

TWENTYTH ANNUAL REPORT 2022-23



FACOR ALLOYS LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. R.K. Saraf
Chairman & Managing Director

Mr. Manoj Saraf
Non-Executive Director

Mr. Vinod Saraf
Non-Executive Director
(upto 10.03.2023)

Mr. Ashim Saraf
Non-Executive Director

Mr. Anurag Saraf
Non-Executive Director
(upto 12.03.2023)

Mr. K. Jayabharat Reddy
Independent Director
(upto 13.09.2023)

Mr. A. S. Kapre
Independent Director

Mr. K. L. Mehrotra
Independent Director
(upto 08.10.2023)

Mrs. Urmila Gupta
Independent Director

Mr. M. B. Thaker
Independent Director

Executives

Mr. M.S.S. Sarma
Chief Executive

Mr. Vijay Vashisth
Dy. Chief Financial Officer

Mr. 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 : investor@masserv.com

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NOTICE

Notice is hereby given that the **20th ANNUAL GENERAL MEETING** of the Members of Facor Alloys Ltd. will be held on Thursday, the 28th day of December, 2023 at 12:00 P.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

As Ordinary Business:

- To receive, consider and adopt the Audited Financial Statement including Consolidated Financial Statement of the Company for the year ended 31st March, 2023 together with the Reports of the Directors and the Auditors thereon.
- To appoint a Director in the place of Mr. Manojkumar Umashankar Saraf (DIN: 00012034) who retires by rotation and, being eligible, offers himself for re-appointment.

As Special Business:

- Ratification of Remuneration payable to the Cost Auditors.**

To consider and, if thought fit, to pass 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 to conduct the audit of cost account records of the Company for the financial year ended 31st March, 2024.

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.”

- Approval for continuation of directorship of Mr. A. S. Kapre (DIN: 00019530) as an Independent Director after attaining the age of 75 (seventy five) years.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) read with rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for continuation of directorship of Mr. A. S. Kapre (DIN: 00019530) as an Independent Director after 1st May, 2024 i.e. upon attaining the age of 75 (seventy five) years, till the expiry of his present term i.e. upto 8th September, 2024 as approved by the Shareholders vide their ordinary resolution in their 15th Annual General Meeting held on 17th September, 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts

and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

- The Ministry of Corporate Affairs (‘MCA’) has vide its General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 05, 2022 and September 25, 2023 (collectively referred to as ‘MCA Circulars’) permitted the holding of the Annual General Meeting (‘AGM’) through Video Conferencing (‘VC’) facility/ Other Audio Visual Means (‘OAVM’), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (‘the Act’), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, the 20th AGM of the Company is being held through VC/OAVM.
- 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.
- 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.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 as well as Regulation 36(5) of SEBI Listing Regulations in respect of Item No. 3 & 4 of the notice set out above is annexed hereto.
- The relevant details of Director 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from 22nd December, 2023 to 28th December, 2023 (both days inclusive).
- National Securities Depositories Limited (‘NSDL’) will be providing the facility of voting through remote e-Voting for participation in the AGM through VC/OAVM facility and e-Voting during the 20th AGM.
- The remote e-voting period commences on Monday, December 25, 2023 (10:00 am) and ends on Wednesday, December 27, 2023 (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 December 21, 2023, may cast their vote by remote e-voting.
- 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 already 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. SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through applicable forms. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.

Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to our Registrar at investor@masserv.com in case the shares are held in physical form, quoting their folio number. Changes intimated to the DP will then be automatically reflected in the Company’s records.

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. The format of the Register of Members prescribed by the MCA under the Companies Act, 2013 requires the Company/Registrar to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. This request should be submitted in Form ISR-1 which is available at the Company’s website at www.facoralloys.in. Members holding shares in physical form are requested to submit the filled-in form to the Company or to the Registrar in original as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DPs only.

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. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialization.

Further, Members may please note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company.

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 our Registrar & Transfer Agent. The Form is available at the website of the Company and further the same can be available from RTA by sending email at investor@masserv.com. Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form.
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 INE828G01013.
18. The VC/OAVM facility for members to join the meeting, shall be kept open 30 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, 2023 including notice of 20th 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 2022-23 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	Submit the duly filled & signed Form ISR-1 to our RTA i.e. 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 : investor@masserv.com
Demat Holding	Please contact your Depository 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.nsd.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.	<ol style="list-style-type: none"> 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.nsd.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.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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. 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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. 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. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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.

- 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, 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.

- 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***

- Password details for shareholders other than individual shareholders are given below:**

- If you are already registered for e-Voting, then you can use 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'.
- 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 submit the duly filled & signed Form ISR-1 to our RTA i.e 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: investor@masserv.com.
 2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to investor@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.
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.
- 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/OAVM.
 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
for Facor Alloys Ltd.

Piyush Agarwal
Company Secretary
M'Ship No.- A25165

Date: 2nd December, 2023
Place: Delhi

Registered Office:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CIN : L27101AP2004PLC043252
Tel. No. : 08952-282029
Fax No. : 08952-282188
E-Mail : facoralloys@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 account 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, 2024, 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 several 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

Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended upto date) provided that "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (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 the justification for appointing such a person".

Since Mr. A. S. Kapre, Non-Executive Independent Director of the Company who is covered under the aforesaid provision and will be attaining the age of 75 years on 1st May, 2024, the approval of members is sought to continue his directorship after 1st May, 2024 i.e. upon attaining the age of 75 (seventy five) years till the expiry of his present term i.e. upto 8th September, 2024, as approved by the Shareholders vide their ordinary resolution in their 15th Annual General Meeting held on 17th September, 2018.

The justification pursuant to aforesaid Regulation in respect of his continuation is as under:-

Mr. A. S. Kapre, aged around 74 years, is a Graduate in Electrical Engineering & Law. He worked with ICICI Bank for approx. 24 years. Presently, for the last more than one decade, working as an independent Financial Consultant mainly in the areas of corporate finance / debt restructuring.

Except Mr. A. S. Kapre himself, 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. 4 of the Notice.

By order of the Board
for Facor Alloys Ltd.

Piyush Agarwal
Company Secretary
M'Ship No.- A25165

Date: 2nd December, 2023
Place: Delhi

Registered Office:

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

DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **20th 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, 2023.

FINANCIAL RESULTS

₹ in Lakh

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Gross Revenue from operations	32098.81	25733.74	32098.81	25733.74
Other Income	305.10	2804.42	513.30	2831.14
Total Revenue	32403.91	28538.16	32612.11	28564.88
Operating expenses	31881.77	25262.19	32040.76	25283.75
Profit before interest, Depreciation, Tax and Amortization (EBIDTA)	522.14	3275.97	571.35	3281.13
Finance Costs	87.03	106.88	87.34	127.25
Depreciation and amortization expenses	172.54	149.95	193.72	168.93
Profit/(Loss) before exceptional item and tax	262.57	3019.14	290.29	2984.95
Exceptional item	1332.71	(395.57)	(287.02)	(386.56)
Profit/(Loss) before taxation	1595.28	2623.57	3.27	2598.39
Taxation (including Deferred Tax)	(692.84)	852.77	(692.84)	852.77
Profit/(Loss) after Taxation (PAT)	2288.12	1770.80	696.11	1745.62
Other Comprehensive Income	90.39	(5.01)	940.70	(109.60)
Total Comprehensive Income for the period Comprising profit/(loss) & Other comprehensive Income for the period	2378.51	1765.79	1636.81	1636.02

OVERALL PERFORMANCE

During the year under consideration, Company achieved the production of 70,062 M.T. as against 69,626 M.T. in the previous year recording an increase by 1%.

Ferro alloys are one of the important ingredients in the manufacturing of steel. The growth of Ferro alloys Industry is directly linked with the development of Iron and Steel Industry. The principal ferro alloys are chromium, manganese and silicon. The product series consists mainly of ferro-manganese, silico-manganese, ferro-silicon and ferro-chrome.

Government of India's Aatma Nirbhar Bharat mission had provided further boost to Ferro Industry by creating better

infrastructure facility and road transport facilities to boost industry demand and smooth transportation of raw material and finished products.

Ferro industry has witnessed a drastic growth worldwide post covid-19. In India too, we have witnessed industry growth at a rate of approx. in the range of 40-50% in terms of revenue. Facor Alloys Ltd. (the Company) had also achieved a growth by 24% in terms of revenue as compared to previous years, despite the fact that company is mainly engaged in conversion of High Carbon Ferro Chrome and Silico Manganese and terminated a conversion agreement with RTVNPL on violation of agreed term (Refer note no 49 of standalone financial statements).

Your Company is currently do not have working capital limits/ finance facilities with any financial institutions/ banks. Under such exigency, company had entered into conversion agreements and contributed to cater the industry demand and also being able to optimize its capacity utilization while putting it's all the best possible efforts. Your Company is exploring all available options and expected to get working capital finance to achieve growth as per market trends in the years to come.

Exports (Deemed) are at Rs.69.61 crores as against Rs.47.38 crores in the previous year and during the year under review foreign currency earnings in rupee terms was NIL. The Company derived 21.78% of its total sales from deemed exports as against 18.42% in the previous year.

On account of above and other factors including higher sales realization, the profit before tax is at Rs. 15.95 crores as compared to profit of Rs.26.24 crore in the previous year. Reduction in PBT despite higher sales revenue in current year is due to power cost reimbursement amounting to Rs.20.26 crores were included in Miscellaneous income of previous years (Refer note no.29.1 of Standalone Financial Statements).

DIVIDEND

The Board has not recommended any dividend on the Equity Shares of the company for the financial year ended 31.03.2023 in order to keep surplus fund for meeting the internal financial requirements of the Company in the absence of non-availability of working capital limits with the banks.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2023 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 for the current financial year i.e. 2023-24.

ANNUAL RETURN

The annual return of the company as on March 31, 2023, 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 five (5) times in FY 2022-23 viz. on 13th May, 2022, 29th July 2022, 9th November, 2022, 9th February, 2023 & 21st March, 2023. 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.-40 of the consolidated financial statements. Further, the Consolidated Financial Statements presented by the Company also includes the financial results of the subsidiary companies.

Further, the company has already uploaded the Annual Accounts of the subsidiary company(s) on its website which is accessible to all the member. The annual accounts of the Company as well as its respective subsidiary company(s) shall also be kept open for inspection at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions the 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, 2023, 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, 2023 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 read with the applicable rules framed thereunder as well as regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has a policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as well as well-defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The Policy broadly lays down the guiding principles for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of Companies Act, 2013.

During the year under review, no changes were made in the above policy. Salient features of this policy are enumerated in the Corporate Governance Report which forms part of the Annual Report. The above policy is available at the website of the Company at:

<http://facoralloys.in/assets/pdf/policy/Nomination%20and%20Remuneration%20Policy-Revise.pdf>

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company at their 19th Annual General Meeting held on 28th September, 2022 approved the reappointment of M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration no.106009W) as the Statutory Auditors of the Company for further term of 5 years i.e. from the conclusion of 19th Annual General Meeting till the conclusion of 24th Annual General Meeting of the Company to be held in the year of 2027.

The statutory auditor has confirmed their eligibility and submitted a confirmation 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 unmodified opinion in the respective audit reports for the financial year 2022-2023. 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-1**.

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

Cost Auditor

Maintenance of cost account 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 account records for the year ended 31st March 2023 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 being the Cost Auditor.

There are no qualifications, reservations or adverse remarks or disclaimers made in the Cost Audit Report for the financial year 2022-2023.

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

The Company was having a production linked lease agreement for operation of 'Briquetting plant' owned by M/s Rai Bahadur Shreeram and Company Private Limited (RBS). Lease agreement was recurring in nature duly renewed from time to time. Last renewal was occurred effective from 01.04.2022 for further period of three years, ending on 31.03.2025. RBS is a promoters' group closely held company and holding approx. 32% equity shares in the company in under the promoters' category, hence, agreement falls under the related party transaction within the meaning of section 188 of Companies Act, 2013. Briquetting plant was in use for production of 'Briquettes' from Chrome Ore to feed in furnaces, therefore, serves as an intermediary product to be used as prime raw material for production of Ferro Alloys. RBS has terminated the said lease agreement vide notice dated 11.10.2023 to the Company. The Company has no alternative arrangement for production of 'Briquettes', consequently, company has closed down its operation w.e.f. 31.10.2023 due to non-availability of briquettes. The Company has received fresh proposal vide email dated 10.11.2023 from RBS for the briquetting plant agreement. The analysis and potential impact of the same are presently under review.

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-2** 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 zero tolerance policy towards sexual harassment at the workplace.

The Company has complied with the 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 has already approved a Policy on CSR as amended from time to time and the same is hosted on the website of the Company at www.facoralloys.in.

During the year under review, the Company has duly 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 31.03.2023, the details of which is provided in **Annexure-3**.

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.

DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

Pursuant to IEPF Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, all unclaimed shares have already been transferred to the IEPF Authority.

All the corporate benefits in terms of securities accruing to on these unclaimed shares shall be credited to the aforesaid account. Voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares.

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 is 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 deposits from the 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 ₹ 1,02,00,000/- 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, the Company has total no. of 6 Directors out of which 1 is Executive Chairman & Managing Director and 5 are Non-Executive Directors. The 5 Non-Executive Directors consist of 3 Independent Directors including one Woman Independent Director and 2 are Non-Executive Non Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 read with the rules framed thereunder and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Mr. Vinodkumar Vithaldasji Saraf and Mr. Anurag Saraf, Non-Executive Directors have resigned from the directorship of the company w.e.f. 11.03.2023 and 13.03.2023 respectively.

Mr. K. Jayabharat Reddy and Mr. K. L. Mehrotra, Independent Directors have resigned / ceased from the directorship of the company w.e.f. 14.09.2023 and 09.10.2023 respectively.

Currently, Mr. R. K. Saraf (Managing Director), 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.

COMMITTEES OF THE BOARD

The Board of Directors have constituted all the requisite committees of Directors as are required by law from time to time.

Details of composition of all the 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.

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

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on the Corporate Governance, Management Discussion and Analysis, Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance have been made a part of the Annual Report.

DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE

During the year under review, there are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DISCLOSURE UNDER ONE TIME SETTLEMENT

During the year under review, your Company has not made any one time settlement with any of its Banks or Financial Institutions.

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

The Board wishes to place on record its sincere appreciation for the support and co-operation extended by all the customers, vendors, business associates and investors at large.

Further, the Board places 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 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 : 2nd December, 2023

R.K. SARAF
 Chairman & Managing Director
 Din : 00006102

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	Not Applicable
Mr. Ashim Saraf	0.27:1
Mr. Anurag Saraf	0.17:1
Mr. Manoj Saraf	0.13:1
Mr. Vinod Saraf	0.08:1
Mr. K. Jaybharat Reddy	0.18:1
Mr. A. S. Kapre	0.35:1
Mr. Kishan Lal Mehrotra	0.41:1
Mrs. Urmila Gupta	0.24:1
Mr. M. B. Thaker	0.13:1

- 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	(100.00%)
Mr. Ashim Saraf	(95.54%)
Mr. Anurag Saraf	(96.83%)
Mr. Manoj Saraf*	—
Mr. Vinod Saraf*	—
Mr. K. Jaybharat Reddy	30.00%
Mr. A.S.Kapre	(28.57%)
Mr. Kishan Lal Mehrotra	(26.64%)
Mrs. Urmila Gupta	(29.17%)
Mr. M. B. Thaker*	—
Other KMP	
Dy. Chief Financial Officer	5.90%
Company Secretary	4.14%

*Directors are appointed during the year hence increase/(decrease) with respect to previous year are not computable.

- iii) The percentage increase in the median remuneration of the employees in the financial year 2022-23 (5%)
- iv) The number of permanent employees on the rolls of the Company 393
- 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. 2022-23 was (1.27%) and percentage increase in the managerial remuneration for the same financial year was (88.80%).
- 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.

