-**	-
	21,81,605 Shares (Previous Year - 21,51,605) of Facor Minerals Netherlands BV of USD 1 each fully paid {cost ₹ 1234.86 lakhs (Previous Year ₹ 1216.15 lakhs)], fully impaired)	**-**	-
		-	-
7	**Investment Others**		
	Investment Measured at fair value through OCI		
a	**Others - In Equity Shares - unquoted, fully paid up**		
	(i) 30 Shares of DNS Bank Ltd, Mumbai of ₹ 50 each	**0.02**	0.02
	Investment Measured at amortised cost		
b	**In Government Securities : Unquoted**		
	6 Years National Savings Certificates	**0.55**	1.05
	Total	**0.57**	**1.07**
	Aggregate book value of quoted investments	**NIL**	NIL
	Aggregate book value of un-quoted investments	**0.57**	1.07
8	**Other Non-Current Financial Assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	**2,177.84**	2,877.30
	Balances with banks in deposit accounts	**0.50**	0.50
	Total	**2,178.34**	**2,877.80**
9	**Deferred Tax Liabilities/ Assets (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	**123.49**	225.55
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	**101.27**	101.02
	Unabsorbed Depreciation and Unabsorbed Business loss	**244.66**	373.87
	Unabsorbed Long Term Capital loss	**424.28**	178.05
	Total	**646.72**	**427.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Particulars		
	Opening Balance as on 1st April	**427.39**	1,594.23
	Deferred tax income/ (expense) during the period recognised in profit & loss	**209.03**	(1,201.83)
	Deferred tax income/ (expense) during the period recognised in Other Equity	**-**	-
	Deferred tax income/ (expense) during the period recognised in OCI	**10.30**	34.99
	Closing Balance	**646.72**	**427.39**
10	**Inventories**		
	(At cost or NRV whichever is lower)		
	Raw Materials (including material in transit)*	**51.67**	197.38
	Work-in-Process	**95.46**	79.22
	Finished Products	**12.21**	287.95
	Stores and Spares	**52.00**	32.03
	Total	**211.34**	**596.58**

* Material in transit included above is as below:
Raw materials NIL (Previous year ₹ NIL lakhs).

		As at 31 March 2021	As at 31 March 2020
11	**Trade Receivables**		
	Unsecured		
	Considered good	**2,206.84**	1,031.52
	Considered doubtful	**-**	-
	Total	**2,206.84**	**1,031.52**
12	**Cash and Cash Equivalents**		
	Balance with banks:		
	- In Current Account	**19.61**	65.71
	- In Cash Credit Accounts	**0.02**	0.02
	Cash in hand	**0.48**	0.97
	Total	**20.11**	**66.70**
13	**Other Current Financial Assets**		
	Loans and advances to related parties	**9,721.27**	9,713.36
	Less: Allowance for credit Loss	**8,598.81**	8,617.51
		1,122.46	1,095.85
	Interest Accrued	**0.06**	0.03
	Security Deposits	**84.50**	-
	Total	**1,207.02**	**1,095.88**
	Note:		
	Movement in Allowance for credit loss is as follows:		
	Opening	**8,617.51**	8,617.51
	Additions/(Reduction)	**(18.70)**	-
	Closing	**8,598.81**	**8,617.51**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
14	**Current Tax Assets (Net)**		
	Advance tax (Net of provision for income tax)	**447.09**	1,072.27
	Total	**447.09**	**1,072.27**
15	**Other Current Assets**		
	Advances to vendors	**90.19**	222.06
	Taxes and duties recoverable	**165.31**	366.01
	Prepaid expenses	**5.50**	17.09
	Prepaid expenses -CSR (Refer Note No.31.2)	**15.07**	-
	Claims recoverable	**25.46**	25.46
	Total	**301.53**	**630.62**
16	**Assets Classified as Held for Sale**		
	Land	**139.40**	390.52
	Mines & Quarries	**662.90**	662.90
	Buildings	**0.25**	0.25
	Total	**802.55**	**1,053.67**

The company has identified certain assets like Land & Buildings which are available for sale in its present condition. The company is committed to plan the sale of asset. The company expects to dispose off these assets within twelve months from its classification. The company has received an amount of ₹ 1080.92 lakhs (previous year ₹ 1722.52 lakhs) which pertains to the advance received from the parties in relation to this sale. The same is shown as a liability under other current liabilities.

		As at 31 March 2021	As at 31 March 2020
17	**Share Capital**		
	Authorised:		
	36,00,00,000 Equity Shares of ₹1/- each	**3,600.00**	3,600.00
	39,00,000 Preference Shares of ₹100/- each	**3,900.00**	3,900.00
	Issued, subscribed & fully paid up:		
	19,55,47,355 Equity Shares of ₹1/- each	**1,955.48**	1,955.48
	Total	**1,955.48**	**1,955.48**

a. **Terms and rights attached to equity shares**

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

b. **Reconciliation of Number of Equity Shares outstanding**

	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	**(₹ in Lakhs)**	**No. of Shares**	**(₹ in Lakhs)**
Balance as at the beginning of the year	19,55,47,355	1,955.48	19,55,47,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-	-	-
Balance as at the end of the year	19,55,47,355	1,955.48	19,55,47,355	1,955.48

c. **Shareholders holding more than 5% of the Equity shares in the company**

Name of the Shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	**Percentage**	**No. of Shares**	**Percentage**
R.B.Shreeram & Co. Pvt. Ltd.	6,10,55,682	31.22%	6,10,55,682	31.22%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
18	**Other Equity**		
a.	**Capital Reserves**		
	Balance at the beginning of the year	**8,700.51**	8,700.51
	Addition during the year	**-**	-
	Balance at the end of the year	**8,700.51**	8,700.51
b.	**Securities premium**		
	Balance at the beginning of the year	**2,667.52**	2,667.52
	Addition during the year	**-**	-
	Balance at the end of the year	**2,667.52**	2,667.52
c.	**General reserve**		
	Balance at the beginning of the year	**250.00**	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	**-**	-
	Balance at the end of the year	**250.00**	250.00
d.	**Retained earnings**		
	Balance at the beginning of the year	**1,302.20**	279.41
	Transition impact of Ind AS 116	**-**	(5.32)
	Add: Profit for the year after taxation as per statement of Profit and Loss	**44.17**	1,028.11
	Balance at the end of the year	**1,346.37**	1,302.20
e.	**Equity Component of Loan**		
	Balance at the beginning of the year	**16.64**	16.64
	Addition during the year	**-**	-
	Balance at the end of the year	**16.64**	16.64
f.	**Other Comprehensive Income**		
	Balance at the beginning of the year	**(201.64)**	(97.59)
	Addition during the year	**(30.63)**	(104.05)
	Balance at the end of the year	**(232.27)**	(201.64)
	Total Equity (a+b+c+d+e+f)	**12,748.77**	**12,735.23**

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

General reserve

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

19	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	**132.90**	130.60
	Total	**132.90**	**130.60**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
20	**Other Non Current Financial Liabilities**		
	Leased Liability - Car (ROU)	**22.76**	31.55
	Leased Liability - Office Building (ROU) (Refer note no 5.1)	**-**	280.00
	Total	**22.76**	**311.55**
21	**Borrowings**		
	(a) From Other (Unsecured)	**-**	350.00
	(b) From Related parties (Unsecured)	**390.00**	390.00
	(c) From Others (Unsecured)	**252.00**	245.00
	Total	**642.00**	**985.00**
22	**Trade Payables**		
	Micro Small and Medium Enterprises (Refer Note No. 39)	**163.05**	235.44
	Others	**1,910.79**	2,643.37
	Total	**2,073.84**	**2,878.81**
23	**Other Financial Liabilities**		
	Interest accrued and due	**19.33**	19.74
	Other payables for:		
	- Managerial Remuneration	**110.72**	99.76
	- Employee Benefits Payable	**166.33**	127.01
	- Security deposits / Retention money	**7.67**	4.65
	Total	**304.05**	**251.16**
24	**Other Current Liabilities**		
	Statutory dues	**190.55**	71.43
	Revenue received in advance	**570.09**	642.45
	Other payables	**1,326.03**	1,849.94
	Leased Liability (ROU)-Car	**8.79**	7.42
	Leased Liability (ROU)-Office Building	**3.60**	15.88
	Total	**2,099.06**	**2,587.12**
25	**Provisions**		
	Provision for employee benefits		
	- Gratuity	**207.82**	189.67
	- Compensated Absences	**37.40**	51.71
	Others	**1,020.53**	1,020.53
	Total	**1,265.75**	**1,261.91**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
26	**Revenue from Operations**		
	Sale of goods		
	- High Carbon Ferro Chrome- Export - Direct	**-**	636.58
	- Export - Deemed	**7,140.46**	13,895.45
	- Indigenous	**113.91**	1,321.35
	Subtotal	**7,254.37**	**15,853.38**
	Off Grade/By-products	**-**	1.24
	Sale of goods	**7,254.37**	15,854.62
	Sale of service- HCF conversion	**2,720.52**	13,273.53
	Sale of service- SiMn conversion	**4,379.43**	-
		14,354.32	**29,128.15**
	Export Incentives	**12.42**	11.16
	Grand Total	**14,366.74**	**29,139.31**
27	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	**0.04**	17.82
	- Others	**229.97**	200.60
	Foreign Exchange Gain	**0.06**	-
	Miscellaneous Income	**125.92**	2,566.04
	Car Lease Rental Received	**5.10**	4.20
	Rent Received	**42.60**	53.54
	Total	**403.69**	**2,842.20**

27.1 Gain on modification of lease term during the year amount to ₹ 48.42 Lakh has been recognised in current year under miscellaneous income.

