

FOURTEENTH ANNUAL REPORT 2016-17



FACOR ALLOYS LIMITED

CORPORATE INFORMATION

Board of Directors

R.K. Saraf
Chairman & Managing Director

Ashim Saraf
Joint Managing Director

Anurag Saraf
Joint Managing Director

Rohit Saraf

K. Jayabharat Reddy

P.V.R.K. Prasad
(upto 20.08.2017)

A.S. Kapre

K.L. Mehrotra

Mrs. Urmila Gupta

Keshaorao Pardhey
(upto 11.11.2016)

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

Executives

M.D. Saraf
President

M.S.S. Sarma
Cheif Executive

O.P. Saraswat
Dy. Chief Financial Officer

Bankers

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

Solicitors

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

Auditors

Salve & Co.
Chartered Accountants

Internal Auditors

Rao & Kumar
Chartered Accountants

Registrars & Share Transfer Agents

(for Both Physical & Electronic)

MAS Services Ltd.

T-34, 2rd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110 020
Phone No. 91-11-26387281-83
Fax No. 91-11-26387384
E-mail : info@masserv.com

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NOTICE

Notice is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at "Administrative Building, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh" on Wednesday, the 20th September, 2017 at 11:00 a.m. to transact, with or without modifications as may be permissible, the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31st March, 2017.
2. To appoint a Director in the place of Mr. Anurag Saraf (DIN 00009631), who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration No.106009W), be and are hereby appointed as Auditors of the Company in place of the retiring auditors M/s Salve & Co., Chartered Accountants (Firm Registration No.109003W), to hold office from the conclusion of this Annual General Meeting till the conclusion of the 19th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by members at every Annual General Meeting, if so required under the Act), at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

AS SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct

audit of cost records of the Company for the financial year ended 31st March 2018.

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."

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 94 (1) and other applicable provisions of Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable rules formed there under (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of members and other security holders, at the office of the Registrar And Share Transfer Agents of the Company i.e. M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 and at such places within New Delhi in the State of Delhi where the Registrar and Share Transfer Agent may shift its office from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such further approvals, if any, as may be necessary, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Anurag Saraf (DIN: 00009631) as the Joint Managing Director of the Company for a period of 5 years with effect from 01.02.2018 upon the terms and conditions as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialed by the Secretary for the purpose of identification and which draft agreement, the broad details of which (including the remuneration to be paid

in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) are given in the Explanatory Statement in respect of this item of the Notice, is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between the Board of Directors and Mr. Anurag Saraf in the best interest of the Company, within the limitations in that behalf as contained in Schedule V to the Act or any amendments thereof or otherwise as may be permissible at law and that the Agreement when finalized be executed by the Company by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force, to the extent notified and in effect, pursuant to the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Issue and Listing of Non Convertible Redeemable Preference Shares) Regulations, 2013, as amended from time to time (the “SEBI Regulations”), the Listing Regulation entered into by the Company with the Stock Exchange where the securities of the Company are listed, where and if applicable, and subject to such approvals, consents, sanctions, permissions and provisions of other applicable laws, regulations, rules, directions, guidelines issued from time to time, to the extent applicable and on such terms, conditions, stipulations and modifications as may be prescribed imposed or suggested while granting such approvals, the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which

term shall be deemed to include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this Resolution) to issue and allot, in one or more tranches on private placement basis, at its sole and absolute discretion, 2,50,00,000 0.01% Cumulative Redeemable Non Convertible Preference Shares [‘Preference Shares’] of Rs. 10/- each, for cash, at par, aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), to be redeemed at par within a period not exceeding 20 (Twenty) years from the date of allotment of the said preference shares, to group entity/(ies) belonging to the promoters of the Company, on the following terms and such other terms and conditions, as may be decided by the Board;

(a) the priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares;	The said Preference Shares shall rank for dividend in priority to the equity shares for the time being of the Company.
(b) the participation in surplus fund;	The said Preference Shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus fund.
(c) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;	
(d) the payment of dividend on cumulative or noncumulative basis;	The payment of dividend shall be on cumulative basis.
(e) the conversion of preference shares into equity shares;	The said Preference Shares shall be Non Convertible.
(f) the voting rights;	The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Act (including any statutory modifications or re-enactments thereof for the time being in force).
(g) the redemption of preference shares.	At the option of the issuer, at any time within a period not exceeding twenty years from the date of allotment as per the provisions of the Act.

RESOLVED FURTHER THAT, if the aforesaid proposed transaction(s) is construed as related party transaction(s) under the applicable law(s), then said transaction(s), be and is hereby approved by the members without being required to seek any further consent or approval from Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT, for giving effect to this Resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the issue, allotment, and utilization of the issue proceeds of the shares, to prescribe the forms of application, enter into an agreement or other instruments and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit and to pay fees, remuneration, expenses relating thereto, with power to settle all questions, difficulties that may arise in regard to such issue and allotment as it may in its discretion deem fit in best interest of the Company.”

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 3 to 7 of the notice set out above is annexed hereto. The relevant details of Director seeking re-appointment under Item No. 2, pursuant to relevant regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
2. A route map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the AGM notice.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a

person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 15th September, 2017 to Wednesday, the 20th September, 2017, both days inclusive.
5. Pursuant to section 124 (5) of the Companies Act, 2013, unclaimed dividend is to be transferred to the “Investor Education and Protection Fund” established by the Central Government in terms of section 125 of the Companies Act, 2013 after a period of seven years from the date of transfer to unpaid dividends A/c. Shareholders who have not en-cashed or misplaced the dividend warrants for the years 2009-10 & 2010-11 are requested to write to M/s. MAS Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 for claiming unpaid dividend. Due dates for transfer of the unclaimed dividends for the year 2009-10 & 2010-11 to the said fund is 24th October, 2017 & 15th October, 2018 respectively.

Also, pursuant to Section 124(2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company in respect of dividends since 2009-10, on the website of the Company.

6. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management And Administration) Amendment Rules, 2016 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 14th Annual General Meeting of the Company. E-voting is optional. The facility for voting, through ballot/polling paper shall also be made available at the venue of the 14th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting

may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 17th September, 2017 at 10.00 a.m. (IST) and ends on 19th September, 2017 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website <https://www.evotingindia.com>.
- (iii) Click on "Shareholders/ Members" tab.
- (iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/ mm/ yyyy format) as recorded in your demat account or in the company records in order to Login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the Member ID / Folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for 'Facor Alloys Limited' on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xvi) If a Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- III. Mr. P.S. Rathi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman.
- V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.facoralloys.com and on the website of CDSL and communicated to the Stock Exchange, where the shares are listed.
7. Members can also download the notice of Annual General Meeting from the website of the company i.e. www.facoralloys.com.
8. Copies of Annual Report 2016-17 and the Notice of 14th Annual General Meeting are being sent by electronic mode to all members whose email addresses are registered with the company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 and Notice of 14th Annual General Meeting are being sent by the permitted mode.
9. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., M/s. MAS Services Ltd, T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 in respect of their physical share holding, if any. While intimating change of address to Depositories and Registrar and Share Transfer Agents please indicate your client ID No. / Folio No., as may be applicable. The address should be complete with Pin Code No.
10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form duly filled in and signed to the above Registrar & Transfer Agent. The Form can be had from the Share Department at the Registered Office of the Company at Shreeramnagar-535101 Dist. Vizianagaram, Andhra Pradesh.
11. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (ten) days in advance of the Annual General Meeting.

12. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
13. As required by the SEBI (LODR) Regulations, 2015, the relevant details in respect of the Directors proposed to be re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
14. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services (India) Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE 828GO1013.
15. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and Share Transfer Agent of the Company about:
 - a) The change in their residential status on return to India for permanent settlement.
 - b) The details of the bank account in India with complete name, branch, account type, account no. and address of the bank.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar and Share Transfer Agent.
17. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
18. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

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

Dated: 11th August, 2017

By order of the Board

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

ANNEXURE TO THE NOTICE

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

ITEM NO.3

This Explanatory Statement is provided voluntarily, though strictly not required as per Section 102 of the Act.

M/s Salve & Co., Chartered Accountants (Firm Registration No.109003W) have been the Auditors of the Company since incorporation i.e. from FY 2003-04 and have completed a term of ten years.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. In view of the above, M/s Salve & Co.'s term as auditors of the Company is up to the conclusion of the forthcoming 14th Annual General Meeting.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 13th May, 2017, proposed the appointment of M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration No.106009W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 14th AGM till the conclusion of the 19th AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if required under the Act.

M/s K K Mankeshwar & Co. have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.3 of the Notice.

ITEM NO.4

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of Mr. Prakash Uppalapati, Cost Accountant as the Cost Auditor of the Company to conduct audit of cost records of the Company for the year ending 31st March, 2018, 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 five/six 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.4 of the Notice.

ITEM NO.5

Section 94 (1) of the Companies Act, 2013 read with the Companies (Management And Administration) Rules, 2014 and any other rules framed there under allow the Company to keep the Register of Members together with the index of members and the copies of the annual return filed by the Company, at a place other than the registered office of the Company, if approved by the members by way of Special resolution.

It is, therefore, proposed to keep the Register of Members together with the index of members at the premises of M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 RTA of the Company for the convenience of the shareholder.

Accordingly, the Company seeks approval of the members to keep the Register of members and all relevant documents / registers pertaining thereto, maintained by the Company, either physical or electronically, at the place mentioned hereinabove.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.5.

Your Directors, therefore, recommend the said resolution at item no. 5 for your approval.

ITEM NO.6

Mr. Anurag Saraf aged around 46 years is a Bachelor of Engineering in Electronics and is having rich experience in Business Administration. His experience, advice and guidance will be of immense benefit to the Company.

The Board of Directors of the Company at its meeting held on 11.08.2017 has re-appointed Mr. Anurag Saraf as Joint Managing Director of the Company for a period of 5 years w.e.f. 01.02.2018 although subject to retirement by rotation. The re-appointment is subject to the approval of the Members of the Company. The re-appointment is made based on recommendation by the Nomination and Remuneration Committee (NRC). The material terms & conditions of his appointment and remuneration, which are in conformity with the Schedule V to the Act, are as contained in the draft agreement and as given in the attached Annexure "A" forming part of the Explanatory Statement.

Accordingly, the resolution in item nos. 6 of the accompanying Notice is commended for your approval.

Mr. Anurag Saraf is evidently interested in this resolution concerning him.

The agreement between the Company and Mr. Anurag Saraf, Joint Managing Director, providing the terms and conditions of his appointment and remuneration is available for inspection by the members of the Company at the Registered Office between 11 a.m. to 2 p.m. on any working day of the Company upto and inclusive of the date of the ensuing Annual General Meeting.

ITEM NO.7

As per the provisions of Sections 42, 55 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, to the extent notified and in effect and as amended from time to time, the Board of Directors can issue and allot Cumulative Redeemable Non Convertible Preference Shares on private placement basis, only if approved by the members by way of Special Resolution.

Further Company proposes to issue and allot 2,50,00,000 0.01% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each aggregating to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) on private placement basis for cash, at par, to Promoter entity/(ies) belonging to the Promoters of the Company, in one or more tranches, as the case may be, for utilizing mainly for restructuring exercise with the Consortium Banks. The issuance shall be subject to the regulatory approvals as required.

Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014, as amended and the terms of the issue:

The size of the issue and number of preference shares to be issued and nominal value of each share	2,50,00,000 0.01% Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only)
The nature of such shares i.e. cumulative or non - cumulative, participating or non-participating, convertible or non-convertible	Cumulative, Non-Participating, Non Convertible, Redeemable
The objectives of the issue	To be utilized mainly for restructuring exercise with the Consortium Banks.

The manner of issue of shares	Private Placement basis/ Preferential issue and allotment.
The price at which such shares are proposed to be issued	Rs.10/- per share
The basis on which the price has been arrived at	To be issued at Par
The terms of issue, including terms and rate of dividend on each share, etc.	To be issued and offered on Private Placement basis, in one or more tranches to Promoter entity/(ies) belonging to the promoters of the Company. The preference shares are proposed to be issued at a dividend rate of 0.01% per annum.
The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The proposed Preference shares shall be redeemed at par, within a period not exceeding 20 years from the date of allotment, in accordance with provision of Section 55 of the Act. The Preference Shares are not convertible into equity shares of the Company.
The manner and modes of redemption	The proposed Preference shares shall be redeemed in accordance with the provision of the Companies Act, 2013 or any such other applicable law, rules, regulations as may be applicable.
The expected dilution in equity share capital upon conversion of preference shares.	Not applicable, since the proposed Preference Shares are Non Convertible in nature.

The Equity shareholding pattern of the Company as on 30th June, 2017 is as under:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Bodies Corporate	15384570	7.87
c.	Foreign Institutional Investors	120	-
d.	Mutual Fund	1780	-
e.	Insurance Companies	8220	-
f.	Individuals		

a.	Individual Shareholders holding nominal Share Capital upto Rs.2 Lakh	73654776	37.67
b.	Individual Shareholders holding nominal Share Capital in excess of Rs.2 Lakh	8482517	4.34
g.	Others	11406644	5.83
Total:		195547355	100.00

The above proposed transaction(s), if construed as related party transaction(s) under any applicable law(s) then approval of the members for the above proposed resolution will be deemed to be obtained for the said transaction(s) without being required to seek any further consent or approval from Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Mr. R. K. Saraf (DIN: 00006102), Mr. Ashim Saraf (DIN: 00009581), Mr. Rohit Saraf (DIN: 00003994) and Mr. Anurag Saraf (DIN: 00009631), Directors, along with their relatives, may be deemed to be concerned or interested, financially or otherwise, in the Special Resolution as set out at Item No. 7 of the accompanying AGM Notice to the extent of shares held, if any and/or having a position as a Director or Key Managerial Personnel in the Promoter entity/(ies) belonging to the Promoters of the Company.

None of the other Directors, Key Managerial Personnel or their relatives is interested or concerned, financially or otherwise in the resolution as set out at Item No. 7 of this Notice.

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

By order of the Board
S.S. Sharma
 General Manager (Legal)
 & Company Secretary

Dated: 11th August, 2017

ANNEXURE A FORMING PART OF EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

MATERIAL TERMS AND CONDITIONS OF THE APPOINTMENT OF JOINT MANAGING DIRECTOR

The material terms and conditions of the re-appointment of Mr. Anurag Saraf, Joint Managing Director and his remuneration by way of salary, dearness allowance, perquisites and benefits (which are in conformity with the

schedule V to the Companies Act, 2013) and as contained in the draft Agreement, are as under:

1. Term of Office: 5 years with effect from 01-02-2018
2. Remuneration:
 - a) Basic Salary: Rs.105000 per month in scale of Rs.100000- 5000-150000/-
 - b) Perquisites and allowances:

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

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

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

The term “Family” means spouse, dependent children and dependent parents of Joint Managing Director.