Form No. MR-3**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[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 2023, 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 2023 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; NA*
- (d) *Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; NA*
- (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
Date: 31/07/2023

ACS No. 16464 C.P. No. 5554
UDIN No. A016464E000713182
PR-1749/2023

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
Date: 31/07/2023

ACS No. 16464
C.P. No. 5554
PR-1749/2022

Annexure-2

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 continuing to be replaced with the LED lightings to save energy as conservation of energy being an ongoing process. Other necessary steps are also being taken for the 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 : NIL
- b. Benefits derived as a result of above R & D : NIL
- c. Future plan of action : Optimization of input cost of production.
- 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 : The Company is continuing to explore new avenues of exports and to understand latest developments in the international markets.
- 2) Total Foreign Exchange used and earned (2022-2023) : **(₹ in Lacs)**
 - i) CIF value of imports : NIL
 - ii) Expenditure in Foreign Currency : 33.08
 - iii) Foreign Exchange earned : NIL

On behalf of Board of Directors
for Facor Alloys Ltd.

Place : Delhi
Dated : 2nd December, 2023

R. K. SARAF
Chairman & Managing Director
Din : 00006102

CSR ACTIVITIES OF FACOR ALLOYS LIMITED FOR FY 2022-23

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee (as on date):

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. A. S. Kapre	Chairman- Independent Director	1	1
2	Mr. Ram Kishan Saraf	Member-Executive Director	1	1
3	Mr. Ashim Saraf	Member-Non-Executive Director	1	1

* Mr. Kishan Lal Mehrotra, an erstwhile Chairman of the CSR Committee has become ceased w.e.f. 9th October, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:— **www.facoralloys.in**
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):— Not Applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2022-2023	NIL	21.64 lakhs

6. Average net profit of the company as per section 135(5) — 1081.81 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) — 21.64 lakhs
- (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.— NIL
- (c) Amount required to be set off for the financial year, if any—NIL lakhs
- (d) Total CSR obligation for the financial year (7a+7b-7c) — 21.64 lakhs. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	NIL	NIL	NIL	NIL	NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
											Name	CSR Registration number
1.	NIL	NIL	NIL	NIL			NIL	NIL	NIL	NIL	NIL	NIL NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the project (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
								Name	CSR Registration Number
1.	Lions Club of Shreeram Nagar Charitable Trust	Point No. (i) of Schedule VII	Yes		Vizianagaram, Andhra Pradesh	21.64 lakhs	No	Lons Club of Shreeram Nagar Charitable Trust	CSR00024939
	Total					21.64 lakhs			

- (d) Amount spent in Administrative Overheads - NIL
- (e) Amount spent on Impact Assessment, if applicable - NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Rs. 21.64 lakh
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	21.64 lakhs
(ii)	Total amount spent for the Financial Year	21.64 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

- (a) Date of creation or acquisition of the capital asset(s). — NIL
- (b) Amount of CSR spent for creation or acquisition of capital asset. — NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. — NIL
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).— NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).— Not Applicable

**For & on behalf of the
Board of Directors of Facor Alloys Ltd**

Date: 2nd December, 2023
Place : Delhi

Ram Kishan Saraf
(Managing Director)
Din : 00006102

A.S. Kapre
(Chairman - CSR Committee)
Din : 00019530

MANAGEMENT DISCUSSIONS AND ANALYSIS

This report is aimed to highlight management's broad perspective on the external factors that may have bearing on performance of company, as well as strategy, counter measures, operating and financial performance, material developments, risk and opportunities and internal control systems and their adequacy. These discussions and analysis shall be read in the light of company's standalone and consolidated financial statements, the directors' report and other information included elsewhere in the Annual Report.

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. However, India's position as the second-largest producer and the second largest finished steel consumer after China highlights its remarkable presence in the global steel market.

On the basis of application, ferro alloy market is segmented into carbon steel, alloys steel, stainless steel and others. Alloy steels have applications in various end use industries such as general engineering, aerospace & defence, railways etc. with increasing investment in manufacturing sector of various emerging nations, the demand for alloy steels is also expected to increase in near future.

The global ferroalloys market is expected to grow on account of rising steel production around the world. The ferroalloys include ferrochrome, ferrosilicon, ferromanganese and ferromolybdenum, among others. Various types of ferroalloys have different purposes in the production of steel. For instance, ferrovanadium in steelmaking is used to provide strength against alkalis and acids such as sulphuric and hydrochloric acid. It provides corrosion resistance and enhances tensile strength of casting & welding electrodes.

Nearly 85 to 90% of all the ferroalloys are used in the production of steel. Therefore, production and consumption of steel and related products have a huge impact on the pricing of ferroalloys and vice versa. Cost of ferroalloy is one of the key criteria for deciding suitable ferroalloy for the production of a particular grade of steel. Specification of steel is also an important factor while calculating the costs of steelmaking. For instance, specific grade of steel with low phosphorous can be manufactured using two methods viz. either by the use of normal steelmaking process, which uses expensive ferroalloys with low phosphorous content or by increasing the refining time and basicity of slag to reduce phosphorous at low levels.

Construction is the largest end-use industry of steel products, wherein rebars, sections, channels and angles are widely used in the industry. The construction sector around the world is projected to grow moderately from 2022 to 2030. This is expected to positively affect the demand for steel products and thus benefit the demand for ferroalloys, which are among the key feedstocks in the production of steel.

GLOBAL ECONOMIC OUTLOOK:

The International Monetary Fund (IMF) forecast global growth to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the historical (2000–19) average of 3.8%. Advanced economies are expected to slow from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1% in 2022 to 4.0% in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

The Global economy is currently confronting several challenges such as unfavourable development of elevated inflation, a sluggish recovery from the COVID-19 pandemic, reduced capital investment, Higher inflation, and ongoing Geopolitical conflicts etc. These factors continue to take a toll on the global economy, hindering its progress & supply chain.

INDIAN ECONOMIC:

The World Economic Outlook has forecasted that growth in India remain strong, at 6.3% in both 2023 and 2024, with an upward revision of 0.2% point for 2023.

IMF had estimated India's GDP forecast at 6.1% for 2023-24. However, this is lower than the RBI's latest estimate of 6.5% for the current financial year. However, India's growth is projected to be higher than China's, the third-largest economy in the world.

On the oil import, it said about 35% to 40% of India's crude oil imports came from Russia during April-June 2023, a stark rise from less than 5% before the war in Ukraine. While India's oil exports (mostly petroleum products) are small relative to its oil imports (mostly crude oil). so higher prices will impact India's trade and fiscal deficit, inflation and growth adversely.

Geopolitical tensions have intensified from rising tensions between India and Canada, as well as the attack on Israel by Palestinian militant group Hamas which caused oil prices to spike higher .

Widening current account deficit, resurging inflation and heightened geopolitical tensions would be the major headwinds for India.

However, Government is focusing on economic growth through capital investment, Infrastructure development, job creation etc. capital investment outlay has been increased by 33% to

Rs 10 lakh crore for FY 2023-24 by the government which will be 3.3% of GDP. With this, capital investment outlay has been increased for third year in row. Capital outlay of Rs. 2.40 lakh crore has been provided for Railways in FY24. Effective capex will be Rs 13.70 lakh crore, forming 4.5% of GDP in FY 24. The ratio of capex-to-GDP, which rose to 2.7% in 2022-23, is estimated at 3.3% in FY 24 and the fiscal deficit is estimated to go down to 4.5% of GDP. Budget 2023-24 has lots of year in row. The allocation is higher than the Rs 7.50 lakh crore budgeted for in the previous year and the highest on record. Encouraging announcement such as Capital outlay of Rs. 2.40 lakh crores for Railways, Rs.10000 Crores allocation for Sustainable Cities, announcement related to creation of one hundred critical transport infrastructure projects with an investment of Rs 75,000 crores that will ensure first and last mile connectivity for ports, coal, steel, fertilizer, and food grain sectors will spur up growth for domestic steel.

Overall, the key steel consuming sector are expected to perform well in FY 2023-24 supported by a rise in infrastructure spend by Government.

GROWTH DRIVERS:

Economic growth in the Asia-Pacific region and increased production in African continents have increased the market for ferro alloys around the globe. Besides this, emerging technologies for the production of ferroalloys, increased consumption and exports from China, Japan and India have contributed towards the growth of the industry. In India, several initiatives like- affordable housing, expansion of railway networks, development of domestic shipbuilding industry, anticipated growth in the automobile sector are expected to create significant demand for steel industry, which is also likely to push up growth for the Indian Ferro Alloys industry.

RISKS AND CONCERNS / OPPORTUNITIES AND THREATS / OUTLOOK

High prices of power and raw material shortage are major concerns for the ferroalloys industry. The country does not have abundant raw materials for ferroalloy, and the players are importing at high prices from Australia and South Africa. Besides, power cost is also very high in India. High operational costs, stringent industry standards and environmental regulations may hamper the growth of the industry in future. Amount of energy consumption in manufacturing of some alloys is high and volatility in fuel prices might adversely impact production cost.

While the country is self-sufficient in Chrome Ore whereas the same is not true in case of Manganese Ore against the target of 300 million tons of steel production by 2030 nearly 80% of manganese Ore would have to be imported from South Africa, Zambia, Gabon, Ivory Coast, Brazil, Australia etc. Coke has import duty which needs to be removed and low phosphorous coke is not produced in India, which is also a major issue for Indian ferroalloys producers. There is anti-dumping duty on the low phosphorus Chinese coke. Imports also pose challenges, as the incursion of cheaper materials

from Malaysia into India, which is unfavorable for the industry. Ferro Silicon (FeSi) and Ferro Manganese (FeMn) is being imported on a regular basis.

Replacement of stainless steel by carbon fibres is projected to restrain the market growth for ferroalloys market. Carbon fibres are widely being used in automotive industry due to their lightweight, high strength, and load-bearing properties. Carbon fibres reduce the weight of a car by almost 30%. Growing importance of lightweight vehicles has made carbon fibre the most desired material. Automation associated with the manufacturing process further makes carbon fibres a brighter prospect compared to stainless steel.

With rapid industrialisation, rising construction activities as well as infrastructure development around the world, and high product usage across applications such as automotive, power, pipes, fittings and valves, industrial machinery, among others, the metals and alloys market is expected to grow significantly in the coming years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company is continuously endeavoring to maintain highest 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 the Board of Directors also reviews these matters from time to time during their meetings.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under consideration, Company achieved the production of 70,062 M.T. as against 69,626 M.T. in the previous year recording an increase by 1%.

Exports (Deemed) are at Rs.69.61 crores as against Rs.47.38 crores in the previous year and during the year under review foreign currency earnings in rupee terms was NIL. The Company derived 21.78% of its total sales from deemed exports as against 18.42% in the previous year.

On account of above and other factors including higher sales realization, the profit before tax is at Rs.15.95 crores as compared to profit of Rs.26.24 crore in the previous year. Reduction in PBT despite higher sales revenue in current year is due to power cost reimbursement amounting to Rs.20.26 crores were included in Miscellaneous income of previous years (Refer note no.29.1 of Standalone Financial Statements).

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 2022-23	FY 2021-22
Debtors' turnover ratio	8.45	11.26
Inventory turnover ratio	27.49	42.64
Interest coverage ratio	21.31	26.95
Current ratio	1.69	1.72
Debt equity ratio	0.03	0.04
Operating profit margin (%) (before exceptional items)	1.09%	12.15%
Net profit margin (%) (after tax)	7.13%	6.88%

b) Significant change in Financial Ratios

Particulars	FY 2022-23	FY 2021-22	Changes in %	Reasons for Changes
Debtors' turnover ratio	8.45	11.26	-24.96 %	Mainly due to increase in Average Debtors on account of Increase in turnover and non-realization from RTVNPL on due dates (refer note no. 49 of Standalone Financial Statements).
Inventory turnover ratio	27.49	42.64	-35.53%	The reduction in ratio is due to Increased Average inventory as compare to Turnover.
Operating profit margin (%) (before exceptional items)	1.09%	12.15%	-91.03%	Due to reduction in operating profit and other income.

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

Particulars	FY 2022-23	FY 2021-22	Changes in %	Reasons for Changes
Return on net worth (%) (after Exceptional items)	12.96%	11.36%	14.08%	Mainly due to increase in operating profits due to higher sales achieved during the year.

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 411 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

At Facor Alloys Limited (‘FAL’ / ‘the Company’), good governance stems from the culture and mindset of the organisation to ensure the cardinal principles of accountability, transparency and fairness in all its transactions in the widest sense to meet stakeholder aspirations. It is not mere compliance of laws, rules and regulations but a commitment to its values, best management practices and adherence of the highest ethical principles in all its dealings to achieve the objectives of the Company, enhance stakeholder value and discharge its social responsibility.

The Corporate Governance framework and philosophy is a reflection of the Company’s corporate culture, policies, values and relationship with stakeholders which is driven relentlessly across the organisation. The governance philosophy embraces the tenets of transparency, independence, accountability, fair and timely disclosures and ethical corporate citizenship as means for implementing its corporate governance framework in letter and spirit. The above principles are integrated into the growth strategy of the Company and shall continue to remain a guiding force for the years to come.

The Company believes that good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. The Company’s Corporate Governance structure ensures timely implementations of plans and adequate disclosures as well as fair dealings with stakeholders’ interests thereby ensuring highest standards of business ethics and integrity.

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.

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’).

2. BOARD OF DIRECTORS

The Board of Directors of the Company, being the highest governance authority within the Management structure of the Company, is at the core of our Corporate Governance practices. The Board exercises its fiduciary responsibilities to foster sound standards of Corporate Governance within the Company thus providing direction and independence to the Management to achieve its objectives for value creation as well as protecting long-term interests of all stakeholders.

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders’ value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected.

The Board composition is in conformity with Regulations 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Companies Act, 2013 (‘the Act’).

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations) across all public companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors hold office in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than 7 listed companies as required under Regulation 17A of the SEBI Listing Regulations.

The composition of the Board as on 31st March, 2023 was as under:

S. No.	Name of the Directors	Category	No. of Directorship held in other Public Limited Companies	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	No. of Board Meetings attended	Whether Last AGM attended	Shareholding
1.	Mr. R.K. Saraf Chairman & Managing Director (DIN : 00006102)	Executive*	Nil	Nil	Nil	5	Yes	2256

S. No.	Name of the Directors	Category	No. of Directorship held in other Public Limited Companies	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	No. of Board Meetings attended	Whether Last AGM attended	Share-holding
2.	Mr. Manojkumar Umashankar Saraf (DIN : 00234570)	Non-Executive*	Nil	Nil	Nil	3	No	5,92,871
3.	Mr. Ashim Saraf (DIN : 00009581)	Non-Executive*	1**	Nil	Nil	5	Yes	17,008
4.	Mr. K. Jayabharat Reddy (DIN : 00038342)	Independent Non-Executive	Nil	Nil	Nil	3	No	0
5.	Mr. A.S. Kapre (DIN : 00019530)	Independent Non-Executive	1	1. Sunflag Iron and Steel Co Ltd.— Independent Non-Executive Director	Nil	5	Yes	0
6.	Mr. K. L. Mehrotra (DIN : 00062172)	Independent Non-Executive	Nil	Nil	Nil	5	No	0
7.	Mrs. Urmila Gupta (DIN : 00637110)	Independent Non-Executive	4	1. B.A.G. Films and Media Limited – Independent Non-Executive Director	4	5	No	0
8.	Mr. M.B Thaker (DIN: 00004263)	Independent Non-Executive	Nil	Nil	Nil	3	No	5294

* Belongs to Promoter Group; ** excluding directorship in foreign companies

- Mr. Vinodkumar Vithaldasji Saraf (DIN: 00012034), Non-executive director has resigned from the directorship of the company w.e.f. 11th March, 2023.
- Mr. Anurag Saraf (DIN: 00009631), Non-executive director has resigned from the directorship of the company w.e.f. 13th March, 2023.
- Mr. K. Jayabharat Reddy (DIN: 00038342), Non-executive Independent director has resigned from the directorship of the company w.e.f. 14th September, 2023.
- Mr. K. L. Mehrotra (DIN: 00062172), Non-executive Independent director has ceased from the directorship of the company w.e.f. 9th October, 2023.
- The details of familiarization program imparted to Independent Directors are disclosed in the Website of the company www.facoralloys.in.
- During the period under review i.e. as on 31st March, 2023, no Independent Director of the Company has resigned before the expiry of his term of appointment. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management.
- During the Financial Year ended 31st March 2023, five Board Meetings were held on 13/05/2022, 29/07/2022, 09/11/2022, 09/02/2023 and 21/03/2023. The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.
- The agenda was circulated well in advance to the Board/Committee Members along with comprehensive background information forming part of the agenda to enable the Board and Committees to arrive at appropriate decisions.
- As on March 31, 2023, all the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the Managing Director & CEO forms part of this Report. The Company has also received a confirmation from the Non-Executive Directors and Independent Directors regarding compliance of the Code for the year under review.
- Criteria for evaluation of individual Directors include aspects such as attendance and contribution at the Board/Committee Meetings. Criteria for evaluation of the Committees of the Board are broadly based on the Guidance Note on Board Evaluation issued by SEBI which inter alia, included a questionnaire on the structure of Board,

Meetings of the Board and the functions of Board and Management after considering aspects of the Board's composition, functioning, obligations and governance. In terms of the requirement of the Act and the SEBI Listing Regulations, during the year under review, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

11. The Company is engaged in Iron and Steel Industry. It is having a manufacturing unit with facilities to manufacturing of ferro alloys.
12. 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. Manojkumar Umashankar Saraf, Promoter-Non Executive, Director	Vast experience of setting-up and overseeing the operations of ferro chrome plant and power plants including their financing, engineering, procurement, on-site execution and corporate affairs.
Mr. Vinodkumar Vithaldasji Saraf, Promoter-Non Executive, Director*	Several years of rich & versatile experience in Ferro Alloys, Iron, Steel & Power Industry and Corporate Management
Mr. Ashim Saraf, Promoter-Non Executive, Director	Rich and versatile experience in the field of ferro alloys, mining and corporate management
Mr. Anurag Saraf, Promoter-Non Executive, Director**	Rich and versatile experience in the field of Iron and Steel Industry 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
Mr. Mahendra Bhawanji Thaker, Non-Executive, Independent	Rich and versatile experience in the field of ferro alloys, steel as well as manganese mining

*Resigned w.e.f. 11th March, 2023.