		Year ended 31 March 2021	Year ended 31 March 2020
28	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Closing Stock		
	- Finished Goods	**12.21**	287.94
	- Work-in-Progress	**95.45**	79.22
		107.66	**367.16**
	Opening Stock		
	- Finished Goods	**287.94**	43.64
	- Work-in-Progress	**79.22**	176.64
		367.16	**220.28**
	Decrease / (Increase) in Inventories	**259.50**	**(146.88)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
29	**Employee Benefits Expense**		
	Salaries and wages	**1,255.96**	1,299.12
	Contribution to provident and other funds	**106.34**	134.67
	Staff Gratuity and Superannuation	**42.28**	48.18
	Staff welfare expenses	**263.24**	267.29
	Directors' Remuneration	**56.21**	55.65
	Total	**1,724.03**	**1,804.91**
30	**Finance Cost**		
	Interest on long term loans	**144.19**	318.27
	Interest on other loans	**134.62**	1,019.38
	Other borrowing costs	**-**	-
	Bank Charges on bill discounting	**-**	0.83
	Interest	**278.81**	303.61
	Notional Interest on - Gratuity	**12.50**	13.49
	Notional Interest on - P L	**12.01**	14.47
	Interest Cost on Employee Benefit Plans	**24.51**	27.96
	Interest on Leased Asset (ROU)	**29.35**	48.36
	Total	**332.67**	**379.93**
31	**Other Expenses**		
	Mining Handling & Other Production Expenses	**369.03**	613.08
	Power and Fuel	**7,057.26**	13,052.59
	Repairs and Maintenance:		
	- Buildings	**127.13**	263.97
	- Plant and Machinery	**798.65**	1,281.59
	Freight, Shipment & Sales Expenses	**59.89**	113.45
	Stores & Spares	**119.45**	313.07
	Works Expenses	**148.17**	422.97
	Transport Expenses	**80.74**	106.46
	Rent	**2.37**	27.28
	Insurance	**7.70**	7.84
	Rates and Taxes	**16.44**	24.12
	Provision for Doubtful Advances	**0.60**	0.65
	Donation	**5.00**	0.10
	Payment to Auditors	**6.61**	6.75
	Directors' Sitting Fees	**2.10**	2.50
	CSR Expenses (Refer Note No. 31.2)	**23.43**	12.50
	Miscellaneous Expenses	**54.60**	74.79
	Foreign Exchange Fluctuations	**-**	3.15
	Total	**8,879.17**	**16,326.86**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
31.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	**2.75**	2.75
	Tax Audit Fees	**0.50**	0.50
	Certification and Consultation Fees	**0.08**	0.18
	Reimbursement of Expenses	**0.03**	1.01
	(b) Cost Auditor		
	Audit Fees	**0.50**	0.50
	(c) GST Auditor		
	Audit Fees	**1.15**	0.58
	Certification and Consultation Fees	**1.60**	1.17
	Reimbursement of Expenses	**-**	0.06
	Total	**6.61**	**6.75**

31.2 Corporate Social Responsibilities (CSR) – Expenditure

Particulars	2020-21	2019-20
Amount required to be spent as per Section 135 of the Act	23.43	12.28
Amount spent during the year on:		
1) Construction/ Acquisition of any asset	-	-
2) On purpose other than(1) above	38.50	12.50
Total CSR	38.50	12.50
Amount available for set off in succeeding financial years	15.07	-

Note: Excess amount spent under CSR have been disclosed in Note No. 15 as Prepaid Expenses.

		Year ended 31 March 2021	Year ended 31 March 2020
32	**Income Tax**		
32.1	**Income Tax Expenses**		
	Particulars		
	Current Tax Expenses		
	Current year	**-**	-
		-	-
	Decrease/(Increase) Deferred Tax Liabilities	**(102.06)**	(15.04)
	(Decrease)/Increase Deferred Tax Assets	**(106.97)**	1,216.87
	Total Deferred Tax Expense/(Benefit)	**(209.03)**	1,201.83
	Total Tax Expenses	**(209.03)**	**1,201.83**
32.2	**Reconciliation of Effective Tax Rate**		
	Profit/(Loss) before Tax	**(168.87)**	2,229.94
	Applicable Tax Rate	**25.17%**	25.17%
	Computed Tax Expenses	**(42.50)**	561.23
	Tax Effect of:		
	Adjustment of earlier year tax	**(4.01)**	-
	Previously unrecognised and unused tax losses and deductible temporary differences	**(219.33)**	375.30
	Others Tax Adjustment	**56.81**	(1,015.90)
	Tax Expenses Recognised in Profit and Loss	**(209.03)**	1,201.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
33	**Earning Per Share**		
	Profit/ (Loss) for the Period	**44.17**	1,028.11
	Weighted Average Number of Equity Shares of ₹ 1/- each (In lakhs)	**1,955.48**	1,955.48
	EPS - Basic and Diluted	**0.02**	**0.53**

34 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debts, since disputed ₹ 1156.48 lakhs (Previous Year ₹ 1,350.20 lakhs). Amounts paid under protest ₹ 112.73 lakhs (Previous Year ₹ 289.63 lakhs) have been debited to Advance Account.

b. In view of the decision of NCLT, Mumbai bench in the application under section 30(1) and (6) and order under section 31 of Insolvency and Bankruptcy Code, 2016 in the matter of Vidarbha Iron & Steel Corporation Limited, the liability of the Company on account of Corporate Guarantee issued in favour of Consortium Banks of Facor Steels Limited is NIL.

c. Bank guarantee amounting to ₹ 200.00 lakhs secured by way of fixed deposit provided by director.

B. Capital And Other Commitments

a. Estimated amount of contracts on Capital Account and other commitments (net of capital advance) remaining to be executed and not provided for in accounts is NIL (Previous year NIL).

35 Segment Information:

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

Operating Segments

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

Entity wise disclosures

A. Information about products and services

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

B. Information about Geographical Areas

The Group derives revenue from following major geographical areas: **(₹ in Lakhs)**

Area	For the year ended 31 March 2021	For the year ended 31 March 2020
Outside India (Including Deemed Export)	7,140.46	14,532.03
Domestic	7,213.85	14,594.88

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

C. Information about Major Customers (from External Customers)

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

(₹ in Lakhs)

External Customers	For the year ended 31 March 2021	For the year ended 31 March 2020
Tata Steel	3,046.98	13,273.53
Abhijeet Ferrotech Ltd.	4,904.96	-
Mortex India Ltd.	6,020.62	11,677.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

36 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 (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. Enterprise, over which Key Management Personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :

1 Rai Bahadur Shreeram and Company Private Limited
2 Godawaridevi Saraf & Sons
3 GDP Infrastructure Private Limited
4 Shreeram Shipping Services Pvt. Ltd
5 Ferro Alloys Corporation Limited (upto 21st September 2020)
6 Shreeram Durgaprasad Ores (P) Ltd
7 Facor Power Limited (upto 21st September 2020)

C. Key Management Personnel

1 R.K. Saraf - Chairman & Managing Director
2 Ashim Saraf - Joint Managing Director
3 Anurag Saraf - Joint Managing Director

D. Relatives of a Key Management Personnel :

1 M.D. Saraf - President

(₹ in Lakhs)

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

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
i) Rent paid	-	-	26.43	89.68	-	-
ii) Rent received	-	-	28.80	60.15	-	-
iii) Reimbursement of Expenditure Paid/(Received) (Net)	-	-	(1.81)	2.30	-	-
iv) Services Received/(Provided) (Net)	-	-	(3.78)	(7.56)	-	-
v) Interest Received	-	-	(7.42)	31.91	-	-
vi) Short Term Loans & Advances Provided/(Received)	(1.07)	32.52	2.39	(94.30)	-	-
vii) Clearing & forwarding and other service charges	-	-	0.01	0.57	-	-
viii) Key Management Personnel and their Relative's Remuneration	-	-	-	-	76.49	79.93
ix) Sitting Fees	-	-	-	-	2.10	2.50
x) Balances outstanding at the year end:						
a) Short Term Loans & Advances	899.16	900.84	(185.43)	(214.19)	-	-
b) Other Receivables	-	-	21.05	16.23	-	-
c) Key Management Personnel and their Relative's Remuneration	-	-	-	-	138.47	122.92
d) Other Payables	-	-	(1.63)	4.43	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