The remuneration payable to the Joint Managing Director by way of salary, dearness allowance, perquisites and any other

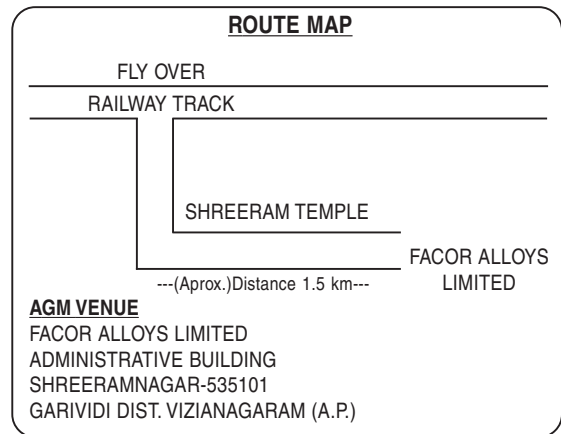
allowances shall not however exceed the ceiling limit of Rs. 18,00,000/- per annum or Rs. 1,50,000/- per month.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites payable to the Joint Managing Director of the Company at any time, such that the overall remuneration shall not exceed the aggregate limit of Rs. 18,00,000/- per annum or Rs. 1,50,000/- per month as specified above. Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Joint Managing Director, the company has no profits or its profits are inadequate, then also he shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if any, required.

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

By order of the Board
S.S. Sharma
 General Manager (Legal)
 & Company Secretary

Dated: 11th August, 2017



DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **FOURTEENTH ANNUAL REPORT** on the business and operations of the Company and the Audited Statements of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

	For the year ended 31-3-2017 (₹ in Lacs)	For the year ended 31-3-2016 (₹ in Lacs)
Gross Profit/(Loss)	249.72	(1961.11)
Depreciation	258.24	301.84
Provision for taxation	—	—
Tax for earlier years	(50.51)	0.32
Deferred Tax	(3.64)	(839.67)
Net Profit/(Loss) for the year	45.63	(1423.60)
Balance brought forward from last year	(2880.32)	(1456.72)
Balance Carried to Balance Sheet	<u>(2834.69)</u>	<u>(2880.32)</u>

OVERALL PERFORMANCE

After closure of around 33 months, the production activities in the plant were resumed w.e.f. 28-10-2016 i.e. in the financial year 2016-17 the plant was in operation for five months only. As a result of this during the financial year 2016-17, due to high fixed cost, there was a marginal profit of Rs.45.63 lacs only as against a loss of Rs.(1423.60) lacs in the previous year.

DIVIDEND

In view of the losses during the year, the Directors regret their inability to recommend any dividend for the financial year ended 31st March 2017 on Equity Shares of the company.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 is Rs.19.55 crores. During the year under review, the Company has not issued any 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.

EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31st March, 2017 in Form MGT-9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-1**.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times in FY 2016-17 viz. on 27th May 2016, 12th August 2016, 12th November 2016 and 08th February 2017. The maximum interval between any two meetings did not exceed 120 days.

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, 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, 2017 on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

Secretarial Auditor

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided any guarantee, 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

Company had given a Corporate Guarantee for the borrowings made by a group Company Facor Steels Limited.

Bank of India has filed an application before the Debt Recovery Tribunal, Visakhapatnam vide Case No. OA No. 323/17 dated 14/6/2017 against Facor Steels Limited, the borrower and other Guarantors. The summons has been served to the Company also in the case. The case is pending before the Tribunal and the next date of hearing is fixed for 22nd August, 2017. Any adverse judgment in the case may affect the financial position of the Company.

DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to 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.

INDIAN ACCOUNTING STANDARDS

Company shall adopt Indian Accounting Standards ('Ind AS') with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. The implementation of IND AS in 2017 will be a major change process.

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-4 hereto forming part of this report.

RISK MANAGEMENT POLICY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

ANNUAL BOARD EVALUATION

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

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

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

The Ministry of Corporate Affairs ('MCA') has vide Notification No. S.O. 2866(E) dated September 5, 2016 notified the provisions of Sections 124 and 125 (except for the sub-sections already notified earlier vide notification dated January 13, 2016) of the Companies Act, 2013. Further MCA vide Notification dated September 5, 2016, brought the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), w.e.f. September 7, 2016.

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred to an Investor Education and Protection Fund ('IEPF') suspense account (in the name of the Company) with one of the Depository Participants as may

be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF.

The process of transfer of the shares to the said Suspense Account could not be completed, due to lack of clarity in the said Rules. However, the Company has initiated the process and issued individual notices to the shareholders holding equity shares, who have not claimed their dividends for the last seven (7) consecutive years.

The Statement containing details of Name, Address, Folio No., Demat Account No. and No. of shares due for transfer to IEPF Suspense Account is made available on www.facoralloys.com.

Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules".

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

FINANCE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review there were no employees receiving remuneration of or in excess of Rs.102,00,000/- per annum or Rs.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. Having regard to the provisions of Section 136 (1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is

available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year Mr. Keshao Rao Pardhey resigned from the Board on the personal grounds. The Board places on record its appreciation for the contributions made by him during his tenure of office till 11th November, 2016.

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

SECRETARIAL AUDIT REPORT

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

AUDITORS

M/s Salve & Co., Chartered Accountants (Firm Registration No.109003W) have been the Auditors of the Company since

incorporation i.e. from FY 2003-04 and have completed a term of ten years. Their term as auditors is up to the conclusion of the forthcoming AGM. In accordance with the provisions of Section 139 of the Act, M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration No.106009W) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 19th AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if so required under the Act.

M/s K. K. Mankeshwar & Co. have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of M/s K K Mankeshwar & Co. and authorize the Board of Directors to fix their remuneration.

COST AUDITOR

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

The due date for filing of the Cost Audit Report for the financial year 2015-16 was 30th September, 2016. The Company has filed the Report with the Ministry of Corporate Affairs on 06-09-2016.

ACKNOWLEDGEMENT AND APPRECIATION

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

On behalf of Board of Directors,

Place : Noida (U.P.)

Dated : 11th August, 2017

R.K. SARAF

Chairman & Managing Director

ANNEXURE-1

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

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27101AP2004PLC043252
ii) Registration Date	14.05.2004
iii) Name of the Company	Facor Alloys Limited
iv) Category/Sub-Category of the Company	Public
v) Address of the Registered office and contact details	Shreeramnagar-535101, Garividi, Dist.: Vizianagaram (AP) Phone No. : 08952-282029
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Limited, T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No.+91-11-26387281-83 Fax No.+91-11-26387384 E-Mail : info@masserv.com , Website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/ HUF	23934976	Nil	23934976	12.24	23934976	Nil	23934976	12.24	0
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Bodies Corp.	62620240	Nil	62620240	32.02	62620240	0	62620240	32.02	0
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Any Other....	1000	Nil	1000	Nil	1000	Nil	1000	Nil	0
- Trust	52512	Nil	52512	0.02	52512	Nil	52512	0.02	0
Sub-total (A) (1):-	86608728	0	86608728	44.28	86608728	0	86608728	44.28	0
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) Bodies Corp.	4492654	Nil	4492654	2.30	Nil	0	Nil	Nil	(2.30)
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (A) (2):-	4492654	0	4492654	2.30	Nil	0	Nil	Nil	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	91101382	0	91101382	46.58	86608728	0	86608728	44.28	(2.30)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1780	Nil	1780	0.00	1780	Nil	1780	Nil	0
b) Banks / FI	35656	7426	43082	0.03	35656	7426	43082	0.03	0
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Insurance Companies	1620	6600	8220	0.00	1620	6600	8220	0.00	0
g) FIs	Nil	120	120	0.00	Nil	120	120	0	0
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (B)(1):-	39056	14146	53202	0.03	39056	14146	53202	0.03	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14402082	9512	14411594	7.37	15517242	9506	15526748	7.95	0.58
ii) Overseas	Nil	Nil	Nil	Nil	4492654	Nil	4492654	2.30	2.30
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	75336822	655007	75991829	38.86	71918997	650546	72569543	37.11	(1.75)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakhs	6839396	Nil	6839396	3.50	9230063	-	9230063	4.72	1.22
c) Others (specify)									
(1) Trust	18	Nil	18	Nil	58	0	58	Nil	Nil
(2) Foreign Nationals									
(3) Non Resident Indians	2140107	43194	2183301	1.12	2192785	42442	2235227	1.14	0.02
(4) Clearing Members	30771	Nil	30771	0.02	394577	0	394577	0.20	0.18
(5) HUF	4935862	Nil	4935862	2.52	4436555	-	4436555	2.27	(0.25)
Sub-total (B)(2):-	103685058	707713	104392771	53.39	108182931	702494	108885425	55.69	2.30
Total Public Shareholding (B) = (B) (1)+(B)(2)	103724114	721859	104445973	53.42	108221987	716640	108938627	55.72	2.30
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	194825496	721859	195547355	100	194830715	716640	195547355	100	0.00

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1 Urmiladevi Narayandas Saraf	3629215	1.86	0	3629215	1.86	0	0
2 Promiladevi Ramkisan Saraf	2556967	1.31	0	2556967	1.31	0	0
3 Anurag Murlidhar Saraf	2507354	1.28	0	2507354	1.28	0	0
4 Manjudevi Murlidhar Saraf	2189631	1.12	0	2189631	1.12	0	0
5 Mohinidevi Umashankar Saraf	2098174	1.07	0	2098174	1.07	0	0
6 Sushmadevi Vinodkumar Saraf	1708582	0.87	0	1708582	0.87	0	0
7 Ramadevi Manojkumar Saraf	1248361	0.64	0	1248361	0.64	0	0
8 Bimladevi Vitthaladas Saraf	1217651	0.62	0	1217651	0.62	0	0
9 Vanitadevi Vineetkumar Saraf	876536	0.45	0	876536	0.45	0	0
10 Rohitkumar Narayandasji Saraf	872669	0.45	0	872669	0.45	0	0
11 Vinodkumar Saraf	731814	0.37	0	731814	0.37	0	0
12 Murlidhar Durgaprasadji Saraf	661343	0.34	0	661343	0.34	0	0
13 Vineetkumar Vitthaladas Saraf	588385	0.30	0	588385	0.30	0	0
14 Shailjadevi Ashishkumar Saraf	498207	0.25	0	498207	0.25	0	0
15 Manojkumar Umashankar Saraf	488956	0.25	0	488956	0.25	0	0
16 Madhavhari Yogeshkumar Saraf	311441	0.16	0	311441	0.16	0	0
17 Ashishkumar Ramkisan Saraf	246679	0.13	0	246679	0.13	0	0
18 Sonal Ashimkumar Saraf	237680	0.12	0	237680	0.12	0	0
19 Gautam Vinodkumar Saraf	164098	0.08	0	164098	0.08	0	0
20 Raghuhari Yogesh kumar Saraf	147185	0.08	0	147185	0.08	0	0
21 Vineetkumar Vitthaladas Saraf	120624	0.06	0	120624	0.06	0	0
22 Manojkumar Umashankar Saraf	103915	0.05	0	103915	0.05	0	0
23 Saritadevi Sanjivkumar Saraf	93373	0.05	0	93373	0.05	0	0
24 Gauri Sanjeev Saraf	4800	0.00	0	4800	0.00	0	0
25 Payal Murlidhar Saraf	72651	0.04	0	72651	0.04	0	0
26 Vibhav Vineetkumar Saraf	64451	0.03	0	64451	0.03	0	0
27 FAL Employees Welfare Trust	27576	0.01	0	27576	0.01	0	0
28 FACOR Employees Welfare Trust	22424	0.01	0	22424	0.01	0	0
29 Ashim Saraf	17008	0.01	0	17008	0.01	0	0
30 Yogeshkumar Umashankar Saraf	12288	0.01	0	12288	0.01	0	0
31 Preetidevi Rohitkumar Saraf	12600	0.01	0	12600	0.01	0	0
32 Aisha Ashishkumar Saraf	11500	0.01	0	11500	0.01	0	0
33 Madhuri Manojkumar Saraf	7948	0.00	0	7948	0.00	0	0
34 Sidharath Vineet Kumar Saraf	7348	0.00	0	7348	0.00	0	0
35 Gaurav Vinodkumar Saraf	5156	0.00	0	5156	0.00	0	0
36 Sakhi Sanjeevkumar Saraf	5128	0.00	0	5128	0.00	0	0
37 Raghavendra Manojkumar Saraf	4800	0.00	0	4800	0.00	0	0
38 Yogeshkumar Umashankar Saraf	4100	0.00	0	4100	0.00	0	0
39 Vinodkumar Vitthaladas Saraf	3560	0.00	0	3560	0.00	0	0
40 Sunandadevi Yogeshkumar Saraf	3267	0.00	0	3267	0.00	0	0

Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
41 Ramkisan Saraf	2256	0.00	0	2256	0.00	0	0
42 Narayandas Durgaprasadji Saraf	1704	0.00	0	1704	0.00	0	0
43 Narayandas Durgaprasad Saraf	1472	0.00	0	1472	0.00	0	0
44 Sunandadevi Saraf	79915	0.04	0	79915	0.04	0	0
45 Amla Saraf	74797	0.04	0	74797	0.04	0	0
46 Shreeram Co. Empls. Welfare Trust	2512	0.00	0	2512	0.00	0	0
47 Premier Commercial Corporation	1000	0.00	0	1000	0.00	0	0
48 R B Shreeram & Company Pvt. Ltd.	61055682	31.22	0	61055682	31.22	0	0
49 Saraf Bandhu Pvt. Ltd.	826200	0.42	0	826200	0.42	0	0
50 Ferro Alloys Corporation Limited	500000	0.26	0	500000	0.26	0	0
51 GDP Infrastructure Pvt. Ltd.	214440	0.11	0	214440	0.11	0	0
52 Vidarbha Iron & Steel Corpn. Ltd.	18144	0.01	0	18144	0.01	0	0
53 Suchitra Investments & Leasing Ltd.	5774	0.00	0	5774	0.00	0	0
54 Sanjiv Saraf	239387	0.12	0	239387	0.12	0	0
55 Global Scale Investments Ltd.	4492654	2.30	0	0	0	0	(2.30)
Total	91101382	46.58	0	86608728	44.28	0	(2.30)

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	91101382	46.58	91101382	46.58
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	NIL	NIL	-4492654 (Changed to public category)	2.30
At the End of the year	91101382	46.58	86608728	44.28