**Resigned w.e.f. 13th March, 2023.

*** Resigned w.e.f. 14th September, 2023.

**** Ceased w.e.f. 9th October, 2023.

3. INDEPENDENT DIRECTORS' MEETING

Independent Directors play a vital role in the governance processes of the Board by enhancing corporate credibility and governance standards. Their increased presence in the boardroom has been hailed as a harbinger for striking a right balance between individual, economic and social interests. The Company currently has three Independent Directors which comprises 50% of the total strength of the Board of Directors. The maximum tenure of the Independent Directors is in accordance with the Act and SEBI Listing Regulations.

The Independent Directors (ID) of the Company met on 27th March, 2023 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 during the period under review i.e. upto financial year ended 31st March, 2023. Thus, disclosure of detailed reasons for their resignation is not applicable.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

The Committee presently consists of 4 Members viz. Mr. A. S. Kapre, Mrs. Urmila Gupta, Mr. M. B. Thaker 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. A. S. Kapre.

Mr. K. Jayabharat Reddy, an erstwhile Chairman of the Committee and Mr. K. L. Mehrotra, member of the Committee have become ceased w.e.f. 14th September, 2023 and 9th October, 2023 respectively.

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. Urmila Gupta is a retired IIS officer. She joined Indian Information Services in 1968 and took voluntary retirement while serving as Dy. Director General, Prasar Bharati, Ministry of Information and Broad casting, a Jt. Secretary level post. She has over four decades rich experience to her credit as a senior government officer in the area of management, administration, policy formulation etc.

Mr. M.B. Thaker is a commerce graduate having a rich experience of more than 50 years in the industry of ferro alloys, steel as well as manganese mining.

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 held during the year 2022-23 on 13/05/2022, 29/07/2022, 09/11/2022 & 09/02/2023. Mr. A. S. Kapre, Mr. R.K. Saraf and Mr. K.L. Mehrotra attended all meetings whereas Mr. K. Jayabharat Reddy attended only two 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. A. S. Kapre, Mrs. Urmila Gupta and Mr. M. B. Thaker who are non-executive independent Directors of the Company. The Chairman of the Committee is Mrs. Urmila Gupta.

Mr. K. L. Mehrotra, an erstwhile Chairman of the Committee has become ceased w.e.f. 9th October, 2023.

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 held during the year 2022-23 on 13/05/2022 which was attended by all the 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 2022-23:

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	Nil	Nil	5 years from 01/04/2022

- f) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2022-23, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid for Board/ Committee Meeting (Amount in INR)	No. of equity shares of Re.1/- each held as on 31.03.2023
1.	Mr. A. S. Kapre	1,25,000/-	—
2.	Mr. K. Jaybharat Reddy	65,000/-	—
3.	Mrs. Urmila Gupta	85,000/-	—
4.	Mr. K. L. Mehrotra	1,45,000/-	—
5.	Mr. M.B. Thaker	45,000/-	5,294
6.	Mr. Manojkumar Umashankar Saraf	45,000/-	5,92,871
7.	Mr. Vinodkumar Vithaldasji Saraf	30,000/-	3,560
8.	Mr. Ashim Saraf	95,000/-	17,008
9.	Mr. Anurag Saraf	60,000/-	25,07,354
TOTAL		Rs.6,95,000/-	

- Notes: (i) There are no stock options and severance fees.
(ii) No notice period is specified for Directors resignation/termination.
(iii) The Company's Remuneration Policy is aligned with its philosophy for payment of remuneration to Executive Directors, KMPs and all other employees based on the commitment of fostering a culture of leadership with trust.
- (g) The Company believes that sound succession planning for the senior leadership is critical for developing bench strength to ensure growth, stability and a robust future for the Company. The NRC works for a structured leadership succession plan.

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. A. S. Kapre. The Chairman of the Committee is Mr. A. S. Kapre, Independent Director. One meeting of the Committee was held during the year on 09.02.2023 and the meeting was attended by all the members.

Mr. K. L. Mehrotra, an erstwhile Chairman of the Committee has become ceased w.e.f. 9th October, 2023.

- a) Mr. Piyush Agarwal, Company Secretary of the Company is the Compliance Officer.
- b) No. of Shareholders' complaints received during the period 01-04-2022 to 31-03-2023 Nil
- c) No. of complaints not solved to the satisfaction of the Shareholders Nil
- d) Number of pending complaints as on 31-03-2023 Nil

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 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. A. S. Kapre, Mr. R. K. Saraf and Mr. Ashim Saraf. The Chairman of the Committee is Mr. A. S. Kapre, Independent Director.

Mr. K. L. Mehrotra, an erstwhile Chairman of the Committee has become ceased w.e.f. 9th October, 2023.

Only one meeting of the Committee was held during the year on 09.02.2023 and the meeting was attended by all the members.

The Committee’s terms of reference, authority and powers are in conformity with the requirement of the Section 135 of the Companies Act, 2013 and rules made thereunder.

Policy for Determining Material Subsidiaries

Regulation 16 of the SEBI Listing Regulations defines a ‘material subsidiary’ to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In addition to the above, Regulation 24 of the SEBI Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. The Company did not have any material subsidiary during the year as defined in the SEBI Listing Regulations.

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
17 th AGM	Tuesday, 15 th September, 2020 at 12.00 p.m.	Through VC / OAVM in view of the MCA Circular dated May 5, 2020.
18 th AGM	Monday, 20 th September, 2021 at 12.00 p.m.	Through VC / OAVM in view of the MCA Circular dated January 13, 2021.
19 th AGM	Wednesday, 28 th September, 2022 at 12.00 p.m.	Through VC / OAVM in view of the MCA Circular dated May 5, 2022.

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

15 th September, 2020	Keeping the Register of Members with Registrar and Share Transfer Agent of the company u/s 94 of the Companies Act, 2013.
20 th September, 2021	No Special resolution was passed at the 18 th Annual General Meeting of the Company.
28 th September, 2022	No Special resolution was passed at the 19 th Annual General Meeting of the Company.

- 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, if any, 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 2022-23.
- 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 2022-23.
- 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-2022-2023, 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	3.50
Other Services	0.98
Reimbursement of expenses	1.14
Total	5.62

- 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 pending at the beginning of the year i.e. as on 1st April, 2022. During the year, the Company has not received any complaint and no complaints were pending as on 31st March, 2023.
- j) The Company has not given any loans or advances to any firm / company in which its Directors are interested.
- k) 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 "Prajasakti" 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
28 th December, 2023*	12:00 P.M.	The Company is conducting meeting through VC / OAVM in view of MCA General Circular(s) dated 25 th September, 2023. For more details, please refer to the Notice of this AGM.

**The due date for convening of AGM for the financial year 2022-23 was 30th September, 2023. The Registrar of Companies (ROC), Vijayawada, vide their letter dated 08.09.2023, has granted an extension of 3 (three) months for calling of AGM for the financial year 2022-23.*

- 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. Manojkumar Umashankar Saraf
B	Brief resume	
i)	DIN	00234570
ii)	Date of Birth	10 th December, 1953
iii)	Date of first appointment on the Board of the Company	01.04.2022
iv)	Qualification	B.E. (Metallurgy)
v)	Experience in specific functional area	Ferro Alloys, Steel & Power Industry dealing especially in the field of Production, Mining, Exports and related functions
C	Terms and conditions of appointment or re-appointment	As per Item No.2 of the Notice convening Annual General Meeting
D	Remuneration last drawn (including sitting fees for FY 2022-23, if any) (per annum)	Rs.45,000/- (sitting fee)
E	Remuneration/ Sitting fees proposed to be paid	Payment of sitting fee as payable to all Non-executive Directors
F	Nature of expertise in specific functional areas	Vast experience of setting-up and overseeing the operations of ferro chrome plant including their financing, engineering, procurement, on-site execution and corporate affairs.
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 of Re.1/- each held by the Director	5,92,871
K	Name(s) of other Listed entities in which the person resigned from Directorship during past 3 years	NIL
L	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
M	No. of Board Meetings held/ attended during the last financial year	Board Meeting held during FY 2022-23 : 5 Board Meeting attended during FY 2022-23 : 3

- iii) Financial Year : 1st April to 31st March
- iv) Date of Book closure from : Friday, 22nd December, 2023 to Thursday, 28th December, 2023 (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. 2023-24 to BSE

- vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2022-23 as downloaded from BSE website are as under:

Month	Bombay Stock Exchange		
	High (INR)	Low (INR)	Volume (No. of shares)
April 2022	8.54	7.20	60,32,763
May 2022	7.40	5.42	72,59,228
June 2022	11.15	6.57	2,91,52,543
July 2022	9.25	8.11	1,15,18,133
August 2022	8.68	6.84	97,67,258
September 2022	8.17	7.00	84,32,778
October 2022	7.65	6.80	50,97,207
November 2022	8.83	6.70	1,10,14,023
December 2022	8.33	7.05	1,00,11,407
January 2023	10.9	8.16	1,93,53,189
February 2023	9.18	7.40	50,54,085
March 2023	7.89	6.00	51,40,209

- viii) Registrar & Share 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 and other necessary information for the shareholders of the Company:

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.

SEBI vide its Circulars issued from time to time, mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through applicable forms. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.

Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to submit the necessary papers/details to our Registrar in case the shares are held in physical form, quoting their folio number. Changes intimated to the DP will then be automatically reflected in the Company's records.

Further, Members may please note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company.

- x) a) Distribution of shareholding as on 31.03.2023:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
1 to 500	56550	6513821	3.33
501 to 1000	8031	7113229	3.64
1001 to 2000	4675	7505662	3.84
2001 to 3000	1830	4843153	2.48
3001 to 4000	875	3199178	1.64
4001 to 5000	1139	5523852	2.82
5001 to 10000	1696	13245387	6.77
10001 and above	1398	147603073	75.48
Total	76194	195547355	100.00
Physical Mode		318996	0.16
Electronic Mode		195228359	99.84

- b) Categories of shareholders as on 31.03.2023:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Financial Institutions/ Banks	35800	0.02
c.	Mutual Funds	1780	0.00
d.	Bodies Corporate	2462856	1.26
e.	Others	106438191	54.43
	Total:	195547355	100.00

- xi) Dematerialization of shares and liquidity:

99.84% of the share capital has been dematerialized as on 31st March, 2023.

- 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.facorallloys.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, 2023 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 submit the duly filled & signed Form ISR-1 to our RTA i.e 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: investor@masserv.com 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 able 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 as mentioned in point no. 10(a).

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

Particulars	Regulation Number	Compliance status (Yes/No/NA)
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, 2023.

Place: Delhi
 Date: 2nd December, 2023

R.K. Saraf
 Chairman & Managing Director
 Din : 00006102

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)- 535101 (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, 2023 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 9th May 2023 stand qualified for being appointed or continuing as Directors of companies:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	ASHIM SARAF	00009581	01/08/2004
2	JAYABHARAT REDDY KOTI	00038342	01/09/2004
3	ANAND SADASHIV KAPRE	00019530	27/10/2007
4	RAM KISHAN SARAF	00006102	15/09/2008
5	KISHAN LAL MEHROTRA	00062172	18/09/2010
6	URMILA GUPTA	00637110	13/02/2015
7	MANOJKUMAR UMASHANKAR SARAF	00012034	01/04/2022
8	MAHENDRA BHAWANJI THAKER	00004263	30/06/2022

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
C.P. No.5554
ICSI PR – 1749/2022
UDIN No. A016464E000275261

Date: 09/05/2023
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, 2023 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: 17th May, 2023

R. K. Saraf
Chairman & Managing Director
Din : 00006102

Vijay Vashisth
Dy. CFO

CERTIFICATE / REPORT ON CORPORATE GOVERNANCE

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

I, have examined the compliance of the conditions of Corporate Governance by Facor Alloys Limited (CIN: L27101AP2004PLC043252) ("the Company") for the financial year ended on 31st March 2023, 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 SEBI Listing Regulations for the year ended on 31st March 2023.

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

Date: 30/05/2023
Place: Delhi

(Tumul Maheshwari)
Proprietor
ACS No. 16464, C.P. No.5554
PR-1749/2022
UDIN No. A016464E000428348

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, 2023, 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, 2023, 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.

Emphasis of Matter

We draw attention to Note 15.2 of the standalone financial statement, which emphasises the company to be certain regarding the recoverability of the loan amount from the Cati Madencilik Ithalat Ve Ihracat A.S (step down overseas subsidiary of the company). However, the operation of such a subsidiary is yet to be commenced.

Our Opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key Audit Matters	How Our audit addressed the key audit matter
<p>Pending Arbitration proceedings for pre termination of conversion agreement by the company (as described in note no. 49 to the Standalone Ind AS financial statements)</p> <p>The Company is subject to Arbitration proceedings related to termination of conversion agreement by the company before Hon'ble High Court of Delhi appointed Arbitrator. Claims and counter claims are made by both the parties to arbitration. The assessment of the likelihood and quantum of impact in respect of arbitration can be judgmental due to the uncertainty about the outcome.</p> <p>We identified this as a key audit matter, since the amounts involved are material to the Standalone financial statements and involve a significant degree of management judgment in interpreting the case and it may subject to management bias. These claims and counter claims require management estimates and interpretation of various matters, issues involved and are subjective in nature.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Assessed the management's conclusions through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussed with the management on the development in these litigations during the year ended March 31, 2023. • Rolled out of enquiry letters to the Company's legal counsel and noted the responses received. • Assessed the responses received from Company's legal counsel by engaging our internal legal experts. • Assessed the objectivity and competence of the Company's legal counsel involved in the process and legal experts engaged by us. • Assessed and validated the adequacy and appropriateness of the disclosure made by the management in the Standalone Ind AS Financial Statements. • Obtained representation letter from the management on the assessment of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - e. On the basis of the written representations received from the directors as on 31st March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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. During the year 2022-23, the company has not paid any managerial remuneration to its directors.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in note no. 36 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.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the noted to accounts, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement
- v) No dividend declared or paid during the year by the Company.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Mohsin Hada
Partner

Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants

Place: New Delhi
Date: 17th May, 2023

Firm's Registration No. 106009W
UDIN:23608681BGQVHW8383

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FACOR ALLOYS LIMITED

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the period ended March 31, 2023, we report that:

1. (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of erstwhile pre-demerged company. The immovable properties and 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;
- (d) As per the information and explanation given to us and as per our verification of the records, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) On the basis of information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
- (b) As per the information and explanation given to us and as per our verification of the records, the company has not been sanctioned any working capital during any point of time of the year;
3. According to the information and explanation given to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
4. According to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Act and the

Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the clause (v) of paragraph 3 of the Order is not applicable to the Company and hence not comment upon.