S.No.	Particulars		Relationship	2020-21	2019-20
1	**RENT PAID:**				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	26.43	89.02
	Godawaridevi Saraf & Sons		Others	-	0.66
		Total		26.43	89.68
2	**RENT RECEIVED:**				
	Ferro Alloys Corporation Ltd.		Others	28.80	60.15
	Facor Power Limited		Others	-	-
		Total		28.80	60.15
3	**REIMBURSEMENT OF EXPENDITURE:**				
	Paid				
	Godawaridevi Saraf & Sons		Others	-	12.59
	Shri R.K. Saraf		Key Managerial Personnal	3.15	-
		Sub-Total		3.15	12.59
	Received				
	Ferro Alloys Corporation Ltd.		Others	4.96	10.29
	Facor Power Limited		Others	-	-
		Sub-Total		4.96	10.29
		Net Expenditure Paid		(1.81)	2.30
4	**SERVICE RECEIVED/(PROVIDED)**				
	Ferro Alloys Corporation Ltd.		Others	(3.78)	(7.56)
	Facor Power Limited		Others	-	-
		Total		(3.78)	(7.56)
5	**INTEREST RECEIVED/(PAID)**				
	Paid				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	(9.94)	(1.61)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(28.82)	(29.01)
		Sub-Total		(38.76)	(30.62)
	Received				
	Facor Power Limited		Others	31.34	62.53
		Sub-Total		31.34	62.53
		Net Interest Received		(7.42)	31.91
6	**SHORT TERM LOANS AND ADVANCES (RECEIVED)/PAID**				
	Loans (Received)/Given				
	Shri R.K. Saraf		Key Managerial Personnal	(10.00)	-
	Shri R.K. Saraf		Key Managerial Personnal	10.00	-
		Sub-Total		-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

S.No.	Particulars		Relationship	2020-21	2019-20
	Facor Power Limited		Others	2.48	6.31
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	(0.02)	(100.62)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(0.07)	0.01
		Sub-Total		2.39	(94.30)
	Best Minerals Limited		Subsidiary	0.12	0.19
	Facor Electric Limited		Subsidiary	(1.32)	0.29
	FAL Power Ventures Private Limited		Subsidiary	0.13	0.13
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	-	31.91
		Sub-Total		(1.07)	32.52
		Net Loan Received		1.32	(61.78)
7	**CLEARING & FORWARDING AND OTHER SERVICE CHARGES**				
	Shreeram Shipping Services Pvt. Ltd.		Others	0.01	0.57
		Total		0.01	0.57
8	**KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES' REMUNERATION**				
	Shri R.K. Saraf		Key Management Personnel	18.09	17.70
	Shri Ashim Saraf		Key Management Personnel	21.07	20.93
	Shri Anurag Saraf		Key Management Personnel	18.69	19.90
	Shri M.D Saraf		Relative of Key Management Personnel	18.64	21.40
		Total		76.49	79.93
9	**DIRECTOR'S SITTING FEES**				
	Shri K Jaybharath Reddy		Non Executive Directors	0.15	0.45
	Shri A.S.Kapre		Non Executive Directors	0.65	0.80
	Shri Kishan Lal Mehrotra		Non Executive Directors	0.75	0.70
	Mrs. Urmila Gupta		Non Executive Directors	0.45	0.25
	Shri Rohit Saraf		Non Executive Directors	0.10	0.30
		Total		2.10	2.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

S.No.	Particulars		Relationship	2020-21	2019-20
10	**BALANCES OUTSTANDING AT THE YEAR END**				
	(A) Short Term Loans & Advances - Given:				
	Best Minerals Limited		Subsidiary	6.60	6.48
	Facor Electric Limited		Subsidiary	307.32	308.65
	FAL Power Ventures Private Limited		Subsidiary	1,204.51	1,204.38
	Facor Minerals (Netherlands) B.V.		Subsidiary	6,627.82	6,627.82
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	852.32	852.32
		Sub-Total		8,998.57	8,999.65
	Facor Power Limited		Others	707.64	678.78
	Rai Bahadur Shreeram & Company Pvt Ltd		Others	(100.79)	(100.76)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(292.28)	(292.21)
		Sub-Total		314.57	285.81
		Total		9,313.14	9,285.46
	Provision made against above				
	Best Minerals Limited		Subsidiary	6.43	6.30
	Facor Electric Limited		Subsidiary	307.41	307.07
	FAL Power Ventures Private Limited		Subsidiary	1,157.75	1,157.62
	Facor Minerals (Netherlands) B.V.		Subsidiary	6,627.82	6,627.82
	Facor Power Limited		Others	500.00	500.00
		Sub-Total		8,599.41	8,598.81
	(B) Other Receivables/Payables				
	Ferro Alloys Corporation Ltd.		Others	21.05	16.23
		Total		21.05	16.23
	(C) Key Management Personnel and their Relatives' Remuneration				
	Shri R.K. Saraf		Key Managerial Personnel	37.50	33.88
	Shri Ashim saraf		Key Managerial Personnel	40.98	36.89
	Shri M.D. Saraf		Key Managerial Personnel	32.23	28.99
	Shri Anurag saraf		Relative of Key Managerial Personnel	27.76	23.16
		Total		138.47	122.92
	(D) Other Current Liabilities				
	Other Payables:				
	Rai Bahadur Shreeram and Company Pvt. Ltd.		Others	(1.63)	4.43
		Total		(1.63)	4.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

37 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 the respective heads.

38 Employee Benefits

The Company Contributes to the following post-employment Defined Plans.

Defined Contribution Plans:

Amount of ₹ 111.79 lakhs (Previous Year ₹ 142.60 lakhs) is recognised as expenses and included in “Employee Benefits Expense” in Note 29 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 most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ In Lakhs)

		31 March 2021	31 March2020
(a)	**Net Defined Benefit Liability**		
	Liability for Gratuity	207.81	189.67
	Liability for PL Encashment	170.30	182.31
	Total Employee Benefit Liability	**378.11**	**371.98**
	Non-Current	132.89	130.60
	Current	245.22	241.38

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

(₹ In Lakhs)

	Gratuity		PL Encashment	
Particulars	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Present value of Defined Benefit Obligation at the beginning of the year	934.55	912.39	182.31	196.91
Interest Cost	61.59	67.06	12.01	14.47
Current Service Cost	36.83	40.26	11.97	12.91
Actuarial Losses/(Gains)	32.65	134.07	7.67	3.12
Benefits Paid	(207.19)	(219.22)	(43.66)	(45.10)
Present value of Defined Benefit Obligation at the close of the year	**858.43**	**934.56**	**170.30**	**182.31**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(b) Changes in the Fair Value of Plan Assets and reconciliation thereof **(₹ In Lakhs)**

Particulars	Gratuity	
	2020-21	**2019-20**
Fair Value of Plan Assets at the beginning of the year	744.89	728.87
Adjustments	(0.61)	(2.29)
Add : Expected Return on Plan Assets	49.09	54.01
Add/(Less) : Actuarial Gains/(Losses)	-	-
Add : Contributions	64.44	183.52
Less : Benefits Paid	(207.19)	(219.22)
Fair Value of Plan Assets at the close of the year	**650.62**	**744.89**

(c) Amount Recognised in The Balance Sheet **(₹ In Lakhs)**

Particulars	Gratuity		PL Encashment	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Present Value of Defined Benefit Obligation	858.43	934.56	170.30	182.31
Less : Fair Value of Plan Assets	650.62	744.89	-	-
Present Value of unfunded obligation	**207.81**	**189.67**	**170.30**	**182.31**

(d) Amount Recognised in the Statement of Profit and Loss are as follows **(₹ In Lakhs)**

Particulars	Gratuity		PL Encashment	
	2020-21	**2019-20**	**2020-21**	**2019-20**
In Income Statement				
Current Service Cost	36.83	40.26	11.97	12.91
Adjustments	-	-	-	-
Interest Cost	12.50	13.49	12.01	14.47
Expected return on Plan Asset	**49.33**	**53.75**	**23.98**	**27.38**
In Other Comprehensive Income				
Net actuarial loss/(gain)	33.26	135.92	7.67	3.12
Net periodic cost	**33.26**	**135.92**	**7.67**	**3.12**

(e) Investment Details:

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

(f) Actuarial Assumptions as at the Balance Sheet date

Particulars	2020-21	2019-20
Discount Rate	6.48%	6.59%
Salary Escalation Rate	5.00%	5.00%
Expected rate of return on plan assets	6.59%	7.35%

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

(g) Sensitivity Analysis:

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Change in discounting rate (delta effect of +/- 0.5%)	(2.56)	2.66	(17.64)	18.33
Change in rate of salary increase (delta effect of +/- 0.5%)	2.68	(2.61)	18.53	(17.99)

39 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

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

(₹ In Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020
1	Principal amount remaining unpaid	127.46	218.71
2	Interest due thereon remaining unpaid	3.51	7.12
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Development Act, 2006.	32.08	9.61
5	Interest accrued and remaining unpaid	35.59	16.73
6	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