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

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

Sarang Securities Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2070000	1.06	2070000	1.06
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	2070000	1.06
At the End of the year (or on the date of Separation, if separated during the year)	2070000	1.06	2070000	1.06
Lincoln P Coelho				
At the beginning of the year	NIL		NIL	
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/bonus/sweat equity etc):	1000000 +500000 (Transfer of Shares)	0.51 0.26	1000000 1500000	0.51 0.77
At the End of the year (or on the date of Separation, if separated during the year)	1500000	0.77	1500000	0.77
BMA Wealth Creators Limited				
At the beginning of the year	1429411	0.73	1429411	0.73
Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	-328057 (Transfer of Shares)	0.17	1101354	0.56
At the End of the year (or on the date of Separation, if separated during the year)	1101354	0.56	1101354	0.56
Shyamadevi Omprakash Agrawal				
At the beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	+889224 (Transfer of Shares)	0.45	889224	0.45
At the End of the year (or on the date of Separation, if separated during the year)	889224	0.45	889224	0.45
Aryavrat Savings Units Ltd.				
At the beginning of the year	180000	0.09	180000	0.09
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	+420000 (Transfer of Shares)	0.21	600000	0.30
At the End of the year (or on the date of Separation, if separated during the year)	600000	0.30	600000	0.30

Cutting Edge Venture Pvt. Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	+600000 (Transfer of Shares)	0.31	600000	0.31
At the End of the year (or on the date of Separation, if separated during the year)	600000	0.31	600000	0.31

Mira Sengar				
At the beginning of the year	501000	0.26	501000	0.26
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	+500 (Transfer of Shares)	NIL	501500	0.26
At the End of the year (or on the date of Separation, if separated during the year)	501500	0.26	501500	0.26

Pratibhuti Vinihit Ltd				
At the beginning of the year	495000	0.25	495000	0.25
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	495000	0.25
At the End of the year (or on the date of Separation, if separated during the year)	495000	0.25	495000	0.25

Anil Kumar Singhania				
At the beginning of the year	465144	0.24	465144	0.24
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	465144	0.24
At the End of the year (or on the date of Separation, if separated during the year)	465144	0.24	465144	0.24

(v) Shareholding of Directors & Key Managerial Personnel:

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

Ashim Saraf	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	17008	0.01	17008	0.01
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	17008	0.01
At the End of the year	17008	0.01	17008	0.01

Anurag Saraf				
At the beginning of the year	2507354	1.28	2507354	1.28
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/transfer/bonus/sweat equity etc):	NIL	NIL	2507354	1.28
At the End of the year	2507354	1.28	2507354	1.28

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

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

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

vi) Indebtedness

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
(i) Addition	1232.36	1803.91	0	3036.27
(ii) Reduction	1285.73	0	0	1285.73
Net Change	-53.37	1803.91	0	1750.54
Indebtedness at the end of the financial year				
i) Principal Amount	6939.60	1800.00	0	8739.60
ii) Interest due but not paid	0	3.91	0	3.91
iii) Interest accrued but not due	1706.77	0	0	1706.77
Total (i+ii+iii)	8646.37	1803.91	0	10450.28

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		R K Saraf	Ashim Saraf	Anurag Saraf	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.49	15.64	14.97	46.10
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	1.82	2.34	4.16
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	15.49	17.46	17.31	50.26
	Ceiling as per the Act				

B. Remuneration to other directors:

(in ₹)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount	
		Mr Rohit Saraf	Mr A S Kapre	Mr K J Reddy	Mr PVRK Prasad	Mrs Urmila Gupta	Mr K L Mehrotra		Mr Keshaoar Pardhey
	Independent Directors								
	Fee for attending board committee meetings	NIL	65000	15000	70000	20000	25000	NIL	195000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total(1)	NIL	65000	15000	70000	20000	25000	NIL	195000

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr Rohit Saraf	Mr A S Kapre	Mr K J Reddy	Mr PVRK Prasad	Mrs Urmila Gupta	Mr K L Mehrotra	
	Other Non-Executive Directors							
	Fee for attending board committee meetings	20000	NIL	NIL	NIL	NIL	NIL	20000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	20000	65000	15000	70000	20000	25000	215000
	Total Managerial Remuneration							215000
	Overall Ceiling as per the Act							

C. Remuneration to Key Managerial Personnel other than MD/WTD/MANAGER (₹ in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Dy.CFO/ Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	27.17	27.17
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.72	3.72
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total	30.89	30.89

Viii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-2

FORM AOC – 1

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

Part “ A” : Subsidiaries

(₹ in Lacs)

1	Sl. No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Madencilik Ithalat Ve Ihracat A. S.
3	The date since when subsidiary was acquired	01.04.03	05.04.11	26.08.10	13.10.11	29.06.12	01.03.13	01.03.13
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US\$ 64.93	US\$ 64.93	US\$ 64.93	US\$ 64.93
6	Share Capital	5.00	1.00	5.00	352.57	1494.43	1428.46	660.26
7	Reserves & Surplus	(10.67)	-	-	14.37	(5126.81)	(117.21)	(1196.64)
8	Total Assets	0.27	1205.16	313.14	384.04	5309.60	1332.69	1476.93
9	Total Liabilities	0.27	1205.16	313.14	384.04	5309.60	1332.69	1476.93
10	Investments	0.01	-	-	-	-	1308.55	-
11	Turnover	-	-	-	-	-	-	-
12	Profit before taxation	(0.26)	-	-	12.21	(862.04)	(16.27)	(157.81)
13	Provision for taxation	-	-	-	0.48	-	-	-
14	Profit after taxation	(0.26)	-	-	11.73	(862.04)	(16.27)	(157.81)
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding	100%	100%	100%	100%	93.48%	51%	51%

- Notes: Following are the names of subsidiaries which are yet to commence operations:
 - FAL Power Ventures Pvt. Ltd.
 - Facor Electric Limited
 - Facor Minerals Pte Ltd.
 - Facor Minerals (Netherlands) B.V.
 - Facor Turkkrom Mining (Netherlands) B.V.
 - Cati Madencilik Ithalat Ve Ihracat A.S.
(Subsidiary of Facor Minerals (Netherlands) B.V.) (wholly owned subsidiary of Facor Turkkrom Mining (Netherlands) B.V.)
- Financial information is based on unaudited results.
- Names of subsidiaries which have been liquidated or sold during the year N.A.

Part “B” : Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	Pioneer Facor IT Infradevelopers P.Ltd.
1	Latest audited Balance Sheet Date	31.03.2017
2	Date on which the Associate or Joint Venture was associated or acquired	17.03.2010
3	Shares of Associates held by the company on the year end	
	No.	1742700
	Amount of Investment in Associates	1833.76
	Extent of Holding %	20.40%
4	Description of how there is significant influence	There is significant influence due to holding of more than 20% Equity Share Capital
5	Reason by the associate/joint venture is not consolidated	-
6	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ /Lacs)	607.52
7	Profit/Loss for the year	
	(i) Considered in Consolidation (₹ /Lacs)	14.09
	(ii) Not considered in Consolidation	-

**ANNEXURE-3
NOMINATION AND REMUNERATION POLICY**

Effective from 1st April, 2014

Introduction:

In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

I Objectives

The objective and purpose of this policy are:

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b) To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ferro Alloys industry.
- c) To formulate criteria for evaluating performance of Independent Directors and Board of Directors
- d) Devising a policy on diversity of Board of Directors.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 13th February, 2015 and has been modified and approved on 13th May, 2017.

II Effective Date:

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

III Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted earlier by renaming it as Nomination and Remuneration

Committee on 6th May, 2014. The Nomination and Remuneration Committee comprises of following Directors:

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

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

IV Definitions

- a) Board means Board of Directors of the Company.
- b) Directors mean Directors of the Company.
- c) Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- d) Company means Facor Alloys Limited.
- e) Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f) Key Managerial Personnel (KMP) means-
 - (i) Chairman and Managing Director
 - (ii) Managing Director;
 - (iii) Joint Managing Director;
 - (iv) Director (Finance) cum Chief Financial Officer;
 - (v) Company Secretary;
- g) Senior Management personnel means personnel of the Company occupying the position of Chief Executive (CE) of any unit / division of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

V Applicability

The Policy is applicable to

- a) Directors (Executive and Non Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

VI General

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

PART – A**Matters to be dealt with, perused and recommended to the Board by Nomination and Remuneration Committee**

The Committee shall:

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

PART – B**Policy for appointment and Removal of Director, KMP and Senior Management****i) Appointment criteria and qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint of any person as Whole-time Director who has attained the age seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement to be annexed to the notice for such motion indicating the justification for appointment, extension of appointment beyond seventy years.

ii) Term / Tenure:

- a) Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special

resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- c) Evaluation:

The Committee shall formulate a criteria for evaluation of performance of Independent Directors and the Board of Directors.
 - d) Removal:

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

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

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

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

PART – C**Policy relating to the remuneration for the Wholetime Director, KMP and Senior Management Personnel****a) General:**

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

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

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

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

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

c) Remuneration to Non- Executive / Independent Director:

- i) Remuneration / Commission:
The remuneration / commission shall be fixed as per the provisions of the Companies Act, 2013 and the rules made thereunder.
- ii) Sitting Fees:
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount prescribed by the Central Government from time to time.
- iii) Commission:
Commission may be paid to the Whole time Directors as may be decided by the Board of Directors within the monetary limit approved by shareholders, computed as per the applicable provisions of the Companies Act, 2013.
- iv) Stock Options:
An Independent Director shall not be entitled to any stock option of the Company.

VII Review

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

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

ANNEXURE-4

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

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

Research and development

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- 1) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : As mentioned in the report that production was resumed in the last five months however Directors undertake foreign traveling to be in constant touch with the overseas market.
- 2) Total Foreign Exchange used and earned (2016-2017) : **(₹ in Lacs)**
 - i) CIF value of imports : —
 - ii) Expenditure in Foreign Currency : **42.52**
 - iii) Foreign Exchange earned : **2879.57**

On behalf of Board of Directors,

Place : Noida (U.P.)
Dated : 11th August, 2017

R.K. SARAF
Chairman & Managing Director

ANNEXURE-5

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

To,
The Members,
Facor Alloys Limited,
CIN L27101AP2004PLC043252
Shreeramnagar, P.O. Garividi,
Vizianagaram - 535101

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The 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, 2009; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India Issue of capital (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (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; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely :
 - a. Mines Act, 1952
 - b. Mines Rules, 1955
 - c. Mines and Minerals (Development & Regulation) Act, 1957
 - d. A.P. Minerals (Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007
 - e. Metalliferous Mines Regulations, 1961

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

 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

- (ii) The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board/Committee Meetings, agenda was sent at least generally 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.

Decisions at the Board Meetings were taken unanimously.

I further report that, based on the information provided by

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

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

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

Umesh Chand Sharma
(Proprietor)

Place : New Delhi
Date : 28-07-2017

FCS No. 8522; C.P No. 2386

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

'ANNEXURE A'

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

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

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

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Umesh Chand Sharma
(Proprietor)

Place : New Delhi
Date : 28-07-2017

FCS No. 8522; C.P No. 2386

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro Alloys impart resistance to corrosion, improve hardness and tensile strength at high temperature, give wear and abrasion resistance and other properties like creep strength to Steel. Hence the production growth and prices in the Iron and Steel Industry are the key drivers of demand for Ferro Alloys. The leading ferro chrome producing countries are China, South Africa, Kazakhstan and India. South Africa is the leading supplier of Ferro Chrome. Due to capacity constraints, South Africa produces 35% of global ferrochrome output despite producing 60% of global chrome ore output. China is the world's largest stainless steel producer. It accounts for 65% of global Ferrochrome demand and is the largest importer of chrome ore. Thus, Ferro Chrome prices fluctuate based on the demand and supply of Ferro Chrome and Steel in China.

Globally, stainless steel is tipped to grow by 2.9% in 2017 driven mainly by growth in China and India. Global demand for ferro chrome in 2016 was 11.2 mt while supply was 11 mt. Due to firming up of its prices, supply of ferro chrome is expected to grow by 3% to 11.7 mt. The demand of ferro chrome however is also expected to increase by 5% in 2017 supported by growth in stainless steel.

India produces 3.5 million tonne (mt) of ferro alloys and consumes around 2.3 mt. The country exported balance 1.3 mt of ferro alloys. India's production of around 3.5 mt of ferro alloys consists of one million tonne of ferro chrome (FeCr). Further the pricing controls imposed by the Government of India helped the domestic primary steel producers sustain the pricing competition from imports. Stainless Steel has achieved double digit production growth over the last two years while prices have also witnessed a good jump in the recent months. The surge in Ferro Alloy prices during the year under review was for a limited period in the fourth quarter, again emanating directly from a surge in demand from China. As such, the market scenario continues to be volatile.

RISKS AND CONCERNS / OPPORTUNITIES AND THREATS / OUTLOOK

Ferro alloy industry is mainly driven by demand from the steel industry. Steel prices have been on the rise due to import curbs and improvement in demand. Due to significant cut in capacity in 2016, Steel prices in China hit the highest level in two and a half years period. Apart from buoyant domestic demand, the restrictions on steel imports from China have opened up new opportunities for Indian companies. The buoyant domestic steel demand in China may lead to further rise in steel prices globally which, in-turn, could benefit the overall Ferro Alloys Industry.

As mentioned above, the demand for Ferro Alloys is linked to the demand for Steel. India is expected to become the

world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased growth in the automobile and other sectors.

Further Company had entered into a Conversion Agreement with M/s. Tata Steel Limited (TSL) for conversion of Chrome Ore into Ferro Chrome, initially up to the end of March 2017 and further extendable on mutually agreed terms for a further period of four (4) years. The arrangement commenced from December 2016 to produce up to 36,000 MT per annum of High Carbon Ferro Chrome at its Ferro Alloys Plant. This has led to reasonable stability in the business of the Company.

The Indian Ferro Alloys Industry has grappled with various issues, such as non-availability of power with competitive rate, suitable quality and quantity of Chrome Ore/ Coke, minimum duty protection etc. Further Ferro Alloys Industry is purely dependent on the demand for Steel in the country. Although, the picture for India in terms of steel demand looks bright, all major steel companies are under stress due to debt burden on their balance sheet. Further, cheaper steel imports from countries like China can cause damage to the domestic steel companies which can impact the demand for Ferro Alloys. Highly volatile prices of Chrome ore also pose a risk to the realizations of the domestic ferro alloys producers. Besides above, the Industry has to compete with the integrated producers having captive mines situated in South Africa, Australia, Brazil, CIS, etc. to sell acceptable quality of Chrome Alloys in the world market for earning the valuable foreign exchange for the country. Further Reductants viz Anthracite Coal, Coke, Charcoal etc. are vital inputs for the Ferro Alloys Industry. The availability of these items in good quality is declining in the country and the Ferro Alloy Industry may have to totally depend on import of these reductants on regular basis. Ferro alloy industry is saddled with the overcapacity issues also. Further the problems of this industry are aggravated because of the high input cost of power. The ferro alloy Industry is a power intensive Industry, the power cost is about 35-40 percent of its total production cost. Repeated power tariff hikes by state run power utility company have put the Industry in a fix. These issues need to be addressed by the Government to enable the Ferro Alloys Producers to compete in the Domestic as well as International Markets.