6. We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 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, 2023 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, 2023 on account of dispute are given below:

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Rupees in lakhs*
Custom Duty	A.P. High Court, Hyderabad	1988 – 1989	158.34
Sales Tax	A.P. High Court, Hyderabad, APSTAT– Visakhapatnam,	2009 – 2010	21.27
		2010-2011, 2011 – 2012, 2012 – 2013	8.51
Income Tax	CIT (Appeals)	2017-18	210.00

* Amount is net of payment under protest

8. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
9. In our opinion and according to the information and explanations given by the management-
 - (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
 - (b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;

- (c) The company has not applied for term loans during the current financial year;
- (d) The company has not raised availed any borrowing;
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
10. (a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
11. (a) According to the information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) In our opinion and to the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given by the management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
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 explanations given by the management and in our opinion, the Company is in compliance with Section 177 and 188 of the Companies act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. In respect of Internal audit:
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to 31st March, 2023.
15. According to the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies act, 2013 and accordingly the provision of clause (xv) of the Order is not applicable to the company and hence not commented upon.
16. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016
17. The company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
18. There has been no resignation of the statutory auditor in the current financial year.
19. Based upon the audit procedures performed, the information and explanations given by the management and on the basis of financial ratios viz, Debt service coverage ratio, Current ratio, Debtor days and Creditor days we opine that the Company seems to be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. (a) Based upon the audit procedures performed and the information and explanations given by the management, there is no unspent amount of C.S.R expenditure. Accordingly, there is no need of transfer of amount to funds specified in Schedule VII to the Act in accordance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) There are no remaining unspent amount under sub-section 5 of section 135 of the said Act, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
21. Please refer Annexure 'A' of the Report on the Audit of the Consolidated Financial Statements in respect of clause 3 (xxi) of the Order.

Mohsin Hada
Partner

Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants

Place: New Delhi Firm's Registration No. 106009W
Date: 17th May, 2023 UDIN:23608681BGQVHW8383

Annexure- “B” to the Independent Auditors’ Report

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

We have audited the internal financial controls over financial reporting of M/s Facor Alloys Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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.

Mohsin Hada
Partner

Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants

Firm’s Registration No. 106009W
UDIN:23608681BGQVHW8383

Place: New Delhi
Date: 17th May, 2023

STANDALONE BALANCE SHEET AS AT 31 MARCH 2023

(₹ in Lakhs)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	11,115.52	11,028.65
Right of Use Assets (ROU)	5	11.65	23.29
Investments in Subsidiaries and Associates	6	-	-
Financial Assets			
(i) Investments	7	-	0.05
(ii) Other Non-Current Financial Assets	8	2,552.30	2,164.81
Deferred Tax Asset (Net)	9	817.37	159.44
Long Term Loans and Advances	10	-	5.20
Total Non-Current Assets		14,496.84	13,381.44
Current Assets			
Inventories	11	1,340.22	995.35
Financial Assets			
(i) Trade Receivables	12	5,237.54	2,363.77
(ii) Cash and Cash Equivalents	13	612.22	560.62
(iii) Other Bank Balances	14	313.68	300.00
(iv) Other Current Financial Assets	15	925.21	923.07
Current Tax Assets (Net)	16	527.80	102.16
Other Current Assets	17	420.20	470.20
Assets Classified as Held for Sale	18	1,442.24	1,960.00
Total Current Assets		10,819.11	7,675.17
Total Assets		25,315.95	21,056.61
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,955.48	1,955.48
Other Equity	20	16,893.07	14,514.56
Total Equity		18,848.55	16,470.04
Liabilities			
Non-Current Liabilities			
Provisions	21	80.90	112.69
Other Non-Current Financial Liabilities	22	-	12.34
Total Non-Current Liabilities		80.90	125.03
Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	632.00	632.00
(ii) Trade Payables			
Micro Small and Medium Enterprises	24	131.90	41.93
Others	24	3,097.66	1,047.93
(iii) Other Financial Liabilities	25	351.64	184.47
Other Current Liabilities	26	1,095.26	1,427.16
Provisions	27	1,078.04	1,128.05
Total Current Liabilities		6,386.50	4,461.54
Total Liabilities		6,467.40	4,586.57
Total Equity and Liabilities		25,315.95	21,056.61
Notes to Financial Statements	1 to 51		

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Revenue from Operations	28	32,098.81	25,864.47
Other Income	29	305.10	2,673.69
Total Income		32,403.91	28,538.16
Expenses			
Cost of Materials Consumed		10,059.93	5,322.52
Change in Inventory of Finished Goods and Work in Progress	30	(352.78)	(1.97)
Employee Benefits Expense	31	1,704.56	1,726.90
Finance Costs	32	87.03	106.88
Depreciation and Amortisation Expense		172.54	149.95
Other Expenses	33	20,470.06	18,214.74
Total Expenses		32,141.34	25,519.02
Profit/ (Loss) Before Tax and Exceptional Items		262.57	3,019.14
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		1,700.00	-
B) Profit / (Loss) on Sale/Discard of Fixed Asset		108.96	(394.92)
C) Arrear Electricity Charges (True-up Charges) (Refer note 44)		(476.25)	-
D) Subsidiary Companies Balance receivable Written Off		-	(0.65)
Profit/ (Loss) Before Tax		1,595.28	2,623.57
Tax Expense:			
Current Tax	34	-	285.84
Tax for earlier years		(4.51)	77.96
Deferred Tax		(688.33)	488.97
Profit/ (Loss) for the Period (A)		2,288.12	1,770.80
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of defined benefit plans		120.79	(6.70)
Deferred Tax relating to remeasurement of defined benefit plans		(30.40)	1.69
Total Other Comprehensive Income for the Period (B)		90.39	(5.01)
Total Comprehensive Income for the Period (A + B)		2,378.51	1,765.79
Earnings per Equity Share			
	35		
Basic		1.17	0.91
Diluted		1.17	0.91
Notes on Financial Statements	1 to 51		

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

	For the year ended	
	31 March 2023 Amount	31 March 2022 Amount
(a) Equity Share Capital		
At the beginning 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 2021	8,700.51	2,667.52	250.00	1,346.37	16.64	(232.27)	12,748.77
Profit for the year	-	-	-	1,770.80	-	-	1,770.80
Other Comprehensive Income/ (Loss) for the year	-	-	-	-	-	(5.01)	(5.01)
Total Comprehensive Income for the year	-	-	-	1,770.80	-	(5.01)	1,765.79
Balance at 31 March 2022	8,700.51	2,667.52	250.00	3,117.17	16.64	(237.28)	14,514.56
Profit for the year	-	-	-	2,288.12	-	-	2,288.12
Other Comprehensive Income/ (Loss) for the year	-	-	-	-	-	90.39	90.39
Total Comprehensive Income for the year	-	-	-	2,288.12	-	90.39	2,378.51
Balance at 31 March 2023	8,700.51	2,667.52	250.00	5,405.29	16.64	(146.89)	16,893.07

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flows from Operating Activities		
Net Profit/ (Loss) after Prior Period Items and Before Tax	1,595.28	2,623.57
Adjustments For:		
a) Interest Income	(247.83)	(139.40)
b) Depreciation	172.54	149.95
c) Provision for Doubtful Advances	0.20	0.13
d) Subsidiary Companies Balance receivable Written Off	-	0.65
e) (Gain)/Loss on Sale of Fixed Assets	(108.96)	394.92
f) (Gain)/Loss on Sale of Investment	(1,700.00)	-
g) Interest Expense	87.03	106.88
Operating Cash Profit before Working Capital Changes	(201.74)	3,136.70
Movement in Working Capital:-		
a) Increase/(Decrease) in Trade Payables	2,139.70	(983.98)
b) Increase/(Decrease) in Other Current Liabilities	(331.90)	(652.69)
c) Increase/(Decrease) in Other Current Financial Liabilities	167.17	(129.79)
d) (Increase)/Decrease in Other Non Current Financial Assets	(387.49)	18.34
e) Increase/(Decrease) in Provisions	38.99	(164.61)
f) (Increase)/Decrease in Other Current Financial Assets	(1.36)	(10.74)
g) (Increase)/Decrease in Inventories	(344.87)	(784.01)
h) (Increase)/Decrease in Trade Receivables	(2,873.77)	(156.93)
i) (Increase)/Decrease in Other Current Assets	50.00	(169.32)
j) Increase/(Decrease) in Other Non Current Financial Liabilities	(12.34)	(10.42)
k) (Increase)/Decrease in Long Term Loans & Advances	5.20	(5.20)
Cash Generated from/ (used in) Operations	(1,752.41)	87.35
Less: Income Tax Paid (Net of Refunds)	(421.13)	(18.87)
Net Cash Generated from/ (used in) Operating Activities(A)	(2,173.54)	68.48
B Cash Flow from Investing Activities:		
(Purchase) of Property, Plant and Equipment and Capital Work in Progress	(291.53)	(98.15)
Net Proceeds of Property, Plant and Equipment and Capital Work in Progress	670.48	561.58
Interest Received	233.17	133.96
Net movement in Investments	1,700.05	0.52
Net Cash Generated from/ (Used in) Investing Activities (B)	2,312.17	597.91
C Cash Flow from Financing Activities:		
Net proceeds/(Repayment) of Borrowings	-	(10.00)
Interest Expense Paid	(87.03)	(107.09)
Payments towards lease obligation	-	(8.79)
Net Cash generated from/ (used in) Financing Activities (C)	(87.03)	(125.88)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	51.60	540.51
Cash and Cash Equivalents at the Beginning of the year	560.62	20.11
Cash and Cash Equivalents at the End of the year	612.22	560.62

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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, 2023, were approved for issue in accordance with a resolution of the Board of Directors of the Company on May 17, 2023.

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 criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. It is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, 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 2023
c) Use of judgements and estimates

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

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

A. Judgements

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

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

B. Assumptions and estimation uncertainties

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

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

d) Property, plant and equipment:
Recognition and measurement

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

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 are 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
e) Intangible assets

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

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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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 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 asset are 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**i. Current tax**

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

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

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

ii. Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

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 37** 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 2023

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block			Depreciation				Net Block	
	As at 31 March 2022	Additions	Deletions/ Adjustments	As at 31 March 2023	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2023	As at 31 March 2023
Tangible Assets									
Freehold Land	9,818.24	-	4.02	9,814.22	-	-	-	-	9,814.22
Mines and Quarries Freehold	259.80	-	-	259.80	-	-	-	-	259.80
Buildings	198.79	8.62	-	207.41	6.16	-	-	69.72	137.69
Railway Sidings	12.03	-	-	12.03	0.66	-	-	7.56	4.47
Plant and Machinery	1,596.64	262.22	42.67	1,816.19	129.73	-	33.33	980.11	836.08
Office Equipments	130.94	15.79	22.93	123.80	22.79	-	14.84	78.09	45.71
Furniture & Fixtures	110.72	-	101.94	87.8	0.71	-	79.63	6.35	2.43
Vehicles	27.58	4.90	-	32.48	0.85	-	-	17.36	15.12
Total	12,154.74	291.53	171.56	12,274.71	160.90	-	127.80	1,159.19	11,115.52

Particulars	Gross Block			Depreciation				Net Block	
	As at 31 March 2021	Additions	Deletions/ Adjustments	As at 31 March 2022	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2022	As at 31 March 2022
Tangible Assets									
Freehold Land	11,544.00	-	133.86	9,818.24	-	-	-	-	9,818.24
Mines and Quarries Freehold	637.44	-	377.64	259.80	-	-	-	-	259.80
Buildings	198.79	-	-	198.79	6.51	-	-	63.56	135.23
Railway Sidings	12.03	-	-	12.03	0.76	-	-	6.90	5.13
Plant and Machinery	1,544.85	57.99	6.20	1,596.64	113.84	-	0.49	883.71	712.93
Office Equipments	100.72	40.16	9.94	130.94	14.03	-	7.54	70.14	60.80
Furniture & Fixtures	116.08	-	5.36	110.72	1.02	-	3.56	85.27	25.45
Vehicles	29.01	-	1.43	27.58	0.53	-	0.79	16.51	11.07
Total	14,182.92	98.15	534.43	12,154.74	136.69	-	12.38	1,126.09	11,028.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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) Company has taken vehicle on lease with lease term of 60 months, remaining lease term is 12 months as on 31 March 2023.

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 2022	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2023	As at 31 March 2022	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 2023	As at 31 March 2023	
Building	-	-	-	-	-	-	-	-	-	-	
Vehicles	58.24	-	-	58.24	34.95	-	11.64	-	46.59	11.65	
Total	58.24	-	-	58.24	34.95	-	11.64	-	46.59	11.65	

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount	
	As at 31 March 2021	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2022	As at 31 March 2021	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 2022	As at 31 March 2022	
Building	6.42	-	6.42	-	-	-	1.61	1.61	-	-	
Vehicles	58.24	-	-	58.24	23.30	-	11.65	-	34.95	23.29	
Total	64.66	-	6.42	58.24	23.30	-	13.26	1.61	34.95	23.29	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
Reconciliation of Deferred Tax Assets/(Liabilities)			
Particulars			
		159.44	646.72
	Opening Balance as on 1st April		
	Deferred tax income/ (expense) during the period recognised in profit & loss	688.33	(488.97)
	Deferred tax income/ (expense) during the period recognised in OCI	(30.40)	1.69
	Closing Balance	817.37	159.44
10	Long Term Loans and Advances		
	Capital Advance	-	5.20
	Total	-	5.20
11	Inventories		
	(At cost or NRV whichever is lower)		
	Raw Materials *	787.03	812.75
	Work-in-Process	276.92	109.63
	Finished Products	185.49	-
	Stores and Spares*	90.78	72.97
	Total	1,340.22	995.35
	* Material in transit included above is as below:		
	Raw materials ₹ 27.53 lakhs (Previous year ₹ 75.69 lakhs).		
	Stores and Spares ₹ 36.13 lakhs (Previous year NIL).		
12	Trade Receivables		
	Unsecured		
	Considered good (Refer Note No.41)	5,237.54	2,363.77
	Considered doubtful	-	-
	Total	5,237.54	2,363.77
13	Cash and Cash Equivalents		
	Balance with banks:		
	- In Current Account	211.78	59.62
	- Deposit with maturity of less than 3 months	400.00	500.58
	Cash in hand	0.44	0.42
	Total	612.22	560.62
14	Other Bank Balances		
	Balance with banks:		
	Deposit with maturity of more than 3 months but less than 12 months*	313.68	300.00
	Total	313.68	300.00

*Held as lien by bank against bank guarantees.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
15	Other Current Financial Assets		
	Loans and advances to subsidiaries	8,685.95	8,684.77
	Less: Allowance for credit Loss	7,785.90	7,785.70
	Sub-Total	900.05	899.07
	Loans and advances to others	-	-
	Less: Allowance for credit Loss	-	-
	Sub-Total	-	-
	Loans and advances to Promoters/Directors/KMPs	-	-
	Sub-Total	-	-
	Interest Accrued	20.16	5.50
	Security Deposits	5.00	18.50
	Total	925.21	923.07
	Note:		
15.1	Movement in Allowance for credit loss is as follows:		
	Opening	7,785.70	8,599.41
	Additions/(Reduction)	0.20	(813.71)
	Closing	7,785.90	7,785.70
15.2	Loans and Advance to subsidiaries includes Rs. 852.32 lakh receivable from Cati Madencilik Ithalat Ve Ihracat (Cati), a stepdown overseas subsidiary. Company is certain to realise this amount, however operation in Cati is yet to commence.		
16	Current Tax Assets (Net)		
	Advance tax (Net of provision for income tax)	527.80	102.16
	Total	527.80	102.16
17	Other Current Assets		
	Advances to vendors	124.76	33.40
	Taxes and duties recoverable	153.39	397.22
	Prepaid expenses	33.11	39.58
	Others*	108.94	-
	Total	420.20	470.20
	* The asset pertains to defined benefit asset.		
18	Assets Classified as Held for Sale		
	Land	1,139.24	1,657.00
	Mines & Quarries	302.75	302.75
	Buildings	0.25	0.25
	Total	1,442.24	1,960.00

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 ₹ 668.17 lakhs (previous year ₹ 924.36 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