40 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category* **(₹ in Lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020
	Amortised Cost	Amortised Cost
Financial assets		
Non-Current Investments	0.57	1.07
Loans	-	-
Other Non-Current Financial Assets	2,178.34	2,877.80
Trade Receivables	2,206.84	1,031.52
Cash and Cash Equivalents	20.11	66.70
Other Current Financial Assets	1,207.02	1,095.88
	5,612.88	**5,072.97**

*Exclude financial instruments measured at cost

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
	Amortised Cost	Amortised Cost
Financial Liabilities		
Borrowings	642.00	985.00
Trade Payables	2,073.84	2,878.81
Other Financial Liabilities	304.05	251.16
	3,019.89	**4,114.97**

B. Fair Value Hierarchy

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

(a) recognised and measured at fair value and

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

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	0.57	0.57
Other Non-Current Financial Assets	-	-	2,178.34	2,178.34
Trade Receivables	-	-	2,206.84	2,206.84
Cash and Cash Equivalents	-	-	20.11	20.11
Other Current Financial Assets	-	-	1,207.02	1,207.02
Total financial assets	**-**	**-**	**5,612.88**	**5,612.88**
Financial Liabilities				
Borrowings	-	-	642.00	642.00
Trade Payables	-	-	2,073.84	2,073.84
Other Financial Liabilities	-	-	304.05	304.05
Total financial liabilities	**-**	**-**	**3,019.89**	**3,019.89**

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

(₹ in Lakhs)

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	1.07	1.07
Loans	-	-	-	-
Other Non-Current Financial Assets	-	-	2,877.80	2,877.80
Trade Receivables	-	-	1,031.52	1,031.52
Cash and Cash Equivalents	-	-	66.70	66.70
Other Current Financial Assets	-	-	1,095.88	1,095.88
Total Financial Assets	**-**	**-**	**5,072.97**	**5,072.97**
Financial Liabilities				
Borrowings	-	-	985.00	985.00
Trade Payables	-	-	2,878.81	2,878.81
Other Financial Liabilities	-	-	251.16	251.16
Total Financial Liabilities	**-**	**-**	**4,114.97**	**4,114.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

C. Fair value of financial assets and liabilities measured at amortised cost **(₹ in Lakhs)**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-Current Investments	0.57	0.57	1.07	1.07
Loans	-	-	-	-
Other Non-Current Financial Assets	2,178.34	2,178.34	2,877.80	2,877.80
Trade Receivables	2,206.84	2,206.84	1,031.52	1,031.52
Cash and Cash Equivalents	20.11	20.11	66.70	66.70
Other Current Financial Assets	1,207.02	1,207.02	1,095.88	1,095.88
	5,612.88	**5,612.88**	**5,072.97**	**5,072.97**
Financial liabilities				
Borrowings	642.00	642.00	985.00	985.00
Trade Payables	2,073.84	2,073.84	2,878.81	2,878.81
Other Financial Liabilities	304.05	304.05	251.16	251.16
	3,019.89	**3,019.89**	**4,114.97**	**4,114.97**

II. Financial Risk Management

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

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

Risk Management Framework

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

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

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

i. Credit Risk

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

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

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

The gross carrying amount of trade receivables is ₹ 2,206.84 lakhs (31 March 2020 ₹ 1,031.52 lakhs).

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

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2021 amounted to ₹ 1,122.46 lakhs (As at 31 March 2020 is ₹ 1,095.85 lakhs).

Reconciliation Of Loss Allowance Provision – Loan And Advances To Related Parties **(₹ in Lakhs)**

	31 March 2021	31 March 2020
Opening balance	8,617.53	8,616.88
Changes in loss allowance calculated at life time expected credit losses	0.60	0.65
Closing balance	**8,618.13**	**8,617.53**

ii. Liquidity risk

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

(a) Financing arrangements

The company do not have undrawn bank overdraft facilities as on 31 March 2021 and as on 31 March 2020.

(b) Maturities of financial liabilities

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

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2021	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	642.00	642.00	642.00	-	-	-
Trade payables	2,073.84	2,073.84	2,073.84	-	-	-
Other financial liabilities	304.05	304.05	304.05	-	-	-
Total non-derivative liabilities	**3,019.89**	**3,019.89**	**3,019.89**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Carrying Amounts 31 March 2020	Contractual cash flows Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	985.00	985.00	985.00	-	-	-
Trade payables	2,878.81	2,878.81	2,878.81	-	-	-
Other financial liabilities	251.16	251.16	251.16	-	-	-
Total non-derivative liabilities	**4,114.97**	**4,114.97**	**4,114.97**	**-**	**-**	**-**

iii. Market risk

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

a) Equity Price risk

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

b) Currency risk

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

Exposure to currency risk

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

Particulars	As at 31 March 2021	As at 31 March 2020
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**
Financial Liabilities		
Trade payables	-	-
Net statement of financial position exposure	**-**	**-**

Sensitivity analysis

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
5% movement	**NA**	**NA**	**NA**	**NA**
USD	-	-	-	-
31 March 2020				
5% movement				
USD	**NA**	**NA**	**NA**	**NA**

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Fixed Rate Instruments		
Financial Assets	0.55	1.05
Financial Liabilities	-	-
	(0.55)	**(1.05)**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-
	-	**-**

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in Lakhs)

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2021				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**
31 March 2020				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 202

41 Capital management

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

42 The Company has adopted the option of lower tax rate as provided in the Taxation Laws (Amendment) Ordinance, 2019 and the consequent tax expenses has been considered in the quarter and period ended September, 2019.

43 Impact on COVID-19

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any, in the period the Code becomes effective.

45 The figures for the corresponding previous year has been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date.

For and on behalf of the Board of Directors

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

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Place: New Delhi
Date: 25th June, 2021

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

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" which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

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

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind AS financial statements include the financial statements of three subsidiaries which have been audited by the other Auditor. In respect of these subsidiaries, financial statements have been furnished to us by the management and our opinion on the statement in so far as it relates to these subsidiaries, whose financial statement reflect total assets of Rs. 47.55 lakhs as on 31st March 2021, total loss of Rs. 0.60 lakhs and net cash outflow of Rs. 1.68 lakhs for the year ended as considered in the consolidated Ind AS financial statement.

Also, One Foreign subsidiary company, whose financial statements reflect total assets of Rs. 2,208.64 lakhs as at 31st March, 2021, total revenue is NIL and net cash outflow of Rs. 3.35 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement is unaudited and has been furnished to us by the management and our opinion on this consolidated financial statement, in as far as it related to the amounts and disclosures included in respect of this subsidiary, 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, is based solely on such unaudited financial statement.

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 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.
   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31st March, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”; and

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose impact of pending litigations in Note No. 33 in the consolidated financial position of the Group.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
FRN – 106009W
UDIN:21046219AAAACN2166

Place: New Delhi
Date: 25th June 2021

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS 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 as of March 31, 2021 in conjunction with our audit of the Consolidated 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated 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 Consolidated 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 Consolidated 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated 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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
FRN – 106009W
UDIN:21046219AAAACN2166

Place: New Delhi
Date: 25th June 2021

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(₹ in Lakhs)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	**13,705.37**	14,643.16
Intangible	4	**1,619.77**	1,686.82
Right of Use Assets (ROU)	5	**41.36**	316.33
Financial Assets			
(i) Investments	6	**0.58**	1.08
(ii) Other Non-Current Financial Assets	7	**2,181.03**	2,881.34
Deferred Tax Asset (Net)	8	**656.93**	441.63
Total Non-Current Assets		**18,205.04**	**19,970.36**
Current Assets			
Inventories	9	**217.10**	604.18
Financial Assets			
(i) Trade Receivables	10	**2,207.59**	1,059.42
(ii) Cash and Cash Equivalents	11	**25.91**	86.16
(iii) Other Current Financial Assets	12	**307.87**	195.05
Current Tax Assets (Net)	13	**447.09**	1,072.27
Other Current Assets	14	**388.50**	741.05
Assets Classified as Held for Sale	15	**802.55**	1,053.67
Total Current Assets		**4,396.61**	**4,811.80**
Total Assets		**22,601.65**	**24,782.16**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	**1,955.48**	1,955.48
Other Equity	17	**13,519.35**	13,772.31
Non-Controlling Interest		**(704.64)**	(705.72)
Total Equity		**14,770.19**	**15,022.07**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	18	**439.49**	453.84
Provisions	19	**135.09**	132.38
Other Non-Current Financial Liabilities	20	**22.76**	311.55
Total Non-Current Liabilities		**597.34**	**897.77**
Current Liabilities			
Financial Liabilities			
(i) Short Term Borrowings	21	**1,008.25**	1,363.20
(ii) Trade Payables			
Micro Small and Medium Enterprises	22	**163.05**	235.44
Others	22	**1,911.00**	2,643.58
(iii) Other Financial Liabilities	23	**304.17**	251.28
Other Current Liabilities	24	**2,581.85**	3,106.86
Provisions	25	**1,265.80**	1,261.96
Total Current Liabilities		**7,234.12**	**8,862.32**
Total Liabilities		**7,831.46**	**9,760.09**
Total Equity and Liabilities		**22,601.65**	**24,782.16**
Notes to Financial Statements	1 to 45		