The Industry has represented to the Andhra Govt. to roll over the power rebate benefit of ₹ 1.50 KWH for a further period of one year. The Industry is hopeful that State Govt. will consider the request favourably.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company is continuously endeavoring to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

After closure of around 33 months, the production activities in the plant were resumed w.e.f. 28-10-2016 i.e. in the financial year 2016-17 the plant was in operation for five months only. As a result of this during the financial year 2016-17, due to high fixed cost, there was a marginal profit of Rs.45.63 lacs only as against a loss of ₹ (1423.60) lacs in the previous 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 400 excluding indirect employment.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

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

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

2. BOARD OF DIRECTORS

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies as on 31.03.2017	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2017	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director	Executive*	2	1	3	Yes
Mr. Ashim Saraf Joint Managing Director	Executive*	4**	Nil	3	Yes
Mr. Anurag Saraf Joint Managing Director	Executive*	5	2	3	No
Mr. Rohit Saraf (w.e.f. 12-08-2016)	Non-Independent Non-Executive*	2**	1	2	No
Mr. K. Jayabharat Reddy	Independent Non-Executive	3	3	1	No
Mr. P.V.R.K. Prasad (upto 20-08-2017)	Independent Non-Executive	1	1	4	No

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies as on 31.03.2017	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2017	No. of Board Meetings attended	Whether Last AGM attended
Mr. A.S. Kapre	Independent Non-Executive	4	5	4	Yes
Mr. K. L. Mehrotra	Independent Non-Executive	Nil	Nil	2	No
Mrs. Urmila Gupta	Independent Non-Executive	4	3	2	No
Mr. Kesharao Pardhey (upto 11.11.2016)	Independent Non-Executive	Nil	Nil	Nil	Yes

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

Mr R K Saraf, Mr Rohit Saraf, Mr Ashim Saraf & Mr Anurag Saraf are related to each other.

Mr Rohit Saraf & Mr A S Kapre, Non-Executive Directors are holding 8,72,669 & 1,50,000 equity shares of the company. The details of familiarization programme imparted to Independent Directors are disclosed in the Website of the company www.facoralloys.com.

During the Financial Year April 2016 to March 2017, 4 Board Meetings were held on 27/05/2016, 12/08/2016, 12/11/2016 and 08/02/2017.

3. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company met on 08th February, 2017 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors, as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

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

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

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

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

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

b) No. of meetings and attendance:

There were four meetings during the year 2016-17 on 27/05/2016, 12/08/2016, 12/11/2016 & 08/02/2017. All four meetings were attended by all members, except Mr K. Jayabharat Reddy and Mr R K Saraf. Mr K. Jayabharat Reddy attended one and Mr R K Saraf attended three meetings.

c) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 177 of the Companies Act, 2013, the rules made there under and 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 3 Members viz. Mr. P.V.R.K. Prasad, Mr. K. L. Mehrotra and Mr. A.S. Kapre who are non-executive independent Directors of the Company.
- 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 Wholtime Directors and senior management. The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors.

- c) No. of meeting and attendance:
There was one meeting during the year 2016-17 on 27/05/2016. The meeting was attended by all members.
- d) Brief description of terms of reference:
The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) Details of remuneration payable to Managerial Personnel for the year 2016-17:

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	₹ 17,57,953/-	—	5 years from 01/04/14
2.	Mr. Ashim Saraf, JMD	₹ 19,64,985/-	₹ 1,55,420/-	5 years from 01/04/14
3.	Mr. Anurag Saraf, JMD	₹ 18,45,813/-	₹ 3,03,161/-	5 years from 01/02/13

- f) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2016-17, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid	No. of equity shares of ₹ 1/- each held
1.	Mr. A. S. Kapre	₹ 65,000/-*	1,50,000
2.	Mr. K. Jayabharat Reddy	₹ 15,000/-*	-
3.	Mr. P. V. R. K. Prasad	₹ 70,000/-*	-
4.	Mrs. Urmila Gupta	₹ 20,000/-	-
5.	Mr. K. L. Mehrotra	₹ 25,000/-*	-
6.	Mr. Kesharao Pardhey (upto 11.11.2016)	Nil	-
7.	Mr. Rohit Saraf (w.e.f. 12.08.16)	₹ 20,000/-	8,72,669
TOTAL		₹ 2,15,000/-	

* Includes sitting fees paid for attending Committee Meetings.

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, the Committee reviews and resolves the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

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

Chairman of the Committee is Mr. P.V.R.K. Prasad. One meeting of the Committee was held during the year on 08th February, 2017.

- a) Mr. S. S. Sharma, General Manager (Legal) & Company Secretary of the Company is the Compliance Officer
- b) No. of Shareholders' complaints received during the period 1-4-2016 to 31-3-2017 1
- c) No. of complaints not solved to the satisfaction of the Shareholders Nil
- d) Number of pending complaints as on 31-3-2017 Nil

D. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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

Policy for Determining Material Subsidiaries

In terms of 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.com.

Vigil Mechanism

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

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

5. GENERAL BODY MEETINGS

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

AGM held	Day, date & time	Venue
11 th AGM	Tuesday, 9 th September, 2014 at 10.30 a.m.	Officers' Club, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
12 th AGM	Tuesday, 22 th September, 2015 at 11.30 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
13 th AGM	Thursday, 29 th September, 2016 at 03.30 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)

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

9 th September, 2014	I) Borrowing powers of Board of Directors u/s 180 (1) (c) of the Companies Act, 2013. II) Creation of Security on the Immovable & movable properties of the company u/s 180 (1) (a) of the Companies Act, 2013. III) Appointment & payment of remuneration to Mr M D Saraf as President w.e.f. 01.08.2014.
22 th September, 2015	I) Keeping the register of members with Registrar and Transfer Agent of the company u/s 94 of the Companies Act, 2013. II) Approval for transactions to be entered into by the company with the related parties during the F.Y. 2014-15 & every year thereafter u/s 188 of the Companies Act, 2013. III) To make investments, give loans/guarantee or provide security pursuant to Section 186 of the Companies Act, 2013 beyond the prescribed limits (voted through Postal Ballot). IV) Adoption of new Articles of Association of the Company containing Regulations in conformity with the provisions of Section 14 of Companies Act, 2013.
29 th September, 2016	No special resolution was passed in the Thirteenth Annual General Meeting

- c) Whether any special Resolutions passed last year through postal ballot (Details of Voting Pattern) : No
 d) Person who conducted the postal ballot exercise : NA
 e) Whether any special Resolution is proposed to be conducted through postal ballot this year : No
 f) Procedure for postal ballot : NA

6. DISCLOSURES

- a) All transactions entered into with related parties as defined under the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year were on an arm's length price basis and in the ordinary course of business and with requisite approvals as required. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.facoralloys.com. There were no materially significant related-party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- b) There were no instances of non-compliance and no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authorities on any matter related to capital markets during the last year.
- c) Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a 'Code of Conduct' for 'Prevention of Insider Trading' (The code). The code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.
 Mr. S. S. Sharma, General Manager (Legal) & Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.
- d) Disclosure of information as per SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 – List of persons, who are constituting group as defined under MRTP Act, 1969 is as under:

I) PROMOTERS

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

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

III) Group / Associated Entities:

- | | |
|---|--|
| (1) Aone Technet Private Limited; | (2) ARK Mercantile Private Limited; |
| (3) Arka Resources Private Limited; | (4) Asim Minerals Private Limited; |
| (5) Bankey Bihari Footwears Private Limited; | (6) Best Minerals Limited; |
| (7) Bita Infosystem Private Limited; | (8) Boula Platinum Mining Private Limited; |
| (9) Vanita Enterprises Private Limited; | (10) CatiMadenciilikIthalatveIhracat A. S.; |
| (11) Dass Papers Private Limited; | (12) Deepee Sales Corporation; |
| (13) Divyajyoti Builders Private Limited; | (14) DP Infrastructure Holdings Private Limited; |
| (15) Embark Infosystems Private Limited; | (16) Facor Electric Limited; |
| (17) FACOR Employees Welfare Trust; | (18) Facor Energy India Limited; |
| (19) Facor Energy Limited; | (20) Facor Minerals (Netherlands) B.V.; |
| (21) Facor Minerals Pte. Ltd, Singapore; | (22) Facor Power Limited; |
| (23) FACOR Realty and Infrastructure Limited; | (24) Facor Solar Limited; |
| (25) FACOR Steels Limited; | (26) Facor Turkrom Mining (Netherlands) B.V.; |
| (27) FAL Employees Welfare Trust; | (28) FAL Power Ventures Private Limited; |
| (29) Ferro Alloys Corporation Limited; | (30) GDP Holdings Private Limited; |
| (31) GDP Infrastructure Private Limited; | (32) Geedee Sales Services; |
| (33) YMR Enterprise Private Limited; | (34) Godawari devi Saraf and Sons; |

- | | |
|--|---|
| (35) Mezeron Enterprises Private Limited; | (36) NDS Minerals Private Limited; |
| (37) Pioneer Facor IT Infradevelopers Pvt. Limited; | (38) Vakrangee Press Limited; |
| (39) Premier Commercial Corporation; | (40) Raghavendra Sarkar Ventures Private Limited; |
| (41) Rai Bahadur Shreeram And Company Private Limited; | (42) Saraf Bandhu Private Limited; |
| (43) Shree Ram Durga Prasad Ores Private Limited; | (44) Shreeram Shipping Services Pvt. Limited; |
| (45) SRX Global Private Limited; | (46) Suchitra Investments & Leasing Limited; |
| (47) Trusta Resources S.L.; | (48) Tusta Trading Company Inc.; |
| (49) UMT International Limited; | (50) V&G Commercial Private Limited; |
| (51) Vidarbha Iron & Steel Corporation Limited. | |

7. MEANS OF COMMUNICATION

- Quarterly results are communicated through newspaper advertisement.
- The quarterly results are published in the “Financial Express” and “Praja Sakti” newspapers.
- We have Website for displaying results.
- No presentation is made to institutional investors or to the analyst.
- 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
20 th September, 2017	11:00 A.M.	Administrative Building, Shreeramnagar-535 101, Garividi; Dist: Vizianagaram, Andhra Pradesh.

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

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	List of Other Public Limited Companies in which Directorship held as on 31-3-2017	Chairman / Member of the committee of Board of other Public Limited Companies on which he/she was a Director as on 31-3-2017	No. of shares held
Mr. Anurag Saraf	17 th May, 1971	15 th January, 2013	Business Administration	B.E. (Electrical)	FACOR Steels Limited, FACOR Power Limited, FACOR Realty & Infrastructure Limited, Vidarbha Iron & Steel Corporation Limited, Facor Solar Limited	2	25,07,354

- Financial Year : 1st April to 31st March
- Date of Book closure from : Friday, 15th September, 2017 to Wednesday, 20th September, 2017 (both days inclusive)
- Dividend payment date : Not Applicable
- Listing on Stock Exchange and stock code : The Bombay Stock Exchange Ltd., 532656
The company has paid the listing fees for the financial year 2016-17 to BSE
- Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2016-17 and performance in comparison to Broad based BSE-SENSEX index during the said financial year as downloaded from BSE website are as under:

Month	Bombay Stock Exchange (Rupees)			BSE Sensex	
	High	Low	Volume (No. of shares)	High	Low
April 2016	1.05	0.78	6,51,861	26,100.54	24,523.20
May 2016	1.05	0.82	6,65,183	26,837.20	25,057.93
June 2016	1.09	0.74	7,43,206	27,105.41	25,911.33
July 2016	1.15	0.82	12,36,736	28,240.20	27,034.14
August 2016	1.03	0.83	6,83,750	28,532.25	27,627.97
September 2016	1.53	0.85	34,22,863	29,077.28	27,716.78
October 2016	1.96	1.46	33,65,687	28,477.65	27,488.30
November 2016	2.25	1.28	38,80,161	28,029.80	25,717.93
December 2016	2.19	1.62	27,11,473	26,803.76	25,753.74
January 2017	2.63	1.92	31,20,689	27,980.39	26,447.06
February 2017	3.03	2.06	37,55,354	29,065.31	27,590.10
March 2017	4.20	3.18	1,23,53,427	29,824.62	28,716.21

viii) Registrar & Transfer Agent (RTA):

The Company has appointed M/s MAS Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 as its Registrar and Share Transfer Agent for handling the share registry work in terms of both physical and electronic (Dematerialisation of shares). Accordingly, the shareholders are required to approach M/s MAS Services Ltd, for all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialisation of shares held in the company. The shareholders are also requested to send all correspondence relating to company's shares to M/s MAS Services Ltd.

ix) Share Transfer System:

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

x) a) Distribution of shareholding as on 31.03.2017:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
1 to 500	38895	3971349	2.03
501 to 1000	5402	4986406	2.55
1001 to 2000	3218	5518769	2.82
2001 to 3000	1415	3842773	1.97
3001 to 4000	673	2503273	1.28
4001 to 5000	1043	5105501	2.61
5001 to 10000	1445	11451313	5.86
10001 and above	1475	158167971	80.88
Total	53566	195547355	100.00
Physical Mode		716640	0.37
Electronic Mode		194830715	99.63

b) Categories of shareholders as on 31.03.2017:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Financial Institutions	42240	0.02
c.	State Government Company/State Financial Corporation	4046	-
d.	Nationalised Banks	1750	-
e.	Bodies Corporate	15526748	7.94
f.	Others	93363843	47.75
	Total:	195547355	100.00

xi) Dematerialization of shares and liquidity:

99.63 % of the share capital has been dematerialized as on 31st March, 2017.

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 Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020

b) For other matters:

FACOR Alloys Ltd
Shreeramnagar-535101, Garividi; Dist: Vizianagaram,
Andhra Pradesh.

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

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. There are no audit qualifications for the Standalone & Consolidated Financial Statements for the year ended 31st March, 2017.

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:

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

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

10. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

a) **Regulation 39 (4) of the SEBI (LODR) Regulation, 2015 for dealing with the Unclaimed shares:**

Pursuant to a Scheme of Arrangement annexed to and forming part of the Rehabilitation Scheme sanctioned to

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

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

b) Registration of Email Addresses:

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

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agent, M/s MAS Services Ltd, 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 proposes to send notices and documents, in electronic form, to such shareholders.

c) Dematerialisation of Shares:

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

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

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

e) Updation of Address / Bank Details:

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

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

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple

communications and this would ensure that future correspondence / corporate benefits could then be sent to the consolidated folio.

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

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

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

None

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

I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
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

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance requirements	27	Yes

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct for the year ended 31st March, 2017.

Place: Noida, U.P.
Date : 11th August, 2017

R.K. Saraf
Chairman & Managing Director

AUDITORS' CERTIFICATE

To the Members of
Facor Alloys Limited

We have examined the compliance of conditions of Corporate Governance by Facor Alloys Limited ('the Company') for the year ended 31 March 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C & D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, 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.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C & D of Schedule V of the Listing Regulations, as applicable.