	As at 31 March 2023	As at 31 March 2022
19 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 2023		As at 31 March 2022	
	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 2023		As at 31 March 2022	
	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%

d. Details of shareholdings by the Promoters/ Promoter Groups

Promoter/ Promoter Group Name	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of Shares	% Holding	Number of Shares	% Holding	
Promoter					
Mohinidevi Umashankar Saraf	2098174	1.07%	2098174	1.07%	0.00%
Bimladevi Vithaldas Saraf	1217651	0.62%	1217651	0.62%	0.00%
Murlidhar Durgaprasadji Saraf	2850974	1.46%	2850974	1.46%	0.00%
Ramkisan Durgaprasadji Saraf	2256	0.00%	2256	0.00%	0.00%
Sanjiv Saraf	239387	0.12%	239387	0.12%	0.00%
Promoter Group					
Urmiladevi Narayandas Saraf	3629215	1.86%	3629215	1.86%	0.00%
Promiladevi Ramkisan Saraf	2556967	1.31%	2556967	1.31%	0.00%
Anurag Murlidhar Saraf	2507354	1.28%	2507354	1.28%	0.00%
Sushmadevi Vinodkumar Saraf	1708582	0.87%	1708582	0.87%	0.00%
Ramadevi Manojkumar Saraf	1248361	0.64%	1248361	0.64%	0.00%
Vanitadevi Vineetkumar Saraf	883884	0.45%	876536	0.45%	0.84%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Promoter/ Promoter Group Name	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of Shares	% Holding	Number of Shares	% Holding	
Rohitkumar Narayandasji Saraf	872669	0.45%	872669	0.45%	0.00%
Vinodkumar Saraf	731814	0.37%	731814	0.37%	0.00%
Vineetkumar Vithaldas Saraf (HUF)	588385	0.30%	588385	0.30%	0.00%
Shailjadevi Ashishkumar Saraf	498207	0.25%	498207	0.25%	0.00%
Manojkumar Umashankar Saraf	488956	0.25%	488956	0.25%	0.00%
Madhavhari Yogeshkumar Saraf	311441	0.16%	311441	0.16%	0.00%
Ashishkumar Ramkisan Saraf	246679	0.13%	246679	0.13%	0.00%
Sonal Ashimkumar Saraf	237680	0.12%	237680	0.12%	0.00%
Gautam Vinodkumar Saraf	164098	0.08%	164098	0.08%	0.00%
Raghuhari Yogeshkumar Saraf	147185	0.08%	147185	0.08%	0.00%
Vineetkumar Vithaldas Saraf	120624	0.06%	120624	0.06%	0.00%
Manojkumar Umashankar Saraf (HUF)	103915	0.05%	103915	0.05%	0.00%
Sunanda devi saraf	83182	0.04%	83182	0.04%	0.00%
Amla Saraf	74797	0.04%	74797	0.04%	0.00%
Payal Murlidhar Saraf	72651	0.04%	72651	0.04%	0.00%
Vibhav Vineetkumar Saraf	64451	0.03%	64451	0.03%	0.00%
Ashim Kumar Ram Kisan Saraf	17008	0.01%	17008	0.01%	0.00%
Yogeshkumar Umashankar Saraf	12288	0.01%	12288	0.01%	0.00%
Preetidevi Rohitkumar Saraf	105973	0.05%	105973	0.05%	0.00%
Aisha Ashishkumar Saraf	11500	0.01%	11500	0.01%	0.00%
Madhuri Manojkumar Saraf	7948	0.00%	7948	0.00%	0.00%
Sidharath Vineet Kumar Saraf	-	0.00%	7348	0.00%	-100.00%
Gaurav Vinodkumar Saraf	5156	0.00%	5156	0.00%	0.00%
Sakhi Sanjeevkumar Saraf	5128	0.00%	5128	0.00%	0.00%
Gauri Sanjeev Saraf (HUF)	4800	0.00%	4800	0.00%	0.00%
Raghavendra Manojkumar Saraf	4800	0.00%	4800	0.00%	0.00%
Yogeshkumar Umashankar Saraf (HUF)	4100	0.00%	4100	0.00%	0.00%
Vinodkumar Vithaldas Saraf (HUF)	3560	0.00%	3560	0.00%	0.00%
Narayandas Durgaprasadjji Saraf	1704	0.00%	1704	0.00%	0.00%
Narayandas Durgaprasad Saraf (HUF)	1472	0.00%	1472	0.00%	0.00%
FAL Employees Welfare Trust	27576	0.01%	27576	0.01%	0.00%
FACOR Employees Welfare Trust	22424	0.01%	22424	0.01%	0.00%
Shreeram Co.Employees Welfare Trust	2512	0.00%	2512	0.00%	0.00%
R B Shreeram & Co. Pvt. Ltd.	61055682	31.22%	61055682	31.22%	0.00%
Saraf Bandhu Pvt. Ltd.	826200	0.42%	826200	0.42%	0.00%
Ferro Alloys Corporation Ltd.	500000	0.26%	500000	0.26%	0.00%
GDP Infrastructure Pvt. Ltd.	214440	0.11%	214440	0.11%	0.00%
Vidarbha Iron & Steel Co. Ltd	18144	0.01%	18144	0.01%	0.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Promoter/ Promoter Group Name	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of Shares	% Holding	Number of Shares	% Holding	
Suchitra Investments & Leasing Ltd.	5774	0.00%	5774	0.00%	0.00%
Premier Commercial Corporation	1000	0.00%	1000	0.00%	0.00%
Total	86608728	44.29%	86608728	44.29%	0.00%

Note:- % are shown upto two decimals.

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
20	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	3,117.17	1,346.37
	Add: Profit for the year after taxation as per statement of Profit and Loss	2,288.12	1,770.80
	Balance at the end of the year	5,405.29	3,117.17
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	(237.28)	(232.27)
	Addition during the year	90.39	(5.01)
	Balance at the end of the year	(146.89)	(237.28)
	Total Equity (a+b+c+d+e+f)	16,893.07	14,514.56

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
21	Provisions		
	Provision for employee benefits		
	- Compensated Absences	80.90	112.69
	Total	80.90	112.69
22	Other Non Current Financial Liabilities		
	Leased Liability - Car (ROU)	-	12.34
	Total	-	12.34
23	Borrowings		
	(a) From Related parties (Unsecured)	380.00	380.00
	(b) From Others (Unsecured)	252.00	252.00
	Total	632.00	632.00
24	Trade Payables		
	Micro Small and Medium Enterprises (Refer Note No.42&43)	131.90	41.93
	Others (Refer Note No.42)	3,097.66	1,047.93
	Total	3,229.56	1,089.86
25	Other Financial Liabilities		
	Interest accrued and due	19.12	19.12
	Other payables for:		
	- Managerial Remuneration	-	72.49
	- Employee Benefits Payable	77.46	78.78
	- Security deposits / Retention money	4.60	3.66
	Leased Liability (ROU)-Car	12.34	10.42
	Others	238.12	-
	Total	351.64	184.47
26	Other Current Liabilities		
	Statutory dues	205.14	282.59
	Revenue received in advance	59.42	129.69
	Other payables	830.70	1,014.88
	Total	1,095.26	1,427.16
27	Provisions		
	Provision for employee benefits		
	- Gratuity	-	59.06
	- Compensated Absences	57.51	48.46
	Others	1,020.53	1,020.53
	Total	1,078.04	1,128.05

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		Year ended 31 March 2023	Year ended 31 March 2022
28	Revenue from Operations		
	Sale of goods		
	- High Carbon Ferro Chrome- Export - Direct	-	487.42
	- Export - Deemed	6,960.59	4,250.82
	- Indigenous	3,600.08	453.04
	Subtotal	10,560.67	5,191.28
	Off Grade/By-products	-	-
	Sale of goods	10,560.67	5,191.28
	Sale of service- HCF conversion	17,179.43	12,648.22
	Sale of service- SiMn conversion	4,221.93	7,888.88
		31,962.03	25,728.38
	Export Incentives	-	5.36
	Scrap Sale	136.78	130.73
	Grand Total	32,098.81	25,864.47
29	Other Income		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	66.78	16.93
	- Others	181.05	122.47
	Miscellaneous Income	54.01	2,521.31
	Car Lease Rental Received	-	12.38
	Rent Received	3.26	0.60
	Total	305.10	2,673.69
29.1	Previous year's Miscellaneous Income includes power cost reimbursement amounting to ₹ 2026.80 lakhs for the FY 2017-18 announced by Industries and Commerce Department vide G.O.RT No. 2, dated 06.01.2022.		
30	Change in Inventory of Finished Goods and Work-in-Progress		
	Closing Stock		
	- Finished Goods	185.49	-
	- Work-in-Progress	276.92	109.63
		462.41	109.63
	Opening Stock		
	- Finished Goods	-	12.21
	- Work-in-Progress	109.63	95.45
		109.63	107.66
	Decrease / (Increase) in Inventories	(352.78)	(1.97)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		Year ended 31 March 2023	Year ended 31 March 2022
31	Employee Benefits Expense		
	Salaries and wages	1,262.53	1,276.42
	Contribution to provident and other funds	116.05	124.17
	Staff Gratuity and Superannuation	33.64	39.24
	Staff welfare expenses	292.34	230.41
	Directors' Remuneration	-	56.66
	Total	1,704.56	1,726.90
32	Finance Cost		
	Interest	67.89	76.56
	Interest Cost on Employee Benefit Plans	14.94	24.50
	Interest on Leased Asset (ROU)	4.20	5.82
	Total	87.03	106.88
33	Other Expenses		
	Mining Handling & Other Production Expenses	822.46	795.09
	Power and Fuel	16,306.75	13,580.42
	Repairs and Maintenance:		
	- Buildings	358.63	683.61
	- Plant and Machinery	1,731.78	2,209.22
	Freight, Shipment & Sales Expenses	78.64	75.51
	Stores & Spares	376.78	272.64
	Works Expenses	325.15	284.77
	Transport Expenses	280.91	181.29
	Rent	42.22	19.83
	Insurance	6.50	6.90
	Rates and Taxes	19.19	16.67
	Provision for Doubtful Advances	0.20	0.13
	Commission and Brokerage on Sales	1.38	-
	Donation	15.75	2.50
	Payment to Auditors	7.27	7.51
	Directors' Sitting Fees	6.95	5.40
	CSR Expenses (Refer Note No. 33.2)	21.64	16.24
	Miscellaneous Expenses	67.86	56.72
	Foreign Exchange Fluctuations	-	0.29
	Total	20,470.06	18,214.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	(₹ in Lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
33.1 Payment to Auditor as:		
(a) Statutory Auditor		
Audit Fees	3.50	3.50
Tax Audit Fees	0.75	0.75
Certification and Consultation Fees	0.23	-
Reimbursement of Expenses	1.14	0.76
(b) Cost Auditor		
Audit Fees	0.50	0.50
(c) GST Auditor		
Audit Fees	1.15	1.15
Certification and Consultation Fees	-	0.85
Total	7.27	7.51

33.2 Corporate Social Responsibilities (CSR) – Expenditure

Particulars	2022-23	2021-22
Amount required to be spent as per Section 135 of the Act	21.64	16.24
Amount spent during the year on:		
1) Construction/ Acquisition of any asset	-	-
2) On purpose other than(1) above	21.64	16.24
Total CSR	21.64	16.24
Shortfall at the end of the year	-	-
Amount available for set off in succeeding financial years	-	-

34 Reconciliation of Tax Expense

Profit/(Loss) before Tax	1,595.28	2,623.57
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expenses	401.50	660.30
Tax Effect of:		
Adjustment of earlier year tax	(4.51)	77.96
Decrease/(Increase) Deferred Tax Liabilities	(20.80)	(16.72)
(Decrease)/Increase Deferred Tax Assets	(667.53)	505.69
Others Tax Adjustment	(401.50)	(374.46)
Tax Expenses Recognised in Profit and Loss	(692.84)	852.77

35 Earning Per Share

Profit/ (Loss) for the Period	2,288.12	1,770.80
Weighted Average Number of Equity Shares of ₹ 1/- each (In lakhs)	1,955.48	1,955.48
EPS - Basic and Diluted	1.17	0.91

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

36 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities

- a. Claims against the Company not acknowledged as debts, since disputed ₹ 1,336.85 lakhs (Previous Year ₹ 1,073.90 lakhs). Amounts paid under protest ₹ 110.85 lakhs (Previous Year ₹ 57.90 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 ₹ 300.00 lakhs (previous year ₹ 300.00 lakhs) secured by way of fixed deposit as disclosed in note 14.

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 ₹ 46.80 lakhs).

37 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 2023	For the year ended 31 March 2022
Outside India (Including Deemed Export)	6,960.59	4,738.24
Domestic	25,001.44	20,990.14

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 2023	For the year ended 31 March 2022
Tata Steel Mining Ltd.	17,179.43	12,064.30
R.T.V.N. Pvt. Ltd	4,221.93	5,363.79
Mortex India Ltd.	3,759.77	3,735.95
Abhijeet Ferrotech Ltd.	-	2,525.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

38 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 (till 09.09.2022)
- Facor Electric Ltd. - Subsidiary Company (till 31.08.2022)
- 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 Shreeram Durgaprasad Ores (P) Ltd

C. Key Management Personnel

- 1 R.K. Saraf - Chairman & Managing Director

(₹ in Lakhs)

II Transactions with Related Parties during the year ended 31-03-2023 in the ordinary course of business.

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
i) Rent paid	-	-	91.02	62.36	-	-
ii) Rent received	-	-	-	-	-	14.61
iii) Interest Received/(Paid)	-	-	(37.68)	(38.48)	-	-
iv) Short Term Loans & Advances Provided/(Received)	1.18	0.70	-	10.16	-	-
v) Clearing & forwarding and other service charges	-	-	0.01	-	-	-
vi) Key Management Personnel and their Relative's Remuneration	-	-	-	-	-	69.70
vii) Sitting Fees	-	-	-	-	6.95	5.40
viii) Balances outstanding at the year end:						
a) Short Term Loans & Advances	900.05	899.07	(382.91)	(382.91)	-	-
b) Key Management Personnel and their Relative's Remuneration	-	-	-	-	-	72.49
c) Other Payables	-	-	15.31	6.30	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

S.No.	Particulars	Relationship	2022-23	2021-22
1	RENT PAID:			
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	91.02	62.36
	Total		91.02	62.36
2	RENT RECEIVED:			
	Shri R.K. Saraf	Key Managerial Personnel	-	14.61
	Total		-	14.61
3	INTEREST RECEIVED/(PAID)			
	Paid			
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	(8.92)	(9.73)
	Shreeram Durgaprasad Ores (P) Ltd	Others	(28.75)	(28.75)
	Total		(37.68)	(38.48)
4	SHORT TERM LOANS AND ADVANCES (RECEIVED)/PAID			
	Loans (Received)/Given			
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	-	10.10
	Shreeram Durgaprasad Ores (P) Ltd	Others	-	0.06
	Sub-Total		-	10.16
	Best Minerals Limited	Subsidiary	-	0.17
	Facor Electric Limited	Subsidiary	-	0.40
	FAL Power Ventures Private Limited	Subsidiary	1.18	0.13
	Sub-Total		1.18	0.70
	Net Loan Paid		1.18	10.86
5	CLEARING & FORWARDING AND OTHER SERVICE CHARGES			
	Shreeram Shipping Services Pvt. Ltd.	Others	0.01	-
	Total		0.01	-
6	KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES' REMUNERATION			
	Shri R.K. Saraf	Key Management Personnel	-	18.10
	Shri Ashim Saraf	Key Management Personnel	-	21.30
	Shri Anurag Saraf	Key Management Personnel	-	18.90
	Shri M.D Saraf	Relative of Key Management Personnel	-	11.40
	Total		-	69.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

S.No.	Particulars	Relationship	2022-23	2021-22
7	DIRECTOR'S SITTING FEES			
	Shri Ashim Saraf	Non Executive Directors	0.95	-
	Shri Anurag Saraf	Non Executive Directors	0.60	-
	Shri Manoj Saraf	Non Executive Directors	0.45	-
	Shri Vinod Saraf	Non Executive Directors	0.30	-
	Shri K Jaybharath Reddy	Non Executive Directors	0.65	0.50
	Shri A.S.Kapre	Non Executive Directors	1.25	1.75
	Shri Kishan Lal Mehrotra	Non Executive Directors	1.45	1.95
	Mrs. Urmila Gupta	Non Executive Directors	0.85	1.20
	Shri M B Thaker	Non Executive Directors	0.45	-
		Total	6.95	5.40
8	BALANCES OUTSTANDING AT THE YEAR END			
	(A) Short Term Loans & Advances - Given:			
	FAL Power Ventures Private Limited	Subsidiary	1,205.81	1,204.63
	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	8,685.95	8,684.77
	Rai Bahadur Shreeram & Company Pvt Ltd	Others	(90.69)	(90.69)
	Shreeram Durgaprasad Ores (P) Ltd	Others	(292.22)	(292.22)
		Sub-Total	(382.91)	(382.91)
		Total	8,303.04	8,301.86
	Out of above balances -			
	(i) Life time expected credit loss recognised during previous years			
	FAL Power Ventures Private Limited	Subsidiary	1,156.86	1,156.86
	Facor Minerals (Netherlands) B.V.	Subsidiary	6,627.82	6,627.82
		Sub-Total	7,784.68	7,784.68
	(ii) Provisions for doubtful recovery created for balance till current year			
	FAL Power Ventures Private Limited	Subsidiary	1.22	1.02
		Sub-Total	1.22	1.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

S.No.	Particulars	Relationship	2022-23	2021-22
	(B) Key Management Personnel and their Relatives' Remuneration			
	Shri R.K. Saraf	Key Managerial Personnel	-	31.65
	Shri Ashim Saraf	Key Managerial Personnel	-	25.16
	Shri Anurag Saraf	Key Managerial Personnel	-	15.68
	Total		-	72.49
	(C) Other Current Liabilities			
	Other Payables:			
	Rai Bahadur Shreeram and Company Pvt. Ltd.	Others	15.31	6.30
	Total		15.31	6.30

39 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.