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

For and on behalf of the Board of Directors

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

Place: New Delhi
Date: 25th June, 2021

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Revenue from Operations	26	**14,366.74**	29,139.31
Other Income	27	**403.91**	3,095.11
Total Income		**14,770.65**	32,234.42
Expenses			
Cost of Materials Consumed		**4,386.27**	11,707.12
Change in Inventory of Finished Goods and Work in Progress	28	**259.50**	(146.88)
Employee Benefits Expense	29	**1,724.03**	1,808.04
Finance Costs	30	**394.18**	403.66
Depreciation		**200.33**	256.57
Other Expenses	31	**8,915.86**	16,398.97
Total Expenses		**15,880.17**	30,427.48
Profit/ (Loss) before Tax and Exceptional Items		**(1,109.52)**	1,806.94
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		**-**	-
B) Profit / (Loss) on Sale/Discard of Fixed Assets		**842.67**	559.39
Profit/ (Loss) Before Tax		**(266.85)**	2,366.33
Tax Expense:			
Current Tax		**-**	-
Tax for earlier years		**(4.01)**	-
Deferred Tax		**(209.03)**	1,201.83
Profit/ (Loss) for the Period (A)		**(53.81)**	1,164.50
Other Comprehensive Income			
Items that will not be reclassified subsequently to statement Profit or Loss			
Remeasurement of defined benefit plans		**(40.93)**	(139.04)
Deferred Tax relating to remeasurement of defined benefit plans		**(10.30)**	(34.99)
Items that will be reclassified subsequently to statement of Profit or Loss			
Foreign Currency Translation Reserve		**(178.07)**	1,127.07
Total Other Comprehensive Income for the period (B)		**(208.70)**	1,023.02
Total Comprehensive Income for the period (A) + (B)		**(262.51)**	2,187.52
Profit attributable to :			
- Shareholders of the Company		**(44.77)**	1,150.27
- Non-Controlling Interests		**(9.04)**	14.23
Other Comprehensive Income attributable to :			
- Shareholders of the Company		**(208.70)**	1,023.02
- Non-Controlling Interests		**-**	-
Total Comprehensive Income attributable to :			
- Shareholders of the Company		**(253.47)**	2,173.29
- Non-Controlling Interests		**(9.04)**	14.23
Earnings per equity share	32		
Basic		**(0.02)**	0.59
Diluted		**(0.02)**	0.59
Notes on Financial Statements	1 to 45		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

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

Place: New Delhi
Date: 25th June, 2021

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

(a) Equity Share Capital

	No. of Shares	Amount
Balance as at 1 April 2019	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	19,55,47,355	1,955.48
Balance as at 1 April 2020	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	19,55,47,355	1,955.48

(b) Other equity

Particulars	Reserves & Surplus						OCI	
	Securities Premium	General Reserve	Capital Reserve	Retained earnings	Equity Portion of Borrowings	Foreign Currency Translation Reserve	Remeasurement of defined benefit plans	Total
Balance at 31 March 2019	**2,667.52**	**250.00**	**8,685.75**	**639.21**	**16.64**	**(555.78)**	**(97.59)**	**11,605.75**
Transition impact of Ind AS 116	-	-	-	(5.32)	-	-	-	(5.32)
Restated balance as at 1st April 2019	**2,667.52**	**250.00**	**8,685.75**	**633.89**	**16.64**	**(555.78)**	**(97.59)**	**11,600.43**
Profit for the year	-	-	(1.41)	1,150.27	-	-	-	1,148.86
Other comprehensive income for the year	-	-	-	-	-	1,127.07	(104.05)	1,023.02
Total comprehensive income for the year	**-**	**-**	**(1.41)**	**1,150.27**	**-**	**1,127.07**	**(104.05)**	**2,171.88**
Balance at 31 March 2020	**2,667.52**	**250.00**	**8,684.34**	**1,784.16**	**16.64**	**571.29**	**(201.64)**	**13,772.31**
Profit for the year	-	-	0.51	(44.77)	-	-	-	(44.26)
Other comprehensive income for the year	-	-	-	-	-	(178.07)	(30.63)	(208.70)
Total comprehensive income for the year	**-**	**-**	**0.51**	**(44.77)**	**-**	**(178.07)**	**(30.63)**	**(252.96)**
Balance at 31 March 2021	**2,667.52**	**250.00**	**8,684.85**	**1,739.39**	**16.64**	**393.22**	**(232.27)**	**13,519.35**

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

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

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Place: New Delhi
Date: 25th June, 2021

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

S. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	**Cash flows from operating activities:**		
	Net Profit/ (Loss) after Prior Period Items and before Tax	**(266.85)**	2,366.33
	Adjustments For:		
	a) Interest Income	**(230.23)**	(471.33)
	b) Depreciation	**200.33**	256.57
	c) Gain on sale of fixed assets	**(842.67)**	(559.39)
	d) Effect of change in foreign currency translation reserve	**(178.07)**	1,127.07
	e) Interest Expense	**394.18**	403.66
	Operating Cash Profit before Working Capital Changes	**(923.31)**	3,122.91
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	**(804.97)**	762.23
	b) Increase/(Decrease) in Other Current Liabilities	**(525.01)**	299.98
	c) Increase/(Decrease) in Other Current Financial Liabilities	**53.30**	30.63
	d) (Increase)/Decrease in Other Non Current Financial Assets	**932.85**	(300.33)
	e) (Increase)/Decrease in Provisions	**(34.38)**	(147.15)
	f) (Increase)/Decrease in Other Current Financial Assets	**(112.79)**	505.91
	g) (Increase)/Decrease in Inventories	**387.08**	842.85
	h) (Increase)/Decrease in Long Term Loans & Advances	**-**	12.50
	i) (Increase)/Decrease in Trade Receivables	**(1,148.17)**	135.52
	j) (Increase)/Decrease in Other Current Assets	**352.55**	(57.40)
	k) Increase/(Decrease) in Other Non Current Financial Labilities	**(288.79)**	311.55
	Cash Generated From/ (used in) operations	**(2,111.64)**	5,519.20
	Less: Income Tax Paid (net of refunds)	**629.19**	(300.23)
	Net Cash Generated From/ (used in) Operating Activities(A)	**(1,482.45)**	5,218.97
B	**Cash Flow from Investing Activities:**		
	(Purchase) of property, plant and equipment and capital work in progress	**(30.99)**	(1,636.19)
	Net proceeds of property, plant and equipment and capital work in progress	**1,975.75**	2,180.86
	Payment including advances for acquiring Right-of-Use Asset	**-**	(362.79)
	Interest received	**230.20**	472.48
	Net movement in Investments	**0.50**	0.50
	Change in Minority interest of Subsidiary company	**10.12**	417.92
	Net Cash Generated from/ (Used in) Investing Activities (B)	**2,185.58**	1,072.78
C.	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	**(368.79)**	(3,682.70)
	Interest Expense Paid	**(394.59)**	(3,368.05)
	Net Cash generated from/ (used in) Financing Activities (C)	**(763.38)**	(7,050.75)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(60.25)**	(759.00)
	Cash and cash equivalents at the beginning of the year	**86.16**	845.16
	Balance at the end of year	**25.91**	86.16

This is the Statement of Cash Flow referred to in our report of even date
As per our report of even date.

For and on behalf of the Board of Directors

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

Place: New Delhi
Date: 25th June, 2021

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Facor Alloys Limited (referred to as “FAL” or “the Company”) and its subsidiaries (collectively “the Group”). The Company is a public company domiciled in India and is listed at Bombay Stock exchange. The Company’s registered office is located at Shreeramnagar, Garividi, Vizianagaram, Andhra Pradesh.

The consolidated financial statements for the year ended 31st March, 2021 were approved for issue in accordance with a resolution of the Board of Directors of the Company on 25th June, 2021.

2. Significant Accounting Policies

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

a) Basis of preparation

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

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

The financial statements are presented in INR, which is also the Company’s functional currency and all values are rounded to the nearest lakhs (INR 00,000) as per the requirement of Schedule III ,unless otherwise stated.