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

Restrictions on use

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

Place : Noida (U.P.)
Date : 11th August, 2017

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Facor Alloys Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With reference to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer our separate report in Annexure- 'B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - the Company did not have any long-term contracts including the derivative contracts for which there were any material foreseeable losses;
 - there was no amount required to be transferred to the Investor Education and Protection Fund by the Company; and
 - the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the Company.

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

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

Place : Noida, UP
Date : 13th May, 2017

ANNEXURE- "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Facor Alloys Limited ('the Company'), on the Standalone Financial Statements for the year ended 31st March, 2017.

We report that:

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

- (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes:-

Nature of Dues	₹ in Lacs (Net)	Forum where the Dispute is pending	Period
Income Tax	290.84	Commissioner of Income Tax (Appeals), Visakhapatnam	2009-10, 2010-11, 2012-13, 2013-14
Sales Tax	21.27 8.51	A.P. High Court, Hyderabad APSTAT, Visakhapatnam	2009-2010 2010-11, 2011-12, 2012-13
Excise Duty	16.19 0.53	CESTAT, Hyderabad Commissioner (Appeals), Visakhapatnam	2010-11 2012-13
Custom Duty	158.34	A.P. High Court, Hyderabad	1988-89
Service Tax	48.46 33.17	CESTAT, Hyderabad Commissioner (Appeals), Visakhapatnam	2008-09, 2012-13 2009-10, 2013-14, 2015-16

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

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

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

Place: Noida, UP
Date : 13th May, 2017

Annexure 'B' to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Facor Alloys Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Noida, UP
Date : 13th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

STANDALONE ACCOUNTS

	Note Nos.		As at 31 st March, 2017	As at 31 st March, 2016
(₹ in lacs)				
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	1,955.48		1,955.48
Reserves and Surplus	3	8,783.34		8,737.71
			10,738.82	10,693.19
Non-Current Liabilities				
Long-Term Borrowings	4	1,800.00		-
Long-Term Provisions	5	1,160.56		1,135.81
			2,960.56	1,135.81
Current Liabilities				
Short-Term Borrowings	6	6,939.60		8,225.34
Trade Payables				
a) Outstanding dues of micro and small enterprises	7	-		-
b) Outstanding dues of creditors other than micro and small enterprises	7	2,106.93		711.22
Other Current Liabilities	8	2,833.22		1,506.76
Short-Term Provisions	9	38.17		59.99
			11,917.92	10,503.31
TOTAL			25,617.30	22,332.31
ASSETS				
Non-Current Assets				
Fixed Assets-Tangible	10	1,675.82		1,800.05
Non-Current Investments	11	6,962.78		6,963.78
Long-Term Loans and Advances	12	709.07		43.72
Deferred Tax Assets (Net)	13	1,638.24		1,634.61
			10,985.91	10,442.16
Current Assets				
Inventories	14	1,812.38		1,372.68
Trade Receivables	15	1,377.52		284.60
Cash and Cash Equivalents	16	959.44		79.72
Short-Term Loans and Advances	17	10,456.59		10,127.61
Other Current Assets	18	25.46		25.54
			14,631.39	11,890.15
TOTAL			25,617.30	22,332.31
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 38			

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy.Chief Financial Officer

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

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

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

ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

Noida, UP : 13th May, 2017Noida, UP : 13th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

	<u>Note Nos.</u>	<u>Year Ended 31st March, 2017</u>	Year Ended 31 st March, 2016 (₹ in lacs)
INCOME			
Revenue from Operations	19	13,278.73	185.24
Other Income	20	<u>261.26</u>	<u>861.22</u>
Total Revenue		13,539.99	1,046.46
EXPENSES			
Cost of Materials Consumed	21	6,313.80	-
Changes in Inventories of Finished Goods and Stock-in-Process	22	(344.55)	4.72
Employee Benefits Expense	23	1,407.69	1,286.61
Finance Costs	24	1,618.84	933.44
Depreciation and Amortisation Expense	10	258.24	301.84
Other Expenses	25	<u>4,294.49</u>	<u>782.80</u>
Total Expenses		<u>13,548.51</u>	<u>3,309.41</u>
Profit/(Loss) Before Tax		(8.52)	(2,262.95)
Tax Expenses			
Current Tax		-	-
Tax for Earlier Years		(50.51)	0.32
Deferred Tax		<u>(3.64)</u>	<u>(839.67)</u>
		(54.15)	(839.35)
Profit/(Loss) for the year		<u>45.63</u>	<u>(1,423.60)</u>
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹)	26	0.02	(0.73)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 38		

As per our report of even date attached,

For and on behalf of the Board,

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

Dy.Chief Financial Officer

R.K. SARAFChairman & Managing Director
(DIN: 00006102)**C.A. K.P. SAHASRABUDHE**Partner
(Membership No. 007021)**S.S. SHARMA**General Manager (Legal)
& Company Secretary**ASHIM SARAF**Joint Managing Director
(DIN: 00009581)Noida, UP : 13th May, 2017Noida, UP : 13th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

(₹ in lacs)

	2016-17	2015-16
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(8.52)	(2,262.95)
Adjustment for:		
Depreciation	258.24	301.84
Exchange difference on translation (Net)	1.30	-
Profit/(Loss) on Sale of Investments	(0.67)	(4.96)
Interest and Dividend Income	(167.87)	(197.60)
Finance Costs	1,618.84	933.44
Profit/(Loss) on Sale of Fixed Assets (Net)	(15.35)	(645.53)
	<u>1,694.49</u>	<u>387.19</u>
Operating Profit before Working Capital Changes	1,685.97	(1,875.76)
Adjustment for:		
Trade and Other Receivables	(2,091.59)	(5,878.69)
Inventories	(439.69)	85.55
Trade Payables	1,492.72	290.57
Others	0.11	686.21
	<u>(1,038.45)</u>	<u>(4,816.36)</u>
Cash Generated from Operations	647.52	(6,692.12)
Direct Taxes Paid/Adjusted	50.51	(3.08)
	<u>50.51</u>	<u>(3.08)</u>
Net Cash Flow from Operating Activities	698.03	(6,695.20)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(140.70)	(5.67)
Sale of Fixed Assets	22.04	672.00
Purchase of Investments	-	-
Sale of Investments	1.67	5.16
Interest and Dividend Income	171.00	219.88
Net Cash Flow (used in) / from Investing Activities	54.01	891.37
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long and Short Term Borrowings	514.26	6,096.67
Finance Costs Paid	(386.47)	(488.76)
Net Cash Flow (used in) / from Financing Activities	127.79	5,607.91
Net Increase/(Decrease) in Cash and Cash Equivalents	879.83	(195.92)
Opening Balance of Cash and Cash Equivalents	69.16	265.08
Closing Balance of Cash and Cash Equivalents	948.99	69.16
Net Increase/(Decrease) in Cash and Cash Equivalents	879.83	(195.92)

As per our report of even date attached,

For and on behalf of the Board,

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

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

Noida, UP : 13th May, 2017

O.P. SARASWAT
Dy.Chief Financial Officer

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

Noida, UP : 13th May, 2017

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

ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
STANDALONE ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Corporate Information :
Facor Alloys Limited ("The Company") is a Public Limited Company incorporated in India under the Companies Act, 1956. It is part of Worldwide reputed FACOR Group of Industries. The Company is listed at Bombay Stock Exchange. The Company, one of the India's largest producers of Ferro Alloys Products produces Ferro Alloys product at its works in Andhra Pradesh and caters both domestic and international markets. The product is used in the manufacture of Steel/Stainless Steel.
- (b) Basis of Preparation of Financial Statements :
These accounts have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013 and adopted consistently by the Company.
- (c) Use of Estimates :
The preparation of financial statements is in conformity with the generally accepted accounting principles, which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/materialized.
- (d) Fixed Assets :
All fixed assets are valued at cost net of recoverable taxes less depreciation. Roll-over charges on forward exchange contracts and loss or gain on conversion of foreign currency liabilities for acquisition of fixed assets are added to or deducted from the cost of fixed assets.
- (e) Intangible Assets :
Intangible asset acquired separately are measured at cost less amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful life.
- (f) Depreciation :
The charge in respect of depreciation on tangible assets acquired prior to 01.04.2014 is provided on different fixed assets on the basis of 'straight line method' and 'written down value method' over the useful life of assets after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life as evaluated by external valuers and further reviewed by the technical Management based on historical experience. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.
However, the useful life of the assets acquired on or after 1st April, 2014, is in accordance with the useful lives as prescribed for those assets in Part C of Schedule II of the Companies Act, 2013.
- (g) Foreign Exchange Transactions :
(i) Transactions in foreign exchange are translated to Indian Rupees at the rate of exchange ruling on the date of transaction.
(ii) All foreign currency liabilities related to acquisition of Fixed Assets remaining unsettled at the end of the year are converted at contract rates, where covered by foreign exchange contracts and at year end rates in other cases and the difference in translation is adjusted in the carrying cost of such assets.
(iii) Other outstanding foreign currency liabilities and receivables are translated at the year end rates and the difference in translation is recognized in the Statement of Profit and Loss.
- (h) Investments :
Current Investments are carried at lower of cost and quoted/fair value.
Long term investments are stated at cost and provision for diminution is made, if such diminution is other than temporary in nature.
- (i) Current Assets :
Finished Goods and Stock-in-Process are valued at cost or net realisable value whichever is lower. Other inventories are valued at cost. All other items of current assets are stated after provisions for any diminution in value.
- (j) Revenue Recognition :
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales comprise sale of goods and services, conversion charges, inter-unit transfers and exports. Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive is established.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

- (k) Employee Benefits :
- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
 - (ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.
- (l) Borrowing Costs :
- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.
- (m) Provision for Current and deferred Tax :
- Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.
- (n) Contingent liabilities :
- Contingent Liabilities are not recognised but are disclosed in the notes.

2. SHARE CAPITAL

	As at 31 st March, 2017	As at 31 st March, 2016
(₹ in lacs)		
Authorised Share Capital:		
360,000,000 (Previous Year- 360,000,000) Equity Shares of ₹ 1/- each	3,600.00	3,600.00
3,900,000 (Previous Year- 3,900,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	3,900.00	3,900.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid up:		
195,547,355 (Previous Year- 195,547,355) Equity Shares of ₹ 1/- each fully paid-up	1,955.48	1,955.48
TOTAL	1,955.48	1,955.48

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

Name of the Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	61,055,682	31.22%	61,055,682	31.22%

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

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares		No. of Shares	
Shares outstanding at the beginning of the year	195,547,355		195,547,355	
Shares issued during the year	-		-	
Shares bought back during the year	-		-	
Shares outstanding at the end of the year	195,547,355		195,547,355	

2.3 Terms/rights attached to Equity Shares:

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

3. RESERVES AND SURPLUS

(₹ in lacs)

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
Capital Reserve		
Balance as at the beginning and end of the year	8,700.51	8,700.51
Securities Premium Reserve		
Balance as at the beginning and end of the year	2,667.52	2,667.52
General Reserve		
Balance as at the beginning and end of the year	250.00	250.00
Statement of Profit and Loss		
Balance as at the beginning of the year	(2,880.32)	(1,456.72)
Add: Profit/(Loss) for the year	<u>45.63</u>	<u>(1,423.60)</u>
Balance as at the end of the year	<u>(2,834.69)</u>	<u>(2,880.32)</u>
TOTAL	<u>8,783.34</u>	<u>8,737.71</u>

4. LONG-TERM BORROWINGS

Unsecured		
From Related party	}	(Refer Note 4.1)
Loan from Others		
	230.00	-
	<u>1,570.00</u>	-
TOTAL	<u>1,800.00</u>	<u>-</u>

4.1 Terms of repayment: Payable after 31st March, 2018.

5. LONG-TERM PROVISIONS

Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	140.03	115.28
Others	<u>1,020.53</u>	<u>1,020.53</u>
TOTAL	<u>1,160.56</u>	<u>1,135.81</u>

6. SHORT-TERM BORROWINGS

(A) From Banks (Secured) :		
Cash Credit Accounts (Refer Note 6.1)	6,939.60	7,225.34
(B) From Other (Secured)	-	<u>1,000.00</u>
TOTAL	<u>6,939.60</u>	<u>8,225.34</u>

6.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts and other receivables and by way of second charge on fixed assets of the Company in respect of immovable properties and guaranteed by two Directors. It also includes ₹ 6089.76 lacs (Previous Year ₹ 6089.76 lacs) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's Account.

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

7. TRADE PAYABLES

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
a) Outstanding dues of micro and small enterprises	-	-
b) Outstanding dues of creditors other than micro and small enterprises	2,106.93	711.22
TOTAL	2,106.93	711.22

8. OTHER CURRENT LIABILITIES

Unpaid dividends	10.44	10.56
Other Payables *	2,822.78	1,496.20
TOTAL	2,833.22	1,506.76

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

9. SHORT-TERM PROVISIONS

Provision for Employee Benefits:

P.L.Encashment (Unfunded)	38.17	59.99
TOTAL	38.17	59.99

10. FIXED ASSETS

(₹ in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2017	Upto 1.04.2016	For the Year	Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Assets:										
Land Freehold	61.84	-	-	61.84	-	-	-	-	61.84	61.84
Mines and Quarries Freehold	0.98	-	-	0.98	-	-	-	-	0.98	0.98
Buildings	861.79	-	-	861.79	640.79	21.52	-	662.31	199.48	221.00
Railway Siding	53.99	-	-	53.99	41.96	1.62	-	43.58	10.41	12.03
Plant and Machinery	4,679.26	137.14	83.24	4,733.16	3,469.93	169.49	78.95	3,560.47	1,172.69	1,209.33
Office and Other Equipments	343.35	3.50	29.80	317.05	253.18	15.74	28.91	240.01	77.04	90.17
Furniture and Fixtures	263.86	0.06	6.83	257.09	141.21	30.03	6.76	164.48	92.61	122.65
Vehicles	568.96	-	61.01	507.95	486.91	19.84	59.57	447.18	60.77	82.05
TOTAL	6,834.03	140.70	180.88	6,793.85	5,033.98	258.24	174.19	5,118.03	1,675.82	1,800.05
Previous Year	7,017.85	5.67	189.49	6,834.03	4,895.16	301.84	163.02	5,033.98	1,800.05	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

11. NON-CURRENT INVESTMENTS

(₹ in lacs)