40 Employee Benefits

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

Defined Contribution Plans:

Amount of ₹ 118.93 lakhs (Previous Year ₹ 127.85 lakhs) is recognised as expenses and included in "Employee Benefits Expense" in Note 31 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 2023. 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 2023	31 March 2022
(a) Net Defined Benefit Liability		
Liability for Gratuity *	-	59.05
Liability for PL Encashment	138.41	161.15
Total Employee Benefit Liability	138.41	220.20
Non-Current	80.90	112.68
Current	57.51	107.52

* In current year, Defined Benefit Asset were recognised (Refer Note 17)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

(₹ In Lakhs)

Particulars	Gratuity		PL Encashment	
	2022-23	2021-22	2022-23	2021-22
Present value of Defined Benefit Obligation at the beginning of the year	758.59	858.43	161.15	170.30
Interest Cost	51.58	55.63	10.96	11.04
Current Service Cost	30.76	35.56	15.45	17.73
Actuarial Losses/(Gains)	(92.15)	1.27	(19.68)	1.09
Benefits Paid	(176.16)	(192.30)	(29.48)	(39.01)
Present value of Defined Benefit Obligation at the close of the year	572.62	758.59	138.40	161.15

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

(₹ In Lakhs)

Particulars	Gratuity	
	2022-23	2021-22
Fair Value of Plan Assets at the beginning of the year	699.54	650.62
Adjustments	0.50	-
Add : Expected Return on Plan Assets	47.60	42.16
Add/(Less) : Actuarial Gains/(Losses)	8.96	(4.33)
Add : Contributions	101.12	203.39
Less : Benefits Paid	(176.16)	(192.30)
Fair Value of Plan Assets at the close of the year	681.56	699.54

(c) **Amount Recognised in The Balance Sheet**

(₹ In Lakhs)

Particulars	Gratuity		PL Encashment	
	2022-23	2021-22	2022-23	2021-22
Present Value of Defined Benefit Obligation	572.62	758.59	138.40	161.15
Less : Fair Value of Plan Assets	681.56	699.54	-	-
Present Value of unfunded obligation	(108.94)	59.05	138.40	161.15

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

(₹ In Lakhs)

Particulars	Gratuity		PL Encashment	
	2022-23	2021-22	2022-23	2021-22
In Income Statement				
Current Service Cost	30.76	35.56	15.45	17.73
Adjustments	-	-	-	-
Interest Cost	3.98	13.47	10.96	11.04
Expected return on Plan Asset	34.74	49.03	26.41	28.77
In Other Comprehensive Income				
Net actuarial loss/(gain)	(101.11)	5.61	(19.68)	1.09
Net periodic cost	(101.11)	5.61	(19.68)	1.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(e) Investment Details:

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

(f) Actuarial Assumptions as at the Balance Sheet date

Particulars	2022-23	2021-22
Discount Rate	7.50%	6.80%
Salary Escalation Rate	5.00%	5.00%
Expected rate of return on plan assets	6.80%	6.48%

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

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2022-23.

(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 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Change in discounting rate (delta effect of +/- 0.5%)	(2.25)	2.33	(2.30)	2.38
Change in rate of salary increase (delta effect of +/- 0.5%)	2.38	(2.31)	2.41	(2.35)

41 Trade Receivables for following periods from due date of payment. (₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Considered good		Considered good	
Less than 6 months	3,661.60		2,357.35	
6 months -1 year	1,575.94		6.42	
1-2 years	-		-	
2-3 years	-		-	
More than 3 years	-		-	
Total	5,237.54		2,363.77	

42 Trade Payable for following periods from due date of payment. (₹ In Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	MSME	Others	MSME	Others
Less than 1 year	131.90	3,097.66	6.34	1,046.19
1-2 years	-	-	18.86	0.06
2-3 years	-	-	16.73	-
More than 3 years	-	-	-	1.68
Total	131.90	3,097.66	41.93	1,047.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

43 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	31.03.2023	31.03.2022
1	Principal amount remaining unpaid	131.90	0
2	Interest due thereon remaining unpaid	0	0
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.	0	6.34
5	Interest accrued and remaining unpaid	0	6.34
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.	0	35.59

44 True-up charges liability for the period 2014-2019 amounting to Rs. 476.25 lakhs as per APERC order dated 14th July, 2022 provided during the year.

45 Key Ratios

Ratios	31.03.2023	31.03.2022	% change from Previous Year
1. Current Ratio	1.69	1.72	-1.5%
2. Debt Equity Ratio	0.03	0.04	-14.0%
3. Debt Service Coverage Ratio	16.16	18.55	-12.9%
4. Return on Equity Ratio (%)	12.96%	11.36%	14.1%
5. Inventory Turnover Ratio	27.49	42.64	-35.5%
6. Trade Receivable Turnover Ratio	8.45	11.26	-25.0%
7. Trade Payable Turnover Ratio	14.74	15.91	-7.4%
8. Net Capital Turnover Ratio	7.24	8.01	-9.5%
9. Net Profit Ratio (%)	7.13%	6.88%	3.6%
10. Return on capital employed	0.09	0.16	-45.9%

Note: During the current and previous year, the Company has not earned income on the investments held on account of losses incurred by the respective Investee Company. Accordingly, ratio for Return on Investments has not been presented.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Reasons for more than 25% increase/ (decrease) in above ratios

Particulars	Reason for change
1. Current Ratio	Not Significant
2. Debt Equity Ratio	Not Significant
3. Debt Service Coverage Ratio	Not Significant
4. Return on Equity Ratio	Not Significant
5. Inventory Turnover Ratio	The reduction in ratio is due to Increased Average inventory as compare to Turnover.
6. Trade Receivable Turnover Ratio	The reduction in ratio are mainly due to Increase in Average Debtors on account of Increase in turnover and non realisation from RTVNPL on due dates (refer note 49).
7. Trade Payable Turnover Ratio	Not Significant
8. Net Capital Turnover Ratio	Not Significant
9. Net Profit Ratio (%)	Not Significant
10. Return on capital employed	The reduction in ratio is due to reduction in EBIT as compared to previous year.

46 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category*

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
	Amortised Cost	Amortised Cost
Financial assets		
Non-Current Investments	-	0.05
Other Non-Current Financial Assets	2,552.30	2,164.81
Trade Receivables	5,237.54	2,363.77
Cash and Cash Equivalents	612.22	560.62
Other Bank Balances	313.68	300.00
Other Current Financial Assets	925.21	923.07
	9,640.95	6,312.32
*Exclude financial instruments measured at cost		
Financial Liabilities		
Borrowings	632.00	632.00
Trade Payables	3,229.56	1,089.86
Other Financial Liabilities	351.64	184.47
	4,213.20	1,906.33

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
Financial assets and liabilities which are Measured at amortised cost for which fair values are disclosed

(₹ in Lakhs)

Particulars	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	-	-
Other Non-Current Financial Assets	-	-	2,552.30	2,552.30
Trade Receivables	-	-	5,237.54	5,237.54
Cash and Cash Equivalents	-	-	612.22	612.22
Other Bank Balances	-	-	313.68	313.68
Other Current Financial Assets	-	-	925.21	925.21
Total financial assets	-	-	9,640.95	9,640.95
Financial Liabilities				
Borrowings	-	-	632.00	632.00
Trade Payables	-	-	3,229.56	3,229.56
Other Financial Liabilities	-	-	351.64	351.64
Total financial liabilities	-	-	4,213.20	4,213.20

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

(₹ in Lakhs)

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	0.05	0.05
Other Non-Current Financial Assets	-	-	2,164.81	2,164.81
Trade Receivables	-	-	2,363.77	2,363.77
Cash and Cash Equivalents	-	-	560.62	560.62
Other Bank Balances	-	-	300.00	300.00
Other Current Financial Assets	-	-	923.07	923.07
Total Financial Assets	-	-	6,312.32	6,312.32
Financial Liabilities				
Borrowings	-	-	632.00	632.00
Trade Payables	-	-	1,089.86	1,089.86
Other Financial Liabilities	-	-	184.47	184.47
Total Financial Liabilities	-	-	1,906.33	1,906.33

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-Current Investments	-	-	0.05	0.05
Other Non-Current Financial Assets	2,552.30	2,552.30	2,164.81	2,164.81
Trade Receivables	5,237.54	5,237.54	2,363.77	2,363.77
Cash and Cash Equivalents	612.22	612.22	560.62	560.62
Other Bank Balances	313.68	313.68	300.00	300.00
Other Current Financial Assets	925.21	925.21	923.07	923.07
	9,640.95	9,640.95	6,312.32	6,312.32
Financial liabilities				
Borrowings	632.00	632.00	632.00	632.00
Trade Payables	3,229.56	3,229.56	1,089.86	1,089.86
Other Financial Liabilities	351.64	351.64	184.47	184.47
	4,213.20	4,213.20	1,906.33	1,906.33

II. Financial Risk Management

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

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

Risk Management Framework

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

The gross carrying amount of trade receivables is ₹ 5,237.54 lakhs (31 March 2022 ₹ 2,363.77 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023 amounted to ₹ 900.05 lakhs (As at 31 March 2022 is ₹ 899.07 lakhs).

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 2023 and as on 31 March 2022.

(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 2023	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	632.00	632.00	632.00	-	-	-
Trade payables	3,229.56	3,229.56	3,229.56	-	-	-
Other financial liabilities	351.64	351.64	351.64	-	-	-
Total non-derivative liabilities	4,213.20	4,213.20	4,213.20	-	-	-

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2022	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	632.00	632.00	632.00	-	-	-
Trade payables	1,089.86	1,089.86	1,089.86	-	-	-
Other financial liabilities	184.47	184.47	184.47	-	-	-
Total non-derivative liabilities	1,906.33	1,906.33	1,906.33	-	-	-

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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	As at
	31 March 2023	31 March 2022
	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 2023				
5% movement	NA	NA	NA	NA
USD	-	-	-	-
31 March 2022				
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023	31 March 2022
Fixed Rate Instruments		
Financial Assets	713.68	800.63
Financial Liabilities	-	-
	(713.68)	(800.63)
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 2023				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2022				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

47 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.

48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

- 49** The Company has terminated the conversion agreements dated 01-08-2021 ("Agreement") with Rajadhiraj Vinayak Natraj Pvt. Ltd ("RTVNPL") vide termination notice dated 27-10-2022 as RTVNPL has violated the terms of the said Agreement. RTVNPL against the said termination had filed a petition bearing no.O.M.P. (I) (Comm.) 310/2022 under section 9 of arbitration and conciliation Act ("Act") before Hon'ble High Court of Delhi and sought interim reliefs against the termination of the said Agreement. The Hon'ble High Court of Delhi vide order dated 03-11-2022 referred the parties to Mediation under the aegis of Samadhan, at Delhi High Court Mediation and Conciliation Centre, however same was unsuccessful. Thereafter, the Hon'ble High Court of Delhi vide order dated 10-11-2022 treated present petition as an application under section 17 of the Act on mutual consent of both counsels and referred the matter to the arbitration to be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court. Hon'ble Ms. Justice Indira Banerjee, former judge of Supreme Court of India was appointed as Sole Arbitrator. Claim and counter claim are filed and arbitration is in process. As no Arbitration award has been passed and impact cannot be quantified at this stage, therefore, no accounting adjustment have been made in books of Accounts. Debtors include Rs. 1,965.36 lakh receivable from RTVNPL on account of conversion bills as on 31-03-2023.
- 50 Other Statutory Information**
- a) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of erstwhile pre-demerged company. The immovable properties were 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
 - b) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - c) The company has not been declared wilful defaulter by any bank or financial institution or other lender.
 - d) The Company do not have any transactions with companies struck off.
 - e) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - g) During the year company has not availed working capital borrowings from banks or financial institutions.
- 51** 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

Mohsin Hada

Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

For K.K. Mankeshwar & Co.

Chartered Accountants
(Firm's Regn. No. 106009W)

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

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, 2023, 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, 2023, 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matters	How Our audit addressed the key audit matter
<p>Pending Arbitration proceedings for pre termination of conversion agreement by the company (as described in note no. 48 to the Consolidated Ind AS financial statements)</p> <p>The Company is subject to Arbitration proceedings related to termination of conversion agreement by the company before Hon'ble High Court of Delhi appointed Arbitrator. Claims and counter claims are made by both the parties to arbitration. The assessment of the likelihood and quantum of impact in respect of arbitration can be judgmental due to the uncertainty about the outcome.</p> <p>We identified this as a key audit matter, since the amounts involved are material to the Consolidated financial statements and involve a significant degree of management judgment in interpreting the case and it may subject to management bias. These claims and counter claims require management estimates and interpretation of various matters, issues involved and are subjective in nature.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Assessed the management's conclusions through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussed with the management on the development in these litigations during the year ended March 31, 2023. • Rolled out of enquiry letters to the Company's legal counsel and noted the responses received. • Assessed the responses received from Company's legal counsel by engaging our internal legal experts. • Assessed the objectivity and competence of the Company's legal counsel involved in the process and legal experts engaged by us. • Assessed and validated the adequacy and appropriateness of the disclosure made by the management in the Consolidated Ind AS Financial Statements. • Obtained representation letter from the management on the assessment of these matters.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 four subsidiaries which have been audited by the other Auditor. The company has submitted applications to ROC dated 31/08/2022 & 09/09/2022 for striking off two wholly owned subsidiary companies namely M/s Facor Electric Ltd and M/s Best Minerals Ltd. Hence the figures of M/s Facor Electric Ltd and M/s Best Minerals Ltd. are consolidated till 13/08/2022 and 16/08/2022 respectively. However, there is no material impact on consolidated results as these companies were inoperative since long.

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, is based solely on such audited financial statement, whose financial statement reflect total assets of Rs.333.64 lakhs as on 31st March 2023, total profit/loss of Rs. (1592.21) lakhs and net cash outflow of Rs. 4.26 lakhs for the year ended as considered in the consolidated Ind AS financial statement.

The consolidated annual financial statements include total assets of Rs. 285.63 lakhs as at 31st March, 2023, total revenues of Rs. 208.20 lakhs, total net profit/(loss) after tax of Rs. (1591.50) for the year ended 31st March, 2023, and net cash outflow of Rs. 4.81 lakhs for the year ended 31st March, 2023 as considered in the consolidated annual financial statements in respect of one subsidiary which is located outside India whose financial statements have been prepared

in accordance with accounting principles generally accepted in that country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is solely based on the reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on 31st March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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. Based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, Holding Company, its subsidiaries, associates and joint ventures incorporated in India have not paid any managerial remuneration for the year ended March 31, 2023 to their directors.

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

- i) The consolidated financial statements disclose impact of pending litigations in Note No. 35 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

iv) a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding

Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) No dividend declared or paid during the year by The Holding Company, its subsidiaries, associates and joint venture companies incorporated in India during the year.