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

b) Principles of Consolidation

a) The consolidated financial statements include results of the subsidiaries of Facor Alloys Ltd., consolidated in accordance with Ind AS 110 ‘Consolidated Financial Statements’. The consolidated financial statements present the consolidated accounts of Facor Alloys Limited, its following subsidiaries

S. 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 (Netherlands) B.V. (FMN)	Subsidiary	90.65%	Netherlands
5.	Facor Turkkrom Mining (Netherlands) B.V. (FTM)	Subsidiary of FMN	100.00%	Netherlands
6.	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)	Subsidiary of FTM	100.00%	Turkey

b) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company.

c) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

d) 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.

e) The financial statements of FMN and its fellow subsidiary FTM have been prepared in accordance with Netherland Generally Accepted Accounting Principles. The financial statements of Cati, tier 2 subsidiary has been prepared as per IFRS. The impact on account of any difference to the Indian Accounting Standards (Ind AS) is not material in view of Company's consolidated operations.

f) For non-wholly owned subsidiaries, non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

g) The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the group determines the functional currency and items includedin the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

h) Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following;

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.)

i) On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

j) Any goodwill arising on acquisition / consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit and loss recognised in the Statement of the Profit and Loss.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the statement of Profit and Loss as it arises and is not reversed.

k) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the asset / liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the parent, Facor Alloys Ltd., and hence have not been reproduced here. Refer Note 2 to 3 of standalone financial statement of Facor Alloys Ltd. for the year ended 31st March, 2021 for details in regard to other significant accounting policies.

   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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31 March 2020	Adjustment	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	Adjustment	For the year	Adjustments / Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible Assets												
Freehold Land	12,187.47	-	-	596.67	11,590.80	-	-	-	-	-	11,590.80	12,187.47
Mines and Quarries Freehold	637.44	-	-	-	637.44	-	-	-	-	-	637.44	637.44
Buildings	652.53	0.10	-	134.73	517.90	103.82	0.02	6.91	19.52	91.23	426.67	548.71
Railway Sidings	12.03	-	-	-	12.03	5.25	-	0.89	-	6.14	5.89	6.78
Plant and Machinery	1,806.00	-	29.53	81.71	1,753.82	677.83	-	121.62	6.71	792.74	961.08	1,128.17
Office Equipments	122.99	-	1.34	23.59	100.74	65.75	-	11.67	13.77	63.65	37.09	57.24
Furniture & Fixtures	127.16	-	0.04	7.68	119.52	82.48	-	9.61	3.96	88.13	31.39	44.68
Vehicles	78.36	-	-	46.19	32.17	45.69	-	3.17	31.70	17.16	15.01	32.67
Total	**15,623.98**	**0.10**	**30.91**	**890.57**	**14,764.42**	**980.82**	**0.02**	**153.87**	**75.66**	**1,059.05**	**13,705.37**	**14,643.16**

The vehicles given on operating lease has been terminated during the year and no further vehicle is on lease as on 31.03.2021.

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2020	Additions	Deletions	As at 31 March 2021	As at 31 March 2020	For the year	Adjustments / Deductions	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Intangible Assets										
Mining Rights	74.47	-	16.05	58.42	-	-	-	-	58.42	74.47
Goodwill	1,612.35	-	51.00	1,561.35	-	-	-	-	1,561.35	1,612.35
Total	**1,686.82**	**-**	**67.05**	**1,619.77**	**-**	**-**	**-**	**-**	**1,619.77**	**1,686.82**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31 March 2019	Adjustment	Additions	Deletions	As at 31 March 2020	As at 31 March 2019	Adjustment	For the year	Adjustments / Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Tangible Assets												
Freehold Land	13,014.99	-	-	827.52	12,187.47	-	-	-	-	-	12,187.47	13,014.99
Mines and Quarries Freehold	637.44	-	-	-	637.44	-	-	-	-	-	637.44	637.44
Buildings	698.29	-	-	45.76	652.53	87.22	-	18.22	1.62	103.82	548.71	611.07
Railway Sidings	12.03	-	-	-	12.03	4.21	-	1.04	-	5.25	6.78	7.82
Plant and Machinery	1,769.82	60.45	-	24.27	1,806.00	463.20	60.45	154.18	-	677.83	1,128.17	1,306.62
Office Equipments	93.08	26.60	5.60	2.29	122.99	23.31	26.60	16.95	1.11	65.75	57.24	69.77
Furniture & Fixtures	123.97	3.45	0.24	0.50	127.16	66.21	3.45	12.87	0.05	82.48	44.68	57.76
Vehicles	85.69	0.40	-	7.73	78.36	43.10	0.40	6.85	4.66	45.69	32.67	42.59
Total	**16,435.31**	**90.90**	**5.84**	**908.07**	**15,623.98**	**687.25**	**90.90**	**210.11**	**7.44**	**980.82**	**14,643.16**	**15,748.06**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2019	For the year	Adjustments / Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Intangible Assets										
Mining Rights	56.47	18.00	-	74.47	-	-	-	-	74.47	56.47
Goodwill	-	1,612.35	-	1,612.35	-	-	-	-	1,612.35	-
Total	**56.47**	**1,630.35**	**-**	**1,686.82**	**-**	**-**	**-**	**-**	**1,686.82**	**56.47**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 Right-of-Use Asset

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount	
	As at 31 March 2020	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2021	As at 31 March 2020	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Building	304.55	-	298.13	6.42	34.81	-	34.81	69.62	-	6.42	269.74
Vehicles	58.24	-	-	58.24	11.65	-	11.65	-	23.30	34.94	46.59
Total	**362.79**	**-**	**298.13**	**64.66**	**46.46**	**-**	**46.46**	**69.62**	**23.30**	**41.36**	**316.33**

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 April 2019	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2020	As at 31 March 2019	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2020	As at 31 March 2020
Building	304.55		-	304.55	-		34.81	-	34.81	269.74
Vehicles		58.24	-	58.24	-	-	11.65	-	11.65	46.59
Total	**304.55**	**58.24**	**-**	**362.79**	**-**	**-**	**46.46**	**-**	**46.46**	**316.33**

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
6	**Investment Others**		
	Investment Measured at fair value through OCI		
a	**Others - In Equity Shares -unquoted, fully paid up**		
	(i) 30 shares of DNS Bank Ltd, Mumbai of ₹ 50 each	**0.02**	0.02
	Investment Measured at amortised cost		
b	**In Government Securities : Unquoted**		
	6 Years National Savings Certificates	**0.55**	1.05
	12 Years National Savings Certificates	**0.01**	0.01
	Total	**0.58**	1.08
	Aggregate book value of quoted investments	**NIL**	NIL
	Aggregate book value of un-quoted investments	**0.58**	1.08
7	**Other non-current financial assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	**2,180.53**	2,880.84
	Balance in Term Deposits (Maturity more than 12 months)	**0.50**	0.50
	Total	**2,181.03**	2,881.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
8	**Deferred Tax Liabilities/ Assets (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	**123.49**	225.55
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	**101.27**	101.02
	Unabsorbed Depreciation and Unabsorbed Business loss	**254.87**	388.11
	Unabsorbed Long Term Capital loss	**424.28**	178.05
	Total	**656.93**	441.63
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Opening Balance as on 1st April	**441.63**	1,608.47
	Deferred tax income/ (expense) on transition impact recognised in other equity	**-**	-
	Deferred tax income/ (expense) during the period recognised in profit & loss	**209.03**	(1,201.83)
	Deferred tax income/ (expense) during the period recognised in OCI	**10.30**	34.99
	Other adjustment for Consolidation	**(4.03)**	-
	Closing Balance	**656.93**	441.63
9	**Inventories**		
	(At cost or NRV whichever is lower)		
	Raw materials	**51.67**	197.38
	Work-in-Process	**101.22**	86.82
	Finished Products	**12.21**	287.95
	Stores and spares	**52.00**	32.03
	Total	**217.10**	604.18
10	**Trade Receivables**		
	Unsecured		
	Considered good	**2,207.59**	1,059.42
	Considered doubtful	**-**	-
	Total	**2,207.59**	1,059.42
11	**Cash and cash equivalents**		
	Balance with banks:		
	- In current account	**21.36**	69.64
	- In cash credit account	**0.02**	0.02
	- In term deposits	**3.73**	14.77
	Cash in hand	**0.80**	1.73
	Total	**25.91**	86.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
12	**Other current financial assets**		
	Loans and advances to related parties	**723.31**	695.02
	Less: allowance for credit loss	**(500.00)**	(500.00)
		223.31	195.02
	Interest Accrued	**0.06**	0.03
	Security Deposit	**84.50**	-
	Total	**307.87**	195.05
13	**Current tax assets (net)**		
	Advance tax (Net of provision for income tax)	**447.09**	1,072.27
	Total	**447.09**	1,072.27
14	**Other current assets**		
	Advances to vendors	**90.19**	222.06
	Taxes and duties recoverable	**245.44**	467.40
	Claims Recoverable	**25.46**	25.46
	Prepaid Expenses	**6.96**	19.03
	Prepaid expenses -CSR	**15.07**	-
	Others	**5.38**	7.10
	Total	**388.50**	741.05
15	**Assets Classified as Held for Sale**		
	Land	**139.40**	390.52
	Mines & Quarries	**662.90**	662.90
	Buildings	**0.25**	0.25
		802.55	1,053.67
16	**Share capital**		
	Authorised:		
	36,00,00,000 (31 March 2020 - 36,00,00,000) equity shares of ₹ 1/- each	**3,600.00**	3,600.00
	39,00,000 (31 March 2020 - 39,00,000) preference shares of ₹ 100/- each	**3,900.00**	3,900.00
	Issued, subscribed & fully paid up:		
	19,55,47,355 (31 March 2020 - 19,55,47,355) equity shares of ₹ 1/- each	**1,955.48**	1,955.48
	Total	**1,955.48**	1,955.48

a. **Terms and rights attached to equity shares**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

b. **Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Number of Shares	Amount (₹ in lakhs)
Outstanding at the 1 April 2019	19,55,47,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2020	19,55,47,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2021	19,55,47,355.00	1,955.48

c. **Shareholders holding more than 5% shares in the company**

Name of the Shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
R.B.Shreeram & Co. Pvt. Ltd.	6,10,55,682	31.22%	6,10,55,682	31.22%