	As at 31 st March, 2017	As at 31 st March, 2016
Trade Investments : (At Cost)		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
5,000 (Previous Year- 5,000) Best Minerals Limited of ₹ 100/- each	5.00	5.00
10,000 (Previous Year- 10,000) FAL Power Ventures Pvt. Ltd. of ₹ 10/- each (Formerly known as BEC Power Private Limited)	1,583.75	1,583.75
50,000 (Previous Year- 50,000) Facor Electric Limited of ₹ 10/- each	5.01	5.01
5,43,000 (Previous Year- 5,43,000) Facor Minerals Pte Limited of USD 1 each	281.53	281.53
21,51,605 (Previous Year- 21,51,605) Facor Minerals (Netherlands) BV of USD 1 each	1,216.14	1,216.14
	3,091.43	3,091.43
In Equity Shares of Associated Companies - Unquoted, fully paid up		
17,42,700 (Previous Year- 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1/- each	1,855.63	1,855.63
Others - In Equity Shares -unquoted, fully paid up		
1,36,663 (Previous Year-1,36,663) Vidarbha Iron & Steel Corporation Limited of ₹ 10/- each	13.67	13.67
2,00,00,000 (Previous Year- 2,00,00,000) Facor Power Limited of ₹ 10/- each (Refer Note below)	2,000.00	2,000.00
	2,013.67	2,013.67
In Government Securities : Unquoted		
6 Years National Savings Certificates	2.05	3.05
Deposited with Government/Semi Government Authorities as Security Deposit ₹ 2.05 lacs (Previous Year ₹ 3.05 lacs)		
TOTAL	6,962.78	6,963.78
Aggregate cost of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	6,962.78	6,963.78

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

12. LONG-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Other Loans	6.51	-
Security Deposits	702.56	43.72
TOTAL	709.07	43.72

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

13. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	326.36	374.06
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	773.11	140.48
Unabsorbed Depreciation and Unabsorbed Business loss	1,191.49	1,868.19
	1,964.60	2,008.67
Net Deferred Tax Assets /(Liabilities)	1,638.24	1,634.61

14. INVENTORIES

(As per Inventory taken, valued and as certified by the Management)
(At Cost unless otherwise stated)

Raw Materials	1,299.43	1,285.33
Stock-in-Process (At Cost or Net realisable value whichever is lower)	158.53	-
Finished Goods (At Cost or Net realisable value whichever is lower)	186.66	0.64
Stores and Spare Parts	152.67	70.58
Loose Tools	15.09	16.13
TOTAL	1,812.38	1,372.68

15. TRADE RECEIVABLES

(Unsecured and Considered Good)

Over six months	4.04	280.97
Others	1,373.48	3.63
TOTAL	1,377.52	284.60

16. CASH AND BANK BALANCES

CASH AND CASH EQUIVALENTS

Cash in hand	3.67	1.07
With Scheduled Banks:		
In Current Accounts	939.83	18.05
In Cash Credit Accounts	5.49	0.04
In Current Accounts- For Unpaid Dividend	10.45	10.56
In Fixed Deposit Accounts:		
With original maturity upto three months	-	50.00
	955.77	78.65
TOTAL	959.44	79.72

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

17. SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	8,668.99	8,684.54
Loans and Advances to Other	-	750.00
Others	1,787.60	693.07
TOTAL	<u>10,456.59</u>	<u>10,127.61</u>

18. OTHER CURRENT ASSETS

Interest accrued on Fixed Deposits	-	0.08
Claims Recoverable	25.46	25.46
TOTAL	<u>25.46</u>	<u>25.54</u>

19. REVENUE FROM OPERATIONS

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Sale of products, less returns	9,233.71	126.97
Sale of Services	4,187.47	-
	13,421.18	126.97
Less: Excise Duty	160.81	14.11
	13,260.37	112.86
Add: Export Incentives	18.36	72.38
TOTAL	<u>13,278.73</u>	<u>185.24</u>

GROSS SALES

19.1 PARTICULARS OF SALE OF PRODUCTS

Ferro Alloys	9,225.35	68.27
Off Grade / By-products	8.36	58.70
Services rendered (Conversion Charges)	4,187.47	-
TOTAL	<u>13,421.18</u>	<u>126.97</u>

20. OTHER INCOME

INTEREST INCOME

Interest on Deposits	0.08	25.27
Other Interest	168.46	172.33
	168.54	197.60
Miscellaneous receipts	77.37	13.13
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	15.35	645.53
Profit/(Loss) on Sale of Investments	-	4.96
TOTAL	<u>261.26</u>	<u>861.22</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

21. COST OF MATERIALS CONSUMED

(₹ in lacs)

	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Opening stock of Materials	1,285.33	1,365.18
Purchases / (Sales)	<u>6,327.90</u>	<u>(79.85)</u>
	7,613.23	1,285.33
Less: Closing stock of Materials	<u>1,299.43</u>	<u>1,285.33</u>
Cost of Materials Consumed	<u>6,313.80</u>	<u>-</u>

21.1 PARTICULARS OF MATERIALS CONSUMED

Chrome Ore/Concentrate/Others	5,092.50	-
Coke and Coal	996.51	-
Quartz	32.09	-
Carbon paste/Electrode paste	133.53	-
Miscellaneous	59.17	-
TOTAL	<u>6,313.80</u>	<u>-</u>

22. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN PROCESS

Closing stock:		
Finished Goods	186.66	0.64
Stock-in-Process	<u>158.53</u>	<u>-</u>
	345.19	0.64
Opening stock:		
Finished Goods	0.64	5.36
Stock-in-Process	<u>-</u>	<u>-</u>
	0.64	5.36
Decrease/(Increase) in Inventories	<u>(344.55)</u>	<u>4.72</u>

23. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus	971.62	878.47
Contribution to Provident and Other Funds	202.48	150.85
Welfare Expenses	177.90	192.08
Directors' Remuneration	55.69	65.21
TOTAL	<u>1,407.69</u>	<u>1,286.61</u>

24. FINANCE COSTS

Interest:		
On Fixed Loan	285.65	138.00
On Others	<u>1,326.67</u>	<u>795.44</u>
	1,612.32	933.44
Other Borrowing Costs	5.59	-
Bank Charges on Bills Discounted	0.93	-
TOTAL	<u>1,618.84</u>	<u>933.44</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

25. OTHER EXPENSES

(₹ in lacs)

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Power and Fuel	3,014.29	69.09
Mining, Handling and other Production Expenses	231.91	139.30
Freight, Shipment and Sales Expenses	95.15	30.76
Stores and Spares	94.55	0.53
Works Expenses	225.24	337.98
Transport Expenses	52.91	2.69
Repairs and Maintenance to Plant and Machinery	295.08	15.40
Repairs and Maintenance to Buildings	152.18	98.65
Insurance	8.00	14.07
Rent (Net)	(5.84)	14.25
Rates and Taxes	9.49	9.59
Commission and Brokerage on Sales	36.08	-
Payment to Auditors	3.38	3.94
Directors' Sitting Fees	2.15	2.80
Foreign Exchange Loss	17.67	0.35
Miscellaneous Expenses	62.25	43.40
TOTAL	4,294.49	782.80

25.1 PAYMENT TO AUDITORS

(A) Statutory Auditor

Audit Fees	2.75	2.75
Tax Audit Fees	0.15	0.15
Certification and Consultation Fees	0.10	0.20
Reimbursement of Expenses	0.18	0.54
Sub-Total (A)	3.18	3.64

(B) Cost Auditor

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

TOTAL (A + B)

3.38	3.94
-------------	-------------

26. EARNING PER SHARE (BASIC AND DILUTED)

(i) Net Profit after Tax	45.63	(1,423.60)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (₹ per share)	0.02	(0.73)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

27. After lifting of the lock-out at the Plant, the production activities have started on 28th October 2016.

28. Disclosure pursuant to Accounting Standard - 15 (Revised) “Employee Benefits” :

Defined Contribution Plan :

Amount of ₹ 100.64 Lacs (Previous Year ₹ 75.28 Lacs) is recognised as expense and included in “Employee Benefits Expense” in Note 23 of the Statement of Profit and Loss.

Defined Benefit Plan :

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with SBI Life Insurance in form of qualifying insurance policy.

The company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of privilege leave for encashment. This is an unfunded plan.

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

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

(₹ in lacs)

Particulars	2016-17		2015-16	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	882.77	175.28	861.11	192.43
Interest Cost	70.62	13.47	68.89	15.39
Current Service Cost	42.10	11.36	39.50	11.59
Actuarial Losses/(Gains)	106.43	(7.23)	48.10	(19.33)
Benefits Paid	(142.65)	(14.68)	(134.83)	(24.80)
Present value of Defined Benefit Obligation at the close of the year	959.27	178.20	882.77	175.28

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

(₹ in lacs)

Particulars	2016-17		2015-16	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the Beginning of the year	663.24	-	715.86	-
Adjustments	63.30	-	-	-
Add : Expected Return on Plan Assets	61.75	-	60.85	-
Add/(Less) : Actuarial Gains/(Losses)	(7.75)	-	20.06	-
Add : Contributions	64.99	-	1.29	-
Less : Benefits Paid	(142.65)	-	(134.83)	-
Fair Value of Plan Assets at the close of the year	702.88	-	663.23	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

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

(₹ in lacs)

Particulars	2016-17		2015-16	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	959.27	178.20	882.77	175.28
Less : Fair Value of Plan Assets	702.88	-	663.23	-
Present Value of unfunded obligation	256.39	178.20	219.54	175.28

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

Particulars	2016-17		2015-16	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	42.10	11.36	39.50	11.59
Adjustments	(63.30)	-	-	-
Interest Cost	70.62	13.47	68.89	15.39
Expected return on Plan Asset	(61.75)	-	(60.85)	-
Net actuarial loss/(gain)	114.17	(7.23)	28.04	(19.33)
Net periodic cost	101.84	17.60	75.58	7.65

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

Particulars	2016-17		2015-16	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Mortality table	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)
Discount Rate	7%	7%	8%	8%
Salary Escalation Rate	5%	5%	5%	5%

- (f) Movement in net liability recognised in Balance sheet : (₹ in lacs)

Particulars	2016-17		2015-16	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	219.54	175.28	145.25	192.43
Expenses as above	101.84	17.60	75.58	7.65
Contributions Paid	(64.99)	(14.68)	(1.29)	(24.80)
Closing net liability	256.39	178.20	219.54	175.28

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

(g) Other Disclosures :

(₹ in lacs)

Particulars	2016-17		2015-16		2014-15		2013-14	
	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment
Defined Benefit Obligation	959.27	178.20	882.77	175.28	861.11	192.43	1,010.79	218.69
Plan Assets	702.88	-	663.23	-	715.86	-	927.82	-
Surplus/(Deficit)	(256.39)	(178.20)	(219.54)	(175.28)	(145.25)	(192.43)	(82.97)	(218.69)

	2016-17		2015-16	
	₹ in lacs	Percentage	₹ in lacs	Percentage
29. (a) 1. Value of Consumption of imported Components and Spare Parts:	-	-	-	-
2. Value of Consumption of indigenous Components and Spare Parts:	169.42	100.00	1.59	100.00
	<u>169.42</u>	<u>100.00</u>	<u>1.59</u>	<u>100.00</u>

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

31. Expenditure in Foreign Currency :

(₹ in lacs)

	2016-17	2015-16
(i) Commission on Sales	36.08	-
(ii) Travelling Expenses	5.89	51.32
(iii) Miscellaneous	0.55	1.33
	<u>42.52</u>	<u>52.65</u>

32. Earnings in Foreign Exchange on account of Export of Goods on F.O.B. basis

2,879.57 -

33. Segment Information:

The Management Information System of the Company identifies and monitors Ferro Alloys as the business segment. The Company is managed organisationally as a single unit. In the opinion of the management, the Company is primarily engaged in the business of Ferro Alloys. As the basic nature of these activities are governed by the same set of risk and return, these constitute and are grouped as single segment as per Accounting Standard (AS) 17 dealing with segment reporting issued by ICAI.

34. Contingent Liabilities and Commitments :

(I) Contingent Liabilities :

- Claims against the Company not acknowledged as debts, since disputed ₹ 1637.51 lacs (Previous Year ₹ 1520.61 lacs). Amount paid under protest ₹ 142.37 lacs (Previous Year ₹ 57.54 lacs).
- A corporate guarantee for a sum of 1.6 Million USD is provided to Bank of India, London as a collateral security to the Term Loan sanctioned to Cati Madencilik Ithalat Ve Ihracat A.S., a tier II subsidiary of the Company.
- Counter guarantees in favour of Consortium Banks in respect of their outstandings with Facor Steels Limited. Due to the nature of the liability, its financial impact is not ascertainable.

(II) Capital and other Commitments:

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

35. Related Party Disclosure:-

I List of related parties:-

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

II Transactions with Related Parties during the year ended 31-03-2017 in the ordinary course of business.

(₹ in lacs)

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel/Directors & Relatives	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
i) Purchase of Goods	-	-	417.95	-	-	-
ii) Purchase of Assets	-	-	2.00	-	-	-
iii) Rent paid	-	-	84.43	55.77	-	-
iv) Rent received	-	-	96.60	74.55	-	-
v) Reimbursement of Expenditure Paid/(Received)(Net)	-	-	20.10	22.98	-	-
vi) Services Received/(Provided) (Net)	-	-	18.90	15.80	-	-
vii) Interest Received	-	-	(45.76)	(62.63)	-	-
viii) Short Term Loans and Advances given/(Received)	0.96	6,629.49	(246.51)	(52.70)	-	-
ix) Clearing & forwarding and other service charges	-	-	1.73	-	-	-
x) Key Management Personnel and their Relatives' Remuneration	-	-	-	-	80.26	80.56
xi) Balances outstanding at the year end:						
a) Short Term Loans and Advances given	8,164.02	8,163.06	274.97	521.48	-	-
b) Trade Receivables	-	-	-	82.60	-	-
c) Key Management Personnel and their Relatives' Remuneration	-	-	-	-	86.63	61.01
d) Other Payables	-	-	15.80	45.55	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

III Disclosure in respect of Related Party Transactions during the year:			(₹ in lacs)	
S.No.	Particulars	Relationship	2016-17	2015-16
1.	PURCHASE OF GOODS :			
	Ferro Alloys Corporation Limited	Others	417.95	-
	Total		417.95	-
2.	PURCHASE OF ASSETS :			
	Ferro Alloys Corporation Limited	Others	2.00	-
	Total		2.00	-
3.	RENT PAID :			
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	37.69	0.36
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	45.41	54.09
	Godawaridevi Saraf & Sons	Others	1.33	1.32
	Total		84.43	55.77
4.	RENT RECEIVED:			
	Ferro Alloys Corporation Limited	Others	79.80	57.75
	Facor Power Limited	Others	16.80	16.80
	Total		96.60	74.55
5.	REIMBURSEMENT OF EXPENDITURE:			
	Paid			
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	12.69	13.23
	Godawaridevi Saraf & Sons	Others	18.69	21.51
	Sub-Total		31.38	34.74
	Received			
	Ferro Alloys Corporation Limited	Others	8.46	8.82
	Facor Power Limited	Others	2.82	2.94
	Sub-Total		11.28	11.76
	Net Expenditure Paid		20.10	22.98
6.	SERVICE RECEIVED / (PROVIDED):			
	Paid			
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	28.26	23.96
	Received			
	Ferro Alloys Corporation Limited	Others	(7.02)	(6.12)
	Facor Power Limited	Others	(2.34)	(2.04)
	Sub-Total		(9.36)	(8.16)
	Net Services Paid		18.90	15.80
7.	INTEREST RECEIVED/ (PAID):			
	Paid			
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	(16.60)	-
	Received			
	Facor Power Limited	Others	62.36	62.63
	Total		45.76	62.63