Mohsin Hada
Partner

Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants

Place: New Delhi Firm's Registration No. 106009W
Date: 17th May, 2023 UDIN:23608681BGQVHX9524

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

The Annexure referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirement” section of our Independent Auditors’ Report to the members of the Company on the financial statements for the period ended March 31, 2023, we report that:

- (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

Mohsin Hada
Partner

Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants

Place: New Delhi Firm's Registration No. 106009W
Date: 17th May, 2023 UDIN:23608681BGQVHX9524

Annexure- “B” to the Independent Auditors’ Report
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s Facor Alloys Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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.

Mohsin Hada
Partner

Membership No. 608681

For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants

 Place: New Delhi
Date: 17th May, 2023

 Firm’s Registration No. 106009W
UDIN:23608681BGQVHX9524

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

(₹ in Lakhs)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	11,367.54	11,338.16
Intangible	4	35.09	1,661.59
Right of Use Assets (ROU)	5	11.65	23.29
Financial Assets			
(i) Investments	6	-	0.06
(ii) Other Non-Current Financial Assets	7	2,553.60	2,166.41
Deferred Tax Asset (Net)	8	822.36	165.46
Long Term Loans and Advances	9	-	5.20
Total Non-Current Assets		14,790.24	15,360.17
Current Assets			
Inventories	10	1,343.03	998.74
Financial Assets			
(i) Trade Receivables	11	5,237.54	2,363.77
(ii) Cash and Cash Equivalents	12	616.52	569.18
(iii) Other Bank Balances	13	313.68	300.00
(iv) Other Current Financial Assets	14	25.16	24.00
Current Tax Assets (Net)	15	527.80	102.16
Other Current Assets	16	453.33	516.55
Assets Classified as Held for Sale	17	1,442.24	1,960.00
Total Current Assets		9,959.30	6,834.40
Total Assets		24,749.54	22,194.57
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	1,955.48	1,955.48
Other Equity	19	16,940.01	15,156.98
Non-Controlling Interest		(965.16)	(750.23)
Total Equity		17,930.33	16,362.23
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	82.27	455.78
Provisions	21	83.96	116.38
Other Non-Current Financial Liabilities	22	-	12.34
Total Non-Current Liabilities		166.23	584.50
Current Liabilities			
Financial Liabilities			
(i) Short Term Borrowings	23	693.86	1,011.82
(ii) Trade Payables			
Micro Small and Medium Enterprises	24	131.90	41.93
Others	24	3,097.83	1,048.10
(iii) Other Financial Liabilities	25	351.64	184.47
Other Current Liabilities	26	1,299.71	1,833.47
Provisions	27	1,078.04	1,128.05
Total Current Liabilities		6,652.98	5,247.84
Total Liabilities		6,819.21	5,832.34
Total Equity and Liabilities		24,749.54	22,194.57

Notes to Financial Statements

1 to 49

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Revenue from Operations	28	32,098.81	25,864.47
Other Income	29	513.30	2,700.41
Total Income		32,612.11	28,564.88
Expenses			
Cost of Materials Consumed		10,059.93	5,322.52
Change in Inventory of Finished Goods and Work in Progress	30	(352.78)	(1.97)
Employee Benefits Expense	31	1,704.56	1,726.90
Finance Costs	32	87.34	127.25
Depreciation		193.72	168.93
Other Expenses	33	20,629.05	18,236.30
Total Expenses		32,321.82	25,579.93
Profit/ (Loss) before Tax and Exceptional Items		290.29	2,984.95
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		1,699.99	-
B) Profit / (Loss) on Sale/Discard of Fixed Assets		108.46	(386.56)
C) True-up Charges (Refer Note 38)		(476.25)	-
D) Impairment of Goodwill		(1,619.22)	-
Profit/ (Loss) Before Tax		3.27	2,598.39
Tax Expense:			
Current Tax		-	285.84
Tax for earlier years		(4.51)	77.96
Deferred Tax		(688.33)	488.97
Profit/ (Loss) for the Period (A)		696.11	1,745.62
Other Comprehensive Income			
Items that will not be reclassified subsequently to statement Profit or Loss			
Remeasurement of defined benefit plans		120.79	(6.70)
Deferred Tax relating to remeasurement of defined benefit plans		(30.40)	1.69
Items that will be reclassified subsequently to statement of Profit or Loss			
Foreign Currency Translation Reserve		850.31	(104.59)
Total Other Comprehensive Income for the period (B)		940.70	(109.60)
Total Comprehensive Income for the period (A) + (B)		1,636.81	1,636.02
Profit attributable to :			
- Shareholders of the Company		843.68	1,747.81
- Non-Controlling Interests		(147.57)	(2.19)
Other Comprehensive Income attributable to :			
- Shareholders of the Company		940.70	(109.60)
- Non-Controlling Interests		-	-
Total Comprehensive Income attributable to :			
- Shareholders of the Company		1,784.38	1,638.21
- Non-Controlling Interests		(147.57)	(2.19)
Earnings per equity share	34		
Basic		0.43	0.89
Diluted		0.43	0.89
Notes on Financial Statements	1 to 49		

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

(a) Equity Share Capital	No. of Shares	Amount
Balance as at 1 April 2021	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2022	19,55,47,355	1,955.48
Balance as at 1 April 2022	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	19,55,47,355	1,955.48

(b) Other equity

Particulars	Reserves & Surplus					Foreign Currency Translation Reserve	OCI Remeasurement of defined benefit plans	Total
	Securities Premium	General Reserve	Capital Reserve	Retained earnings	Equity Portion of Borrowings			
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
Profit for the year	-	-	(0.58)	1,747.81	-	-	-	1,747.23
Other comprehensive income for the year	-	-	-	-	-	(104.59)	(5.01)	(109.60)
Total comprehensive income for the year	-	-	(0.58)	1,747.81	-	(104.59)	(5.01)	1,637.63
Balance at 31 March 2022	2,667.52	250.00	8,684.27	3,487.20	16.64	288.63	(237.28)	15,156.98
Profit for the year	-	-	(1.35)	843.68	-	-	-	842.33
Other comprehensive income for the year	-	-	-	-	-	850.31	90.39	940.70
Total comprehensive income for the year	-	-	(1.35)	843.68	-	850.31	90.39	1,783.03
Balance at 31 March 2023	2,667.52	250.00	8,682.92	4,330.88	16.64	1,138.94	(146.89)	16,940.01

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

S. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A	Cash flows from operating activities:		
	Net Profit/ (Loss) after Prior Period Items and before Tax	3.27	2,598.39
	Adjustments For:		
a)	Interest Income	(247.90)	(139.69)
b)	Depreciation	193.72	168.93
c)	(Gain)/ Loss on sale of fixed assets	(108.46)	386.56
d)	(Gain)/ Loss on sale of investment	(1,699.99)	-
e)	Effect of change in foreign currency translation reserve	850.31	(104.59)
f)	Interest Expense	87.34	127.25
	Operating Cash Profit before Working Capital Changes	(921.71)	3,036.85
	Movement in Working Capital:-		
a)	Increase/(Decrease) in Trade Payables	2,139.70	(984.02)
b)	Increase/(Decrease) in Other Current Liabilities	(533.76)	(729.17)
c)	Increase/(Decrease) in Other Current Financial Liabilities	167.17	(129.91)
d)	(Increase)/Decrease in Other Non Current Financial Assets	(386.16)	23.62
e)	Increase/(Decrease) in Provisions	38.36	(163.16)
f)	(Increase)/Decrease in Other Current Financial Assets	(0.18)	(10.69)
g)	(Increase)/Decrease in Inventories	(344.29)	(781.64)
h)	(Increase)/Decrease in Trade Receivables	(2,873.77)	(156.18)
i)	(Increase)/Decrease in Other Current Assets	63.22	(128.05)
j)	Increase/(Decrease) in Other Non Current Financial Liabilities	(12.34)	(10.42)
k)	(Increase)/Decrease in Long Term Loans & Advances	5.20	(5.20)
	Cash Generated From/ (used in) operations	(2,658.56)	(37.97)
	Less: Income Tax Paid (net of refunds)	(421.13)	(18.87)
	Net Cash Generated From/ (used in) Operating Activities(A)	(3,079.69)	(56.84)
B	Cash Flow from Investing Activities:		
	(Purchase) of property, plant and equipment and capital work in progress	(291.53)	(156.02)
	Net proceeds of property, plant and equipment and capital work in progress	2,332.79	781.73
	Interest received	233.24	134.25
	Net movement in Investments	1,700.05	0.52
	Change in Minority interest of Subsidiary company	(67.36)	(43.40)
	Net Cash Generated from/ (Used in) Investing Activities (B)	3,907.19	717.08
C.	Cash Flow from Financing Activities:		
	Net proceeds/(Repayment) of Borrowings	(692.82)	19.28
	Interest Expense Paid	(87.34)	(127.46)
	Payments towards lease obligation	-	(8.79)
	Net Cash generated from/ (used in) Financing Activities (C)	(780.16)	(116.97)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	47.34	543.27
	Cash and cash equivalents at the beginning of the year	569.18	25.91
	Balance at the end of year	616.52	569.18

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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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, 2023 were approved for issue in accordance with a resolution of the Board of Directors of the Company on 17th May, 2023.

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 (till 09.09.2022)	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 (till 31.08.2022)	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

- 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.
- 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 included in 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

- 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.

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, 2023 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 2023

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block			Depreciation				Net Block		
	As at 31 March 2022	Additions	Assets classified as held for sale	Deletions	As at 31 March 2023	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2023	As at 31 March 2023
Tangible Assets										
Freehold Land	9,865.04	-	-	4.04	9,861.00	-	-	-	-	9,861.00
Mines and Quarries Freehold	259.80	-	-	-	259.80	-	-	-	-	259.80
Buildings	407.97	8.62	-	24.30	392.29	17.58	-	-	127.05	285.24
Railway Sidings	12.03	-	-	-	12.03	0.66	-	-	7.56	4.47
Plant and Machinery	1,721.22	262.22	-	54.37	1,929.07	139.37	-	33.33	1,016.78	912.29
Office Equipments	130.96	15.79	-	22.93	123.82	22.79	-	14.84	78.09	45.73
Furniture & Fixtures	113.06	-	-	102.23	10.83	0.83	-	79.63	6.94	3.89
Vehicles	27.58	4.90	-	-	32.48	0.85	-	-	17.36	15.12
Total	12,537.66	291.53	-	207.87	12,621.32	182.08	-	127.80	1,253.78	11,367.54

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2022	Additions	Deletions	As at 31 March 2022	For the year	Adjustments / Deductions	As at 31 March 2023	As at 31 March 2023
Intangible Assets								
Mining Rights	42.37	-	7.28	-	-	-	-	35.09
Goodwill	1,619.22	-	1,619.22	-	-	-	-	-
Total	1,661.59	-	1,626.50	-	-	-	-	35.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block			Depreciation				Net Block		
	As at 31 March 2021	Additions	Assets classified as held for sale	Deletions	As at 31 March 2022	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2022	As at 31 March 2022
Tangible Assets										
Freehold Land	11,590.80	-	1,591.90	133.86	9,865.04	-	-	-	-	9,865.04
Mines and Quarries Freehold	637.44	-	-	377.64	259.80	-	-	-	-	259.80
Buildings	517.90	-	-	109.93	407.97	18.24	-	-	109.47	298.50
Railway Sidings	12.03	-	-	-	12.03	0.76	-	-	6.90	5.13
Plant and Machinery	1,753.82	57.99	-	90.59	1,721.22	120.94	-	2.94	910.74	810.48
Office Equipments	100.74	40.16	-	9.94	130.96	14.03	-	7.54	70.14	60.82
Furniture & Fixtures	119.52	-	-	6.46	113.06	1.17	-	3.56	85.74	27.32
Vehicles	32.17	-	-	4.59	27.58	0.53	-	1.18	16.51	11.07
Total	14,764.42	98.15	1,591.90	733.01	12,537.66	155.67	-	15.22	1,199.50	11,338.16

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2021	Additions	Deletions	As at 31 March 2022	For the year	Adjustments / Deductions	As at 31 March 2022	As at 31 March 2022
Intangible Assets								
Mining Rights	58.42	-	16.05	42.37	-	-	-	42.37
Goodwill	1,561.35	57.87	-	1,619.22	-	-	-	1,619.22
Total	1,619.77	57.87	16.05	1,661.59	-	-	-	1,661.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5 Right-of-Use Asset

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 March 2022	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2023	As at 31 March 2022	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 2023	As at 31 March 2023
Vehicles	58.24	-	-	58.24	34.95	-	11.64	-	46.59	11.65
Total	58.24	-	-	58.24	34.95	-	11.64	-	46.59	11.65

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 March 2021	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2022	As at 31 March 2021	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 2022	As at 31 March 2022
Building	6.42	-	6.42	-	-	-	1.61	1.61	-	-
Vehicles	58.24	-	-	58.24	23.30	-	11.65	-	34.95	23.29
Total	64.66	-	6.42	58.24	23.30	-	13.26	1.61	34.95	23.29

(₹ in Lakhs)

	As at 31 March 2023	As at 31 March 2022
6 Investment Others		
Investment Measured at fair value through OCI		
Investment Measured at amortised cost		
a In Government Securities : Unquoted		
6 Years National Savings Certificates	-	0.05
12 Years National Savings Certificates	-	0.01
Total	-	0.06
Aggregate book value of quoted investments	NIL	NIL
Aggregate book value of un-quoted investments	-	0.06
7 Other non-current financial assets		
<i>Unsecured, considered good</i>		
Security deposits		
- Others	2,553.10	2,165.91
Balance in Term Deposits (Maturity more than 12 months)	0.50	0.50
Total	2,553.60	2,166.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
8	Deferred Tax Liabilities/ Assets (Net)		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	85.97	106.77
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	37.43	44.79
	Unabsorbed Depreciation and Unabsorbed Business loss	11.29	6.02
	Unabsorbed Long Term Capital loss	859.61	221.42
	Total	822.36	165.46
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Opening Balance as on 1st April	165.46	656.93
	Deferred tax income/ (expense) on transition impact recognised in other equity	-	-
	Deferred tax income/ (expense) during the period recognised in profit & loss	688.33	(488.97)
	Deferred tax income/ (expense) during the period recognised in OCI	(30.40)	1.69
	Other adjustment for Consolidation	(1.03)	(4.19)
	Closing Balance	822.36	165.46
9	Long Term Loans and Advances		
	Capital Advance	-	5.20
	Total	-	5.20
10	Inventories		
	(At cost or NRV whichever is lower)		
	Raw materials *	787.03	812.75
	Work-in-Process	279.73	113.02
	Finished Products	185.49	-
	Stores and spares *	90.78	72.97
	Total	1,343.03	998.74
	* Material in transit included above is as below:		
	Raw materials ₹ 27.53 lakhs (Previous year ₹ 75.69 lakhs).		
	Stores and Spares ₹ 36.13 lakhs (Previous year NIL).		
11	Trade Receivables		
	Unsecured		
	Considered good	5,237.54	2,363.77
	Considered doubtful	-	-
	Total	5,237.54	2,363.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
12	Cash and cash equivalents		
	Balance with banks:		
	- In current account	214.21	65.78
	- Deposits with maturity of less than 3 months	401.86	502.83
	Cash in hand	0.45	0.57
	Total	616.52	569.18
13	Other Bank Balances		
	- Deposits with maturity of more than 3 months but less than 12 months*	313.68	300.00
	Total	313.68	300.00
	*Held as lien by bank against bank guarantees.		
14	Other current financial assets		
	Loans and advances to others	-	-
	Less: allowance for credit loss	-	-
	Sub Total	-	-
	Interest Accrued	20.16	5.50
	Security Deposit	5.00	18.50
	Total	25.16	24.00
15	Current tax assets (net)		
	Advance tax (Net of provision for income tax)	527.80	102.16
	Total	527.80	102.16
16	Other current assets		
	Advances to vendors	124.76	33.40
	Taxes and duties recoverable	186.51	439.08
	Prepaid Expenses	33.12	40.90
	Others *	108.94	3.17
	Total	453.33	516.55
	* The asset pertains to defined benefit asset.		
17	Assets Classified as Held for Sale		
	Land	1,139.24	1,657.00
	Mines & Quarries	302.75	302.75
	Buildings	0.25	0.25
	Total	1,442.24	1,960.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

			(₹ in Lakhs)	
			As at 31 March 2023	As at 31 March 2022
18	Share capital			
	Authorised:			
	36,00,00,000 (31 March 2022 - 36,00,00,000) equity shares of ₹ 1/- each		3,600.00	3,600.00
	39,00,000 (31 March 2022 - 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 2022 - 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.