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
17	**Other equity**		
a.	**Securities premium**		
	Balance at the beginning of the year	**2,667.52**	2,667.52
	Addition during the year	**-**	-
	Balance at the end of the year	**2,667.52**	2,667.52
b.	**Capital Reserves**		
	Balance at the beginning of the year	**8,684.34**	8,685.75
	Addition during the year	**0.51**	(1.41)
	Balance at the end of the year	**8,684.85**	8,684.34
c.	**General reserve**		
	Balance at the beginning of the year	**250.00**	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	**-**	-
	Balance at the end of the year	**250.00**	250.00
d.	**Retained earnings**		
	Balance at the beginning of the year	**1,784.16**	639.21
	Transition impact of Ind AS 116	**-**	(5.32)
	Add: Profit for the year after taxation as per statement of Profit and Loss	**(44.77)**	1,150.27
	Balance at the end of the year	**1,739.39**	1,784.16
e.	**Equity Component of Loan**		
	Balance at the beginning of the year	**16.64**	16.64
	Add: Profit for the year after taxation as per statement of Profit and Loss	**-**	-
	Balance at the end of the year	**16.64**	16.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
f.	**Other Comprehensive Income**		
	Foreign Currency Translation Reserve		
	Balance at the beginning of the year	**571.29**	(555.78)
	Addition during the year	**(178.07)**	1,127.07
	Balance at the end of the year	**393.22**	571.29
g.	**Remeasurement of actuarial gain/loss**		
	Balance at the beginning of the year	**(201.64)**	(97.59)
	Addition during the year	**(30.63)**	(104.05)
	Balance at the end of the year	**(232.27)**	(201.64)
	Total Equity (a+b+c+d+e+f+g)	**13,519.35**	**13,772.31**

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

General reserve

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

		As at 31 March 2021	As at 31 March 2020
18	**Borrowings**		
	Loans (Unsecured)		
	- From related parties	**439.49**	453.84
	- Others	**-**	-
	Total	**439.49**	453.84
19	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	**132.90**	130.60
	- Others	**2.19**	1.78
	Total	**135.09**	132.38
20	**Other Non Current Financial Liabilities**		
	Leased Liability - Car (ROU)	**22.76**	31.55
	Leased Liability - Office Building (ROU)	**-**	280.00
		22.76	311.55
21	**Borrowings**		
	From Others (Unsecured)	**-**	350.00
	From Others (Unsecured)	**252.00**	245.00
	From related parties (Unsecured)	**756.25**	768.20
	Total	**1,008.25**	1,363.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
22	**Trade Payables**		
	Micro Small and Medium Enterprises (Refer Note No. 40)	**163.05**	235.44
	Others	**1,911.00**	2,643.58
	Total	**2,074.05**	2,879.02
23	**Other Financial Liabilities**		
	Interest Accrued and Due	**19.33**	19.74
	Other payables for:		
	- Managerial Remuneration	**110.72**	99.76
	- Employee Benefits Payable	**166.33**	127.01
	- Security deposits / Retention money	**7.79**	4.77
	Total	**304.17**	251.28
24	**Other Current Liabilities**		
	Statutory dues	**190.55**	71.43
	Revenue received in advance	**570.09**	642.45
	Other payables	**1,808.82**	2,369.68
	Lease Liability (ROU)-Car	**8.79**	7.42
	Lease Liability (ROU)- Building	**3.60**	15.88
	Total	**2,581.85**	3,106.86
25	**Provisions**		
	Provision for employee benefits		
	- Gratuity	**207.82**	189.67
	- Compensated Absences	**37.40**	51.71
	Others	**1,020.58**	1,020.58
	Total	**1,265.80**	1,261.96

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
26	**Revenue from operations**		
	Sale of goods	**7,254.37**	15,854.62
	Sale of service- HCF conversion	**2,720.52**	13,273.53
	Sale of service- SiMn conversion	**4,379.43**	-
		14,354.32	29,128.15
	Export Incentives	**12.42**	11.16
	Grand Total	**14,366.74**	29,139.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
27	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	**0.04**	17.82
	- Others	**230.19**	453.51
	Miscellaneous Receipts	**125.92**	2,566.04
	Car Lease Rental Received	**5.10**	4.20
	Rent Received	**42.60**	53.54
	Foreign Exchange Gain	**0.06**	-
	Total	**403.91**	3,095.11
28	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Change in Inventories of Finished Goods & Work-in-Progress		
	Decrease / (Increase) in Stock :		
	(a) Opening Stock		
	- Finished Goods	**287.94**	43.64
	- Work-in-Progress	**79.22**	176.64
	(b) Less : Closing Stock		
	- Finished Goods	**12.21**	287.94
	- Work-in-Progress	**95.45**	79.22
	Total	**259.50**	(146.88)
29	**Employee Benefits Expense**		
	Salaries and wages	**1,255.96**	1,299.12
	Contribution to provident and other funds	**106.34**	134.67
	Staff Gratuity and Superannuation	**42.28**	48.18
	Staff welfare expenses	**263.24**	267.29
	Director's Remuneration	**56.21**	58.78
	Total	**1,724.03**	1,808.04
30	**Finance Costs**		
	Interest on long term loans	**205.70**	248.85
	Interest on Other loans	**134.62**	76.69
	Other borrowing costs	**-**	1.80
	Interest on Leased Asset (ROU)	**29.35**	48.36
	Interest Cost on Employee Benefit Plans	**24.51**	27.96
	Total	**394.18**	403.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
31	**Other Expenses**		
	Mining Handling & Other Production expenses	**386.12**	667.85
	Power and fuel	**7,057.26**	13,052.59
	Repairs and maintenance:		
	- Buildings	**127.13**	263.97
	- Plant and machinery	**798.65**	1,281.59
	Freight, Shipment & Sales Expenses	**59.89**	113.45
	Stores & Spares	**119.45**	313.07
	Works Expenses	**149.38**	425.07
	Transportation expenses	**80.74**	106.46
	Rent	**2.37**	27.28
	Insurance	**7.70**	7.84
	Rates and Taxes	**16.47**	24.15
	Donation	**5.00**	0.10
	Payment to auditors	**6.76**	6.90
	Directors' sitting fees	**2.10**	2.50
	CSR Expenses	**23.43**	12.50
	Miscellaneous Expenses	**67.05**	90.50
	Foreign exchange fluctuations (net)	**6.36**	3.15
	Total	**8,915.86**	16,398.97
31.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	**2.90**	2.90
	Tax Audit Fees	**0.50**	0.50
	Certification and Consultation Fees	**0.08**	0.18
	Reimbursement of Expenses	**0.03**	1.01
	(b) Cost Auditor		
	Audit Fees	**0.50**	0.50
	(c) GST Auditor		
	Audit Fees	**1.15**	0.58
	Certification and Consultation Fees	**1.60**	1.17
	Reimbursement of Expenses	**-**	0.06
	Total	**6.76**	6.90
32	**Earning per share**		
	Profit/ (Loss) for the period	**(44.77)**	1,150.27
	Weighted average number of equity shares of ₹ 1/- each (In lakhs)	**1,955.48**	1,955.48
	EPS - Basic and Diluted	**(0.02)**	0.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

33 Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

a. Claims against the Group not acknowledged as debts, since disputed ₹ 1,156.48 lakhs (Previous Year ₹ 1,350.20 lakhs). Amounts paid under protest ₹ 112.73 lakhs (Previous Year ₹ 289.60 lakhs) have been debited to Advance Account.

b. In view of the decision of NCLT, Mumbai bench in the application under section 30(1) and (6) and order under section 31 of Insolvency and Bankruptcy Code, 2016 in the matter of Vidarbha Iron & Steel Corporation Limited, the liability of the Company on account of Corporate Guarantee issued in favour of Consortium Banks of Facor Steels Limited is NIL.

c. Bank guarantee amounting to ₹ 200.00 lakhs secured by way of fixed deposit provided by director.

B. Capital And Other Commitments

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

34 Segment Information:

Consolidated segment informations are same as segment information of Facor Alloys Limited.

35 Related Party Disclosure:-

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 Medencilik Ithalat Ve Ihracat A.S. for Directors and their Relatives are as under:

(₹ In Lakhs)

S.No.	Name of the Related Party	Nature of Relationship	Transactions during the year		Balance at the year end	
			2020-21	2019-20	2020-21	2019-20
1	Huseyin Cevik	Director	(28.44)	(5.51)	62.57	91.01
2	Gokhan Cevik*	Relative of Director	(24.27)	(5.68)	75.96	100.23
3	Auditya Narra	Director	2.01	1.41	3.42	1.41

* Variation is due to exchange fluctuation

36 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 the respective heads.