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

		(₹ in lacs)		
S.No.	Particulars	Relationship	2016-17	2015-16
8.	SHORT TERM LOANS & ADVANCES:			
	Loans Received:			
	Facor Steels Limited	Others	(15.29)	-
	Facor Power Limited	Others	(0.35)	(51.70)
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	(230.00)	-
	Shreeram Shipping Services Pvt. Ltd.	Others	(0.87)	(1.00)
	Sub-Total		<u>(246.51)</u>	<u>(52.70)</u>
	Loans Given:			
	Best Minerals Limited	Subsidiary	0.26	0.19
	Facor Electric Limited	Subsidiary	0.40	0.78
	FAL Power Ventures Pvt. Limited	Subsidiary	0.30	0.70
	Facor Minerals (Netherlands) B.V.	Subsidiary	-	6,627.82
	Sub-Total		<u>0.96</u>	<u>6,629.49</u>
	Total		<u>(245.55)</u>	<u>6,576.79</u>
9.	CLEARING & FORWARDING & OTHER			
	Service Charges:			
	Shreeram Shipping Services Pvt. Ltd.	Others	1.73	-
	Total		<u>1.73</u>	<u>-</u>
10.	KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES' REMUNERATION:			
	Shri R.K.Saraf	Key Managerial Personnel	17.58	18.56
	Shri Ashim Saraf	Key Managerial Personnel	21.20	21.05
	Shri Anurag Saraf	Key Managerial Personnel	21.49	20.98
	Shri M D Saraf	Relative of Key Managerial Personnel	19.99	19.97
	Total		<u>80.26</u>	<u>80.56</u>
11.	BALANCE OUTSTANDING AT THE YEAR END:			
	(A) Short Term Loans & Advances-Given:			
	Best Minerals Limited	Subsidiary	5.85	5.59
	Facor Electric Limited	Subsidiary	307.77	307.37
	FAL Power Ventures Pvt. Limited	Subsidiary	1,203.88	1,203.58
	Facor Minerals (Netherlands) B.V.	Subsidiary	6,646.52	6,646.52
	Sub-Total		<u>8,164.02</u>	<u>8,163.06</u>
	Facor Steels Limited	Others	-	15.29
	Facor Power Limited	Others	504.97	505.32
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	(230.00)	-
	Shreeram Shipping Services Pvt. Ltd.	Others	-	0.87
	Sub-Total		<u>274.97</u>	<u>521.48</u>
	Total		<u>8,438.99</u>	<u>8,684.54</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

STANDALONE ACCOUNTS

S.No.	Particulars	Relationship	2016-17	2015-16
				(₹ in lacs)
	(B) Trade Receivables/ (Payables)			
	Facor Steels Limited	Others	-	82.60
	Total		-	82.60
	(C) Key Management Personnel and their Relatives' Remuneration			
	Shri R.K.Saraf	Key Managerial Personnel	26.07	19.53
	Shri Ashim Saraf	Key Managerial Personnel	23.86	15.87
	Shri Anurag Saraf	Key Managerial Personnel	20.16	14.37
	Shri M D Saraf	Relative of Key Managerial Personnel	16.54	11.24
	Total		86.63	61.01
	(D) Other Current Liabilities:			
	Other Payables:			
	Vidarbha Iron & Steel Company Ltd.	Others	4.92	4.92
	Godawaridevi Saraf & Sons	Others	-	30.36
	Pioneer Facor IT Infradevelopers Pvt. Ltd.	Associate	6.54	10.27
	Rai Bahadur Shreeram & Company Pvt. Ltd.	Others	4.34	-
	Total		15.80	45.55

36. Details of Specified Bank Notes held and transacted during the period 08-11-2016 to 30-12-2016 are as under:

Particulars	SBN's	Other Denomination notes	Total - ₹
Closing Cash in hand as on 08-11-2016	209500	73696	283196
(+) Permitted receipts.	-	1233745	1233745
(-) Permitted payments	2500	979539	982039
(-) Amount deposited in banks	207000	-	207000
Closing Cash in hand as on 30-12-2016	-	327902	327902

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

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

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

As per our report of even date attached,

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

C.A. K.P. SAHASRABUDHE
Partner
(Membership No. 007021)
Noida, UP : 13th May, 2017

O.P. SARASWAT
Dy.Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 13th May, 2017

For and on behalf of the Board,

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

ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Facor Alloys Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) The consolidated financial statements also include the Group's share of net profit of ₹14.09 Lacs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of two subsidiary companies, whose financial statements reflect total assets of ₹ 5,693.64 Lacs as at 31st March, 2017, total revenues of ₹ nil and net cash flows amounting to ₹ (-) 8.75 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on its financial position of the Group and its associate in its financial statements;
 - ii. the Group and its associate did not have any long-term contracts including the derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Group and its associate incorporated in India during the year ended 31st March, 2017; and
 - iv. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Group.

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

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

Place : Noida, UP
Date : 13th May, 2017

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

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

We have audited the internal financial controls over financial reporting of Facor Alloys Limited ("the holding Company") and its subsidiary companies and its associate company which are companies incorporated in India, for the year ended 31st March, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include

the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiaries and associate company, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from management for entities unaudited.

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

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

Place : Noida, UP

Date : 13th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

			(₹ in lacs)
	Note Nos.	As at 31 st March, 2017	As at 31 st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,955.48	1,955.48
Reserves and Surplus	3	<u>5,798.98</u>	<u>7,054.54</u>
		7,754.46	9,010.02
Non-Current Liabilities			
Long-Term Borrowings	4	2,189.58	988.89
Long-Term Provisions	5	<u>1,160.98</u>	<u>1,136.12</u>
		3,350.56	2,125.01
Current Liabilities			
Short-Term Borrowings	6	8,084.57	8,607.37
Trade Payables			
a) Outstanding dues of micro and small enterprises	7	-	-
b) Outstanding dues of creditors other than micro and small enterprises	7	2,106.93	711.22
Other Current Liabilities	8	3,411.04	2,212.06
Short-Term Provisions	9	<u>38.17</u>	<u>59.99</u>
		13,640.71	11,590.64
TOTAL		<u><u>24,745.73</u></u>	<u><u>22,725.67</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	2,937.77	2,392.12
Intangible Assets	10	7,538.54	8,303.74
Capital Work-in-Progress	10	-	1,114.52
		10,476.31	11,810.38
Non-Current Investments	11	3,849.49	3,836.40
Long-Term Loans and Advances	12	714.49	50.82
Other Non- Current Assets	13	1,364.94	1,364.29
Deferred Tax Assets (Net)	14	<u>1,658.95</u>	<u>1,661.83</u>
		18,064.18	18,723.72
Current Assets			
Inventories	15	1,824.06	1,388.03
Trade Receivables	16	1,378.52	285.91
Cash and Cash Equivalents	17	976.20	105.24
Short-Term Loans and Advances	18	2,477.31	2,197.23
Other Current Assets	19	<u>25.46</u>	<u>25.54</u>
		6,681.55	4,001.95
TOTAL		<u><u>24,745.73</u></u>	<u><u>22,725.67</u></u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 34		

As per our report of even date attached,

For SALVE & Co.
Chartered Accountants
(Firm's Regn. No.109003W)
C.A. K.P. SAHASRABUDHE
Partner
(Membership No. 007021)
Noida, UP : 13th May, 2017

O.P. SARASWAT
Dy.Chief Financial Officer
S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 13th May, 2017

For and on behalf of the Board,
R.K. SARAF
Chairman & Managing Director
(DIN: 00006102)
ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

	<u>Note Nos.</u>	<u>Year Ended 31st March, 2017</u>	<u>Year Ended 31st March, 2016</u>
INCOME			
Revenue from Operations	20	13,278.73	185.24
Other Income	21	<u>261.98</u>	<u>872.20</u>
Total Revenue		13,540.71	1,057.44
EXPENSES			
Cost of Materials Consumed	22	6,313.80	-
Changes in Inventories of Finished Goods and Stock-in-Process	23	(344.55)	4.72
Employee Benefits Expense	24	1,427.90	1,302.62
Finance Costs	25	1,701.40	1,120.98
Depreciation and Amortisation Expense	26	923.50	1,100.42
Other Expenses	27	<u>4,377.27</u>	<u>862.98</u>
Total Expenses		14,399.32	4,391.72
Profit/(Loss) Before exceptional items and Tax		(858.61)	(3,334.28)
Exceptional items		-	-
Profit/(Loss) Before Tax		(858.61)	(3,334.28)
Tax Expenses			
Current Tax		0.48	0.17
Tax for Earlier Years		(50.51)	0.47
Deferred Tax		<u>(3.64)</u>	<u>(866.18)</u>
		(53.67)	(865.54)
Profit/(Loss) after Tax but before share of Profit/(Loss) from Associate & Minority Interest		(804.94)	(2,468.74)
Share of Profit/(Loss) from Associate After Tax		14.09	4.60
Minority Interest		<u>(132.95)</u>	<u>(128.41)</u>
Profit/(Loss) for the year		(657.90)	(2,335.73)
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹)	28	(0.34)	(1.19)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 34		

As per our report of even date attached,

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

C.A. K.P. SAHASRABUDHE
Partner
(Membership No. 007021)
Noida, UP : 13th May, 2017

O.P. SARASWAT
Dy.Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 13th May, 2017

For and on behalf of the Board,

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

ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

	2016-17	2015-16
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax	(858.61)	(3,334.28)
Add : Income from associate after Tax	14.09	4.60
Adjustment for:		
Depreciation	923.50	1,100.42
Exchange difference on translation (Net)	1.30	-
Interest on Investment Matured	(0.67)	-
Interest and Dividend Income	(169.26)	(208.21)
Finance Costs	1,701.40	1,120.98
Profit/(Loss) on Sale of Fixed Assets (Net)	(15.35)	(645.53)
	<u>2,440.92</u>	<u>1,367.66</u>
Operating Profit before Working Capital Changes	1,596.40	(1,962.02)
Adjustment for:		
Trade and Other Receivables	(2,088.17)	747.90
Inventories	(439.69)	85.89
Trade Payables	2,597.73	(1,376.68)
Others	0.11	920.91
	<u>69.98</u>	<u>378.02</u>
Cash Generated from Operations	1,666.38	(1,584.00)
Direct Taxes Paid/Adjusted	50.51	(3.08)
	<u>50.51</u>	<u>(3.08)</u>
Net Cash Flow from Operating Activities	1,716.89	(1,587.08)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(140.70)	(292.06)
Addition to Intangibles	-	(403.09)
Sale of Fixed Assets	22.04	687.03
Purchase/Sale of Investments	(12.42)	(4.40)
Interest and Dividend Income	171.00	230.00
Net Cash Flow (used in) / from Investing Activities	39.92	217.48
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long and Short Term Borrowings	514.26	1,390.51
Other Non current assets	(0.65)	(0.59)
Finance Costs Paid	(386.47)	(609.92)
	<u>127.14</u>	<u>780.00</u>
Adjustment to net worth on consolidation:		
i) Foreign Currency Translation Reserve	(1,013.20)	316.02
ii) Adjustment to minority interest	-	128.41
iii) Addition to Capital Reserves	0.32	(60.32)
	<u>(1,012.88)</u>	<u>384.11</u>
Net Cash Flow (used in) / from Financing Activities	(885.74)	1,164.11
Net Increase/(Decrease) in Cash and Cash Equivalents	871.07	(205.49)
Opening Balance of Cash and Cash Equivalents	94.68	300.17
Closing Balance of Cash and Cash Equivalents	965.75	94.68
Net Increase/(Decrease) in Cash and Cash Equivalents	871.07	(205.49)

As per our report of even date attached,

For SALVE & Co.
Chartered Accountants
(Firm's Regn. No.109003W)
C.A. K.P. SAHASRABUDHE
Partner
(Membership No. 007021)
Noida, UP : 13th May, 2017

O.P. SARASWAT
Dy.Chief Financial Officer
S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 13th May, 2017

For and on behalf of the Board,
R.K. SARAF
Chairman & Managing Director
(DIN: 00006102)
ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
1. SIGNIFICANT ACCOUNTING POLICIES
(A) Basis of Preparation of Consolidated Financial Statements

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

(B) Principles of Consolidation

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

Subsidiary Companies

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

Associate Company:

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

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

2. SHARE CAPITAL

	As at 31st March, 2017	As at 31st March, 2016
(₹ in lacs)		
Authorised Share Capital:		
360,000,000 (Previous Year- 360,000,000) Equity Shares of ₹ 1/- each	3,600.00	3,600.00
3,900,000 (Previous Year- 3,900,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	3,900.00	3,900.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid up:		
195,547,355 (Previous Year- 195,547,355) Equity Shares of ₹ 1/- each fully paid-up	1,955.48	1,955.48
TOTAL	1,955.48	1,955.48

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

	As at 31st March, 2017		As at 31st March, 2016	
Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	61,055,682	31.22%	61,055,682	31.22%

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

	As at 31st March, 2017		As at 31st March, 2016
Particulars	No. of Shares		No. of Shares
Shares outstanding at the beginning of the year	195,547,355		195,547,355
Shares issued during the year	-		-
Shares bought back during the year	-		-
Shares outstanding at the end of the year	195,547,355		195,547,355

2.3 Terms/rights attached to Equity Shares:

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

3. RESERVES AND SURPLUS

(₹ in lacs)

	As at 31 st March, 2017	As at 31 st March, 2016
Capital Reserve		
Balance as at the beginning of the year	8,626.82	8,687.14
Add : Addition during the year	<u>0.32</u>	<u>(60.32)</u>
Balance as at the end of the year	8,627.14	8,626.82
Securities Premium Reserve		
Balance as at the beginning and end of the year	2,667.52	2,667.52
Foregin Currency Translation Reserve		
Balance as at the beginning of the year	140.53	(175.49)
Add: Movement during the year	<u>(465.03)</u>	<u>316.02</u>
Balance as at the end of the year	(324.50)	140.53
General Reserve		
Balance as at the beginning and end of the year	250.00	250.00
Statement of Profit & Loss		
Balance as at the beginning of the year	(4,630.33)	(2,294.60)
Add: Profit/(Loss) for the year	(657.90)	(2,335.73)
Share of Minority interest	<u>(132.95)</u>	<u>-</u>
Balance as at the end of the year	<u>(5,421.18)</u>	<u>(4,630.33)</u>
TOTAL	<u>5,798.98</u>	<u>7,054.54</u>

4 LONG-TERM BORROWINGS

(Secured)		
Term Loan from Bank	-	590.25
(Unsecured)		
From Related party	619.58	398.64
Loan from others	<u>1,570.00</u>	<u>-</u>
TOTAL	<u>2,189.58</u>	<u>988.89</u>