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 2021	19,55,47,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2022	19,55,47,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2023	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 2023		As at 31 March 2022	
	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 2023	As at 31 March 2022
19	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		8,684.27	8,684.85
	Addition during the year		(1.35)	(0.58)
	Balance at the end of the year		8,682.92	8,684.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
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	3,487.20	1,739.39
	Add: Profit for the year after taxation as per statement of Profit and Loss	843.68	1,747.81
	Balance at the end of the year	4,330.88	3,487.20
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
f.	Other Comprehensive Income		
	Foreign Currency Translation Reserve		
	Balance at the beginning of the year	288.63	393.22
	Addition during the year	850.31	(104.59)
	Balance at the end of the year	1,138.94	288.63
g.	Remeasurement of actuarial gain/loss		
	Balance at the beginning of the year	(237.28)	(232.27)
	Addition during the year	90.39	(5.01)
	Balance at the end of the year	(146.89)	(237.28)
	Total Equity (a+b+c+d+e+f+g)	16,940.01	15,156.98
	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.		
20	Borrowings		
	Loans (Unsecured)		
	- From related parties	82.27	455.78
	- Others	-	-
	Total	82.27	455.78
21	Provisions		
	Provision for employee benefits		
	- Compensated Absences	80.90	112.69
	- Others	3.06	3.69
	Total	83.96	116.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		As at 31 March 2023	As at 31 March 2022
22	Other Non Current Financial Liabilities		
	Leased Liability - Car (ROU)	-	12.34
		<u>-</u>	<u>12.34</u>
23	Borrowings		
	From Others (Unsecured)	252.00	252.00
	From related parties (Unsecured)	441.86	759.82
	Total	693.86	1,011.82
24	Trade Payables		
	Micro Small and Medium Enterprises (Refer Note No. 44 & 45)	131.90	41.93
	Others (Refer Note No. 45)	3,097.83	1,048.10
	Total	3,229.73	1,090.03
25	Other Financial Liabilities		
	Interest Accrued and Due	19.12	19.12
	Other payables for:		
	- Managerial Remuneration	-	72.49
	- Employee Benefits Payable	77.46	78.78
	- Security deposits / Retention money	4.60	3.66
	Leased Liability (ROU)-Car	12.34	10.42
	Others	238.12	-
	Total	351.64	184.47
26	Other Current Liabilities		
	Statutory dues	205.14	282.59
	Revenue received in advance	59.42	129.69
	Other payables	1,035.15	1,421.19
	Total	1,299.71	1,833.47
27	Provisions		
	Provision for employee benefits		
	- Gratuity	-	59.06
	- Compensated Absences	57.51	48.46
	Others	1,020.53	1,020.53
	Total	1,078.04	1,128.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		Year ended 31 March 2023	Year ended 31 March 2022
28	Revenue from operations		
	Sale of goods	10,560.67	5,191.28
	Sale of service- HCF conversion	17,179.43	12,648.22
	Sale of service- SiMn conversion	4,221.93	7,888.88
		31,962.03	25,728.38
	Export Incentives	-	5.36
	Scrap Sale	136.78	130.73
	Grand Total	32,098.81	25,864.47
29	Other Income		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	66.78	16.93
	- Others	181.12	122.76
	Miscellaneous Receipts	245.35	2,521.31
	Car Lease Rental Received	-	12.38
	Rent Received	20.05	27.03
	Total	513.30	2,700.41
29.1	Previous year's Miscellaneous Receipts includes power cost reimbursement amounting to ₹ 2026.80 lakhs for the FY 2017-18 announced by Industries and Commerce Department vide G.O.RT No. 2, dated 06.01.2022.		
30	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	-	12.21
	- Work-in-Progress	109.63	95.45
	(b) Less : Closing Stock		
	- Finished Goods	185.49	-
	- Work-in-Progress	276.92	109.63
	Total	(352.78)	(1.97)
31	Employee Benefits Expense		
	Salaries and wages	1,262.53	1,276.42
	Contribution to provident and other funds	116.05	124.17
	Staff Gratuity and Superannuation	33.64	39.24
	Staff welfare expenses	292.34	230.41
	Director's Remuneration	-	56.66
	Total	1,704.56	1,726.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

		(₹ in Lakhs)	
		Year ended 31 March 2023	Year ended 31 March 2022
32	Finance Costs		
	Interest	68.20	96.93
	Interest Cost on Employee Benefit Plans	14.94	24.50
	Interest on Leased Asset (ROU)	4.20	5.82
	Total	87.34	127.25
33	Other Expenses		
	Mining Handling & Other Production expenses	840.91	813.09
	Power and fuel	16,306.75	13,580.42
	Repairs and maintenance:		
	- Buildings	358.63	683.61
	- Plant and machinery	1,731.78	2,209.22
	Freight, Shipment & Sales Expenses	78.64	75.51
	Stores & Spares	376.78	272.64
	Works Expenses	325.20	285.20
	Transportation expenses	280.91	181.29
	Rent	42.22	19.83
	Insurance	6.50	6.90
	Rates and Taxes	19.19	16.70
	Commission and Brokerage on Sales	1.38	-
	Donation	15.75	2.50
	Payment to auditors	7.32	7.66
	Directors' sitting fees	6.95	5.40
	CSR Expenses	21.64	16.24
	Miscellaneous Expenses	67.96	56.73
	Foreign exchange fluctuations (net)	140.54	3.36
	Total	20,629.05	18,236.30
33.1	Payment to Auditor as:		
	(a) Statutory Auditor		
	Audit Fees	3.55	3.65
	Tax Audit Fees	0.75	0.75
	Certification and Consultation Fees	0.23	-
	Reimbursement of Expenses	1.14	0.76
	(b) Cost Auditor		
	Audit Fees	0.50	0.50
	(c) GST Auditor		
	Audit Fees	1.15	1.15
	Certification and Consultation Fees	-	0.85
	Total	7.32	7.66
34	Earning per share		
	Profit/ (Loss) for the period	843.68	1,747.81
	Weighted average number of equity shares of ₹ 1/- each (In lakhs)	1,955.48	1,955.48
	EPS - Basic and Diluted	0.43	0.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

35 Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

- a. Claims against the Group not acknowledged as debts, since disputed ₹ 1,336.85 lakhs (Previous Year ₹ 1,073.90 lakhs). Amounts paid under protest ₹ 110.85 lakhs (Previous Year ₹ 57.90 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 ₹ 300.00 lakhs (previous year ₹ 300.00 lakhs) secured by way of fixed deposit.

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 ₹ 46.80).

36 Segment Information:

Consolidated segment informations are same as segment information of Facor Alloys Limited.

37 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	
			2022-23	2021-22	2022-23	2021-22
1	Huseyin Cevik	Director	(0.37)	(27.46)	34.74	35.11
2	Gokhan Cevik*	Relative of Director	(7.70)	(31.18)	37.09	44.78

* Variation is due to exchange fluctuation

38 True-up charges liability for the period 2014-2019 amounting to Rs. 476.25 lakhs as per APERC order dated 14th July, 2022 provided during the year.

39 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.

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(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. (Upto 13.08.2022)	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd. (Upto 16.08.2022)	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Mandencilik Ithalat ve Ihracat A.S.
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 2023

(₹ in lakhs)

1	Sl. No.	1	2	3	4	5	6
2	Name of subsidiary	Best Minerals Ltd. (Upto 13.08.2022)	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd. (Upto 16.08.2022)	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\$ 82.27	US\$ 82.27	US\$ 82.27
5	Share Capital	5.00	1.00	5.00	1,979.91	1,809.94	158.93
6	Reserves & Surplus	(5.00)	(1,159.08)	(5.00)	(11,480.55)	(1,808.87)	(2,020.33)
7	Total Assets	-	48.01	-	285.63	23.92	284.43
8	Total Liabilities	-	48.01	-	285.63	23.92	284.43
9	Investments	-	-	-	-	-	-
10	Turnover	-	-	-	-	-	-
11	Profit before taxation	(0.25)	(0.20)	(0.26)	(1,591.50)	(1,601.78)	(13.96)
12	Provision for taxation	-	-	-	-	-	-
13	Profit after taxation	(0.25)	(0.20)	(0.26)	(1,591.50)	(1,601.78)	(13.96)
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 Minerals (Netherlands) B.V. |
| iii). Facor Turkkrom Mining (Netherlands) B.V.:-
Subsidiary of Facor Minerals (Netherlands) B.V. | iv). Cati Madencilik Ithalat ve Ihracat A.S.:-
Subsidiary of Facor Turkkrom Mining (Netherlands) B.V. |

41 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	106.11	19,026.75	(339.46)	2,466.32	(8.54)	90.39	(143.28)	2,556.71
	Subsidiaries								
	Indian								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.	(0.03)	(5.00)	0.03	(0.25)	-	-	0.01	(0.25)
2	Facor Electric Ltd.	(0.03)	(5.00)	0.04	(0.26)	-	-	0.01	(0.26)
3	FAL Power Ventures Pvt. Ltd.	(6.46)	(1,159.08)	0.03	(0.20)	-	-	0.01	(0.20)
	Foreign								
	Facor Minerals (Netherlands) B.V.	(64.03)	(11,480.55)	219.05	(1,591.50)	-	-	89.19	(1,591.50)
	Non-controlling Interest in Subsidiaries	(5.38)	(965.16)	20.31	(147.57)	-	-	8.27	(147.57)
	Adjustment on Consolidation	69.82	12,518.37			(91.46)	967.45	(54.21)	967.45
	Total	100.00	17,930.33	(100.00)	726.54	(100.00)	1,057.84	(100.00)	1,784.38

42 Employee benefits

Consolidated employee benefits are same as employee benefits of Standalone Facor Alloys Limited.

43 Consolidated Trade Receivable are same as Trade Receivable of Standalone Facor Alloys Limited.

44 Consolidated MSME details are same as MSME detail of Standalone Facor Alloys Limited.

45 Trade Payable for following periods from due date of payment.

Particulars	As at 31 March 2023		As at 31 March 2022	
	MSME	Others	MSME	Others
Less than 1 year	131.90	3,097.66	6.34	1,046.19
1-2 years	-	-	18.86	0.06
2-3 years	-	-	16.73	-
More than 3 years	-	0.17	-	1.85
Total	131.90	3,097.83	41.93	1,048.10

46 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category*

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
	Amortised Cost	Amortised Cost
Financial assets		
Non-current investments	-	0.06
Other non-current financial assets	2,553.60	2,166.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
	Amortised Cost	Amortised Cost
Trade receivables	5,237.54	2,363.77
Cash and cash equivalents	616.52	569.18
Other bank balances	313.68	300.00
Other current financial assets	25.16	24.00
Total	8,746.50	5,423.42
*Exclude financial instruments measured at cost		
Financial liabilities		
Borrowings	776.13	1,467.60
Trade payables	3,229.73	1,090.03
Other financial liabilities	351.64	184.47
Total	4,357.50	2,742.10

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 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	-	-
Other non-current financial assets	-	-	2,553.60	2,553.60
Trade receivables	-	-	5,237.54	5,237.54
Cash and cash equivalents	-	-	616.52	616.52
Other bank balances	-	-	313.68	313.68
Other current financial assets	-	-	25.16	25.16
Total financial assets	-	-	8,746.50	8,746.50
Financial liabilities				
Borrowings	-	-	776.13	776.13
Trade payables	-	-	3,229.73	3,229.73
Other financial liabilities	-	-	351.64	351.64
Total financial liabilities	-	-	4,357.50	4,357.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

(₹ in Lakhs)

Particulars	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	0.06	0.06
Other non-current financial assets	-	-	2,166.41	2,166.41
Trade receivables	-	-	2,363.77	2,363.77
Cash and cash equivalents	-	-	569.18	569.18
Other bank balances	-	-	300.00	300.00
Other current financial assets	-	-	24.00	24.00
Total financial assets	-	-	5,423.42	5,423.42
Financial liabilities				
Borrowings	-	-	1,467.60	1,467.60
Trade payables	-	-	1,090.03	1,090.03
Other financial liabilities	-	-	184.47	184.47
Total financial liabilities	-	-	2,742.10	2,742.10

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 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 2023		As at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-current investments	-	-	0.06	0.06
Other non-current financial assets	2,553.60	2,553.60	2,166.41	2,166.41
Trade receivables	5,237.54	5,237.54	2,363.77	2,363.77
Cash and cash equivalents	616.52	616.52	569.18	569.18
Other bank balances	313.68	313.68	300.00	300.00
Other current financial assets	25.16	25.16	24.00	24.00
Total	8,746.50	8,746.50	5,423.42	5,423.42
Financial liabilities				
Borrowings	776.13	776.13	1,467.60	1,467.60
Trade payables	3,229.73	3,229.73	1,090.03	1,090.03
Other financial liabilities	351.64	351.64	184.47	184.47
Total	4,357.50	4,357.50	2,742.10	2,742.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
II. Financial risk management

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

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

Risk management framework

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

The gross carrying amount of trade receivables is ₹ 5,237.54 lakhs (31 March 2022 ₹ 2,363.77 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 2023 amounted to ₹ NIL (NIL as on 31 March 2022).

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 2023 and as on 31 March 2022.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2023	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	776.13	776.13	693.86	-	82.27	-
Trade payables	3,229.73	3,229.73	3,229.73	-	-	-
Other financial liabilities	351.64	351.64	351.64	-	-	-
Total non-derivative liabilities	4,357.50	4,357.50	4,275.23	-	82.27	-

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2022	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,467.60	1,467.60	1,011.82	-	455.78	-
Trade payables	1,090.03	1,090.03	1,090.03	-	-	-
Other financial liabilities	184.47	184.47	184.47	-	-	-
Total non-derivative liabilities	2,742.10	2,742.10	2,286.32	-	455.78	-

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Particulars	As at	As at
	31 March 2023	31 March 2022
	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 2023				
5% movement				
USD	-	-	-	-
31 March 2022				
5% movement				
USD	-	-	-	-

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 2023	31 March 2022
Fixed Rate Instruments		
Financial Assets	-	0.06
Financial Liabilities	82.27	455.78
	82.27	455.84
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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.

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 2023				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2022				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

47 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.

48 The Company has terminated the conversion agreements dated 01-08-2021 ("Agreement") with Rajadhiraj Vinayak Natraj Pvt. Ltd ("RTVNPL") vide termination notice dated 27-10-2022 as RTVNPL has violated the terms of the said Agreement. RTVNPL against the said termination had filed a petition bearing no.O.M.P. (I) (Comm.) 310/2022 under section 9 of arbitration and conciliation Act ("Act") before Hon'ble High Court of Delhi and sought interim reliefs against the termination of the said Agreement. The Hon'ble High Court of Delhi vide order dated 03-11-2022 referred the parties to Mediation under the aegis of Samadhan, at Delhi High Court Mediation and Conciliation Centre, however same was unsuccessful. Thereafter, the Hon'ble High Court of Delhi vide order dated 10-11-2022 treated present petition as an application under section 17 of the Act on mutual consent of both counsels and referred the matter to the arbitration to be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court. Hon'ble Ms. Justice Indira Banerjee, former judge of Supreme Court of India was appointed as Sole Arbitrator. Claim and counter claim are filed and arbitration is in process. As no Arbitration award has been passed and impact cannot be quantified at this stage, therefore, no accounting adjustment have been made in books of Accounts. Debtors include Rs. 1,965.36 lakh receivable from RTVNPL on account of conversion bills as on 31-03-2023.

49 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

Mohsin Hada
Partner
(Membership No. 608681)

Vijay Vashisth
Dy. Chief Financial Officer

R.K. Saraf
Chairman & Managing Director
(DIN: 00006102)

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

Place: New Delhi
Date: 17th May, 2023

Piyush Agarwal
Company Secretary

Ashim Saraf
Director
(DIN: 00009581)

Registered Office And Works:

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Gram : FACOR
E-Mail : facoralloys@falgroup.in
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