37 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 lakhs)**

1	Sl. No.	1	2	3	4	5	6
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Mandencilik 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	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

1	Sl. No.	1	2	3	4	5	6
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Mandencilik Ithalat ve Ihracat A.S.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US$ 73.2475	US$ 73.2475	US$ 73.2475
5	Share Capital	5.00	1.00	5.00	1,762.78	1,611.45	325.51
6	Reserves & Surplus	(11.43)	(1,158.75)	(312.41)	(9,299.61)	(147.25)	(1,732.61)
7	Total Assets	0.25	47.02	0.28	2,208.64	1,504.97	646.24
8	Total Liabilities	0.25	47.02	0.28	2,208.64	1,504.97	646.24
9	Investments	0.01	-	-	-	1,476.17	-
10	Turnover	-	-	-	-	-	-
11	Profit before taxation	(0.13)	(0.13)	(0.34)	(97.98)	(9.74)	(59.08)
12	Provision for taxation	-	-	-	-	-	-
13	Profit after taxation	(0.13)	(0.13)	(0.34)	(97.98)	(9.74)	(59.08)
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	90.65%	100%	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 (Netherlands) B.V.

iv). Facor Turkkrom Mining (Netherlands) B.V.:- Subsidiary of Facor Minerals (Netherlands) B.V.

v). Cati Madencilik Ithalat ve Ihracat A.S.:- Subsidiary of Facor Turkkrom Mining (Netherlands) B.V

2: Financial information is based on Unaudited Result.

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

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
	1	2	3	4	5	6	7	8	9
	Parent								
	Facor Alloys Limited	99.55	14,704.25	69.61	44.17	23.79	30.63	5.34	13.54
	Subsidiaries								
	Indian								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
	1	2	3	4	5	6	7	8	9
1	Best Minerals Ltd.	(0.08)	(11.44)	(0.20)	(0.13)	-	-	(0.05)	(0.13)
2	Facor Electric Ltd.	(2.12)	(312.41)	(0.54)	(0.34)	-	-	(0.13)	(0.34)
3	FAL Power Ventures Pvt. Ltd.	(7.85)	(1,158.75)	(0.20)	(0.13)	-	-	(0.05)	(0.13)
	Foreign								
	Facor Minerals (Netherlands) B.V.	(62.96)	(9,299.61)	(154.42)	(97.98)	-	-	(38.66)	(97.98)
	Non-controlling Interest in Subsidiaries	(4.77)	(704.64)	(14.25)	(9.04)	-	-	(3.57)	(9.04)
	Adjustment on Consolidation	78.23	11,552.79			(123.79)	(159.39)	(62.88)	(159.39)
	Total	**100.00**	**14,770.19**	**(100.00)**	**(63.45)**	**(100.00)**	**(128.76)**	**(100.00)**	**(253.47)**

39 Employee benefits

Consolidated employee benefits are same as employee benefits of Standalone Facor Alloys Limited.

40 Consolidated MSME details are same as MSME detail of Standalone Facor Alloys Limited.

41 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category* **(₹ in Lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020
	Amortised Cost	Amortised Cost
Financial assets		
Non-current investments	0.58	1.08
Other non-current financial assets	2,181.03	2,881.34
Trade receivables	2,207.59	1,059.42
Cash and cash equivalents	25.91	86.16
Other current financial assets	307.87	195.05
Total	**4,722.98**	**4,223.05**
*Exclude financial instruments measured at cost		
Financial liabilities		
Borrowings	1,447.74	1,817.04
Trade payables	2,074.05	2,879.02
Other financial liabilities	304.17	251.28
Total	**3,825.96**	**4,947.34**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

B. Fair value hierarchy

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

(a) recognised and measured at fair value and

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

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	0.58	0.58
Other non-current financial assets	-	-	2,181.03	2,181.03
Trade receivables	-	-	2,207.59	2,207.59
Cash and cash equivalents	-	-	25.91	25.91
Other current financial assets	-	-	307.87	307.87
Total financial assets	**-**	**-**	**4,722.98**	**4,722.98**
Financial liabilities				
Borrowings	-	-	1,447.74	1,447.74
Trade payables	-	-	2,074.05	2,074.05
Other financial liabilities	-	-	304.17	304.17
Total financial liabilities	**-**	**-**	**3,825.96**	**3,825.96**

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

(₹ in Lakhs)

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	1.08	1.08
Other non-current financial assets	-	-	2,881.34	2,881.34
Trade receivables	-	-	1,059.42	1,059.42
Cash and cash equivalents	-	-	86.16	86.16
Other current financial assets	-	-	195.05	195.05
Total financial assets	**-**	**-**	**4,223.05**	**4,223.05**
Financial liabilities				
Borrowings	-	-	1,817.04	1,817.04
Trade payables	-	-	2,879.02	2,879.02
Other financial liabilities	-	-	251.28	251.28
Total financial liabilities	**-**	**-**	**4,947.34**	**4,947.34**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

C. Fair value of financial assets and liabilities measured at amortised cost **(₹ in Lakhs)**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-current investments	0.58	0.58	1.08	1.08
Other non-current financial assets	2,181.03	2,181.03	2,881.34	2,881.34
Trade receivables	2,207.59	2,207.59	1,059.42	1,059.42
Cash and cash equivalents	25.91	25.91	86.16	86.16
Other current financial assets	307.87	307.87	195.05	195.05
Total	**4,722.98**	**4,722.98**	**4,223.05**	**4,223.05**
Financial liabilities				
Borrowings	1,447.74	1,447.74	1,817.04	1,817.04
Trade payables	2,074.05	2,074.05	2,879.02	2,879.02
Other financial liabilities	304.17	304.17	251.28	251.28
Total	**3,825.96**	**3,825.96**	**4,947.34**	**4,947.34**

II. Financial risk management

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

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

Risk management framework

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

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

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The gross carrying amount of trade receivables is ₹ 2,207.59 lakhs (31 March 2020 ₹ 1,059.42 lakhs).

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

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2021 amounted to ₹ 223.31 lakhs (₹ 1,047.34 lakhs as on 31 March 2020).

Reconciliation of loss allowance provision – Loan and Advances to Related Parties **(₹ in Lakhs)**

	31 March 2021	31 March 2020
Opening balance	500.00	500.00
Changes in loss allowance calculated at life time expected credit losses	-	-
Closing balance	**500.00**	**500.00**

ii. Liquidity risk

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

(a) Financing arrangements

The company do not have undrawn bank overdraft facilities as on 31 March 2021 and as on 31 March 2020.

(b) Maturities of financial liabilities

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

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2021	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,447.74	1,447.74	1,008.25	-	439.49	-
Trade payables	2,074.05	2,074.05	2,074.05	-	-	-
Other financial liabilities	304.17	304.17	304.17	-	-	-
Total non-derivative liabilities	**3,825.96**	**3,825.96**	**3,386.47**	**-**	**439.49**	**-**

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2020	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,817.04	1,817.04	1,363.20	-	453.84	-
Trade payables	2,879.02	2,879.02	2,879.02	-	-	-
Other financial liabilities	251.28	251.28	251.28	-	-	-
Total non-derivative liabilities	**4,947.34**	**4,947.34**	**4,493.50**	**-**	**453.84**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

iii. Market risk

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

a) Equity Price risk

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

b) Currency risk

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

Exposure to currency risk

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

Particulars	As at 31 March 2021	As at 31 March 2020
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**
Financial Liabilities		
Trade payables	-	-
Net statement of financial position exposure	**-**	**-**

Sensitivity analysis

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

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
5% movement				
USD	-	-	-	-
31 March 2020				
5% movement				
USD	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Fixed Rate Instruments		
Financial Assets	0.56	1.06
Financial Liabilities	439.49	453.84
	440.05	**454.90**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	350.00
	-	**350.00**

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in Lakhs)

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2021				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**
31 March 2020				
Variable Rate Instruments	(2.29)	2.29	(2.29)	2.29
Cash flow sensitivity (net)	**(2.29)**	**2.29**	**(2.29)**	**2.29**

42 Capital management

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

43 The Group has adopted the option of lower tax rate as provided in the Taxation Laws (Amendment) Ordinance, 2019 and the consequent tax expenses has been considered in the quarter and period ended September, 2019.

44 **Impact on COVID-19**

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, intangible assets, Trade Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

45 The figures for the corresponding previous year has been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date.

For and on behalf of the Board of Directors

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

Vijay Vashisth
Dy. Chief Financial Officer
Place: New Delhi

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)
Place: Vizianagaram, A.P.

Place: New Delhi
Date: 25th June, 2021

Piyush Agarwal
Company Secretary
Place: New Delhi

Ashim Saraf
Joint Managing Director
(DIN: 00009581)
Place: New Delhi

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Gram : FACOR
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