5 LONG TERM PROVISIONS

Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	140.03	115.28
Others	<u>1,020.95</u>	<u>1,020.84</u>
TOTAL	<u>1,160.98</u>	<u>1,136.12</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

6 SHORT-TERM BORROWINGS

(₹ in lacs)

	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
(A) From Banks (Secured) :		
Cash Credit Accounts (refer note 6.1)	6,939.60	7,225.34
Others	<u>771.63</u>	<u>-</u>
(B) From Other :		
(Secured)	-	1,000.00
(Unsecured)	<u>373.34</u>	<u>382.03</u>
TOTAL	<u>8,084.57</u>	<u>8,607.37</u>

6.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts and other receivables and by way of second charge on fixed assets of the Company in respect of immovable properties and guaranteed by two Directors. It also includes ₹ 6089.76 lacs (Previous Year ₹ 6089.76 lacs) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's A/c. The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

7 TRADE PAYABLES

a) Outstanding dues of micro and small enterprises	-	-
b) Outstanding dues of creditors other than micro and small enterprises	<u>2,106.93</u>	<u>711.22</u>
TOTAL	<u>2,106.93</u>	<u>711.22</u>

8 OTHER CURRENT LIABILITIES

Unpaid dividends	10.44	10.56
Other Payables *	<u>3,400.60</u>	<u>2,201.50</u>
TOTAL	<u>3,411.04</u>	<u>2,212.06</u>

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

9 SHORT-TERM PROVISIONS

Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	<u>38.17</u>	<u>59.99</u>
TOTAL	<u>38.17</u>	<u>59.99</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

10 FIXED ASSETS

(₹ in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2017	Upto 1.04.2016	For the Year	Deductions/ Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Assets:										
Land Freehold	108.64	-	-	108.64	-	-	-	-	108.64	108.64
Mines and Quarries Freehold	0.98	-	-	0.98	-	-	-	-	0.98	0.98
Buildings	861.79	808.84	-	1,670.63	640.79	34.51	-	675.30	995.33	221.00
Railway Siding	53.99	-	-	53.99	41.96	1.62	-	43.58	10.41	12.03
Plant and Machinery	5,323.62	176.45	237.24	5,262.83	3,581.39	178.00	81.48	3,677.91	1,584.92	1,742.23
Office and Other Equipments	343.78	3.50	29.80	317.48	253.59	15.74	28.91	240.42	77.06	90.19
Furniture and Fixtures	274.30	0.06	9.30	265.06	144.05	30.16	6.82	167.39	97.67	130.25
Vehicles	580.58	-	63.79	516.79	493.78	19.98	59.73	454.03	62.76	86.80
TOTAL	7,547.68	988.85	340.13	8,196.40	5,155.56	280.01	176.94	5,258.63	2,937.77	2,392.12
Previous Year	7,746.53	5.67	204.52	7,547.68	4,957.27	361.31	163.02	5,155.56	2,392.12	-
Intangible Assets:										
Mining Concession Licence and Intellectual Properties	79.52	-	18.34	61.18	5.39	-	0.12	5.27	55.91	74.13
Goodwill	10,259.83	-	149.65	10,110.18	2,030.22	643.49	46.16	2,627.55	7,482.63	8,229.61
TOTAL	10,339.35	-	167.99	10,171.36	2,035.61	643.49	46.28	2,632.82	7,538.54	8,303.74
Previous Year	9,936.26	407.96	4.87	10,339.35	1,296.50	739.11	-	2,035.61	8,303.74	-
Capital Work- in- Progress	-	-	-	-	-	-	-	-	-	1,114.52

11 NON-CURRENT INVESTMENTS

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
Trade Investments : (At Cost)		
In Equity Shares of Associate Company - Unquoted, fully paid up		
17,42,700 (Previous Year - 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1/- each (at cost)	1,855.63	1,855.63
Add: Share of Profit / (Loss) net	(21.87)	(35.96)
	1,833.76	1,819.67
Others - In Equity Shares -Unquoted, fully paid up		
1,36,663 (Previous Year-1,36,663) Vidarbha Iron & Steel Corporation Limited of ₹ 10/- each	13.67	13.67
20,000,000 (Previous Year- 20,000,000) Facor Power Limited of ₹ 10/- each (Refer Note below)	2,000.00	2,000.00
	2,013.67	2,013.67
In Government Securities : Unquoted		
6 Years National Savings Certificates	2.05	3.05
12 Years National Plan Saving Certificates	0.01	0.01
TOTAL	3,849.49	3,836.40
11.1 Aggregate cost of Quoted Investments	-	-
11.2 Market value of Quoted Investment	-	-
11.3 Aggregate amount of Unquoted Investments	3,849.49	3,836.40

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		(₹ in lacs)	
		As at 31 st March, 2017	As at 31 st March, 2016
12 LONG-TERM LOANS AND ADVANCES			
	(Unsecured and Considered Good)		
	Other Loans	6.51	-
	Security Deposits	707.98	50.82
	TOTAL	714.49	50.82
13 OTHER NON CURRENT ASSETS			
	Unamortised Expenditures	1,364.94	1,364.29
	TOTAL	1,364.94	1,364.29
14 DEFERRED TAX ASSETS/(LIABILITIES) (NET)			
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	326.36	374.06
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 and Others to be allowed on payment basis	773.11	140.48
	Unabsorbed Depreciation & Unabsorbed business loss	<u>1,212.20</u>	1,895.41
		1,985.31	2,035.89
	Net Deferred Tax Assets/(Liabilities)	<u>1,658.95</u>	<u>1,661.83</u>
15 INVENTORIES			
	(As per Inventory taken, valued and as certified by the Management) (At Cost unless otherwise stated)		
	Raw Materials	1,299.43	1,285.33
	Stock-in-Process (At Cost or Net realisable value whichever is lower)	170.21	15.35
	Finished Goods (At Cost or Net realisable value whichever is lower)	186.66	0.64
	Stores and Spare Parts	152.67	70.58
	Loose Tools	15.09	16.13
	TOTAL	1,824.06	1,388.03
16 TRADE RECEIVABLES			
	(Unsecured and Considered Goods)		
	Over six months	4.04	280.97
	Others	1,374.48	4.94
	TOTAL	1,378.52	285.91

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

17 CASH AND BANK BALANCES

(₹ in lacs)

	As at 31st March, 2017	As at 31st March, 2016
CASH AND CASH EQUIVALENTS		
Cash in hand	6.39	10.39
With Scheduled Banks:		
In Current Accounts	945.64	24.12
In Cash Credit Accounts	5.49	0.04
In Current Accounts- For Unpaid Dividend	10.45	10.56
In Fixed Deposit Accounts:		
With original maturity upto three months	8.23	60.13
	969.81	94.85
TOTAL	976.20	105.24

18 SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Loans and Advances to Related Parties	504.97	521.48
Loans and advances to others	-	750.00
Others:		
Balance with Government authorities	163.01	210.26
Prepaid expenses	6.49	3.92
Others	1,802.84	711.57
TOTAL	2,477.31	2,197.23

19 OTHER CURRENT ASSETS

Interest accrued on Fixed Deposits	-	0.08
Claims Recoverable	25.46	25.46
TOTAL	25.46	25.54

20 REVENUE FROM OPERATIONS

(₹ in lacs)

	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Sale of products, less returns	9,233.71	126.97
Sale of Services	4,187.47	-
	13,421.18	126.97
Less: Excise Duty	160.81	14.11
	13,260.37	112.86
Add: Export Incentives	18.36	72.38
TOTAL	13,278.73	185.24

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

20.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in lacs)

Year Ended
31st March, 2017 **Year Ended**
31st March, 2016

		<u>GROSS SALES</u>	
Ferro Alloys		9,225.35	68.27
Off Grade / By-products		8.36	58.70
Services rendered (Conversion Charges)		4,187.47	-
TOTAL		<u>13,421.18</u>	<u>126.97</u>
21 OTHER INCOME			
INTEREST INCOME:			
Interest on Deposits	0.08		25.27
Other Interest	<u>169.18</u>		<u>182.94</u>
		169.26	208.21
Miscellaneous receipts		77.37	13.13
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)		15.35	645.53
Foreign exchange gain		-	0.37
Profit/(Loss) on Sale of Investments		-	4.96
TOTAL		<u>261.98</u>	<u>872.20</u>
22 COST OF MATERIALS CONSUMED			
Opening stock of Materials	1,285.33		1,365.18
Purchases / (Sales)	<u>6,327.90</u>		<u>(79.85)</u>
		7,613.23	1,285.33
Less: Closing stock of Materials		<u>1,299.43</u>	<u>1,285.33</u>
Cost of Materials Consumed		<u>6,313.80</u>	<u>-</u>
23 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN PROCESS			
Closing stock:			
Finished Goods		186.66	0.64
Stock-in-Process		158.53	-
		<u>345.19</u>	<u>0.64</u>
Opening stock:			
Finished Goods		0.64	5.36
Stock-in-Process		-	-
		<u>0.64</u>	<u>5.36</u>
Decrease/(Increase) in Inventories		<u>(344.55)</u>	<u>4.72</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

24 EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Salaries, Wages and Bonus	971.62	878.47
Contribution to Provident and Other Funds	202.48	150.85
Welfare Expenses	177.90	192.08
Directors' Remuneration	75.90	81.22
TOTAL	1,427.90	1,302.62

25 FINANCE COSTS

Interest:		
On Fixed Loan	363.96	318.64
On Others	1,326.67	795.44
	1,690.63	1,114.08
Other Borrowing Costs	10.77	6.90
TOTAL	1,701.40	1,120.98

26 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation	280.01	361.31
Amortisation	643.49	739.11
TOTAL	923.50	1,100.42

27 OTHER EXPENSES

Power and Fuel	3,014.29	69.09
Mining, Handling and other Production Expenses	307.51	192.96
Freight, Shipment and Sales Expenses	95.15	30.76
Stores and Spares	94.55	0.53
Works Expenses	232.28	362.93
Transport Expenses	52.91	2.69
Repairs and Maintenance to Plant and Machinery	295.08	15.40
Repairs and Maintenance to Buildings	152.18	98.65
Insurance	8.00	14.07
Rent (Net)	(5.84)	14.25
Rates and Taxes	9.51	9.62
Commission and Brokerage on Sales	36.08	-
Payments to Auditors	3.44	5.40
Directors' Sitting Fees	2.15	2.80
Foreign Exchange Loss	17.73	0.43
Miscellaneous Expenses	62.25	43.40
TOTAL	4,377.27	862.98

28 EARNING PER SHARE (BASIC AND DILUTED)

(i) Net Profit after Tax	(657.90)	(2,335.73)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (₹ per share)	(0.34)	(1.19)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Amount received by Cati Madencilik Ithalat Ve Ihracat A.S. from Mr. Gokhan Cevik relative of Director amounting to ₹ 44.81 lacs (Previous year ₹ 77.25 lacs).

Balance outstanding ₹ 136.47 lacs (Previous year ₹ 93.80 lacs)

30 Details of Specified Bank Notes held and transacted during the period 08-11-2016 to 30-12-2016 are as under:

Particulars	SBN's	Other Denomination notes	Total - ₹
Closing cash in hand as on 08-11-2016	209500	73696	283196
(+) Permitted receipts	-	1233745	1233745
(-) Permitted payments	2500	979539	982039
(-) Amount deposited in banks	207000	-	207000
Closing cash in hand as on 30-12-2016	-	327902	327902

31 **Details of Loans given, Investments made and Guarantee given covered U/s 186 (4) of the Companies Act, 2013**
Loans given, Investments made and Guarantee given by the Company in respect of loans are given under the respective heads.

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

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
	1	2	3	4	5
	Parent				
	Facor Alloys Limited	138.49	10,738.82	(5.67)	45.63
	Subsidiaries				
	Indian				
1	Best Minerals Ltd.	(0.14)	(10.67)	0.03	(0.26)
2	FAL Power Ventures Pvt. Ltd.	-	-	-	-
3	Facor Electric Ltd.	-	-	-	-
	Foreign				
1	Facor Minerals Pte. Ltd.	0.19	14.37	(1.46)	11.73
2	Facor Minerals (Netherlands) B.V.	(38.54)	(2,988.06)	107.10	(862.04)
	Minority Interest in all Subsidiaries	-	-	16.52	(132.95)
	Indian-Associates (Investment as per equity method)				
1	Pioneer Facor IT Infradevelopers Pvt. Ltd.	7.83	607.51	2.14	14.09

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

33. FORM AOC - 1

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

Part "A" : Subsidiaries

(₹ in Lacs)

1	Sl.No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Madencilik Ithalat ve Ihracat A. S.
						(Refer below Note no. 2)		
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US\$ 64.93	US\$ 64.93	US\$ 64.93	US\$ 64.93
5	Share Capital	5.00	1.00	5.00	352.57	1,494.43	1,428.46	660.26
6	Reserves & Surplus	(10.67)	-	-	14.37	(5,126.81)	(117.21)	(1,196.64)
7	Total Assets	0.27	1,205.16	313.14	384.04	5,309.60	1,332.69	1,476.93
8	Total Liabilities	0.27	1,205.16	313.14	384.04	5,309.60	1,332.69	1,476.93
9	Investments	0.01	-	-	-	-	1,308.55	-
10	Turnover	-	-	-	-	-	-	-
11	Profit before taxation	(0.26)	-	-	12.21	(862.04)	(16.27)	(157.81)
12	Provision for taxation	-	-	-	0.48	-	-	-
13	Profit after taxation	(0.26)	-	-	11.73	(862.04)	(16.27)	(157.81)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	93.48%	51%	100%

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

Part "B" : Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	Pioneer Facor IT Infradevelopers Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2017
2	Shares of Associates held by the company on the year end	
	No.	1742700
	Amount of Investment in Associates (₹/Lacs)	1833.76
	Extent of Holding %	20.40%
3	Description of how there is significant influence	There is significant influence due to holding of more than 20% Equity Share Capital
4	Reason why the associate/joint venture is not considered	-
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹/Lacs)	607.52
6	Profit/(Loss) for the year	
	(i) Considered in Consolidation (₹/Lacs)	14.09
	(ii) Not Considered in Consolidation	-

RATIO OF REMUNERATION

DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013

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

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

Name of the Director	Ratio
R.K. Saraf	8.42:1
Ashim Saraf	10.15:1
Anurag Saraf	10.29:1

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

Name of the Director	% increase/(Decrease)
R.K. Saraf	-5.31%
Ashim Saraf	0.72%
Anurag Saraf	2.47%
Other KMP	
Dy. Chief Financial Officer	10.74%
Company Secretary	3.70%

- iii) The percentage increase in the median remuneration of the employees in the financial year 2016-17 51.58%
- iv) The number of permanent employees on the rolls of the Company 452
- 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 percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 4.37% on a cost to Company basis as against an increase of 0.64% in the salary of managerial remuneration.
- 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.

34 The Previous Year's figures have been regrouped/reclassified wherever necessary.

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy.Chief Financial Officer

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

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

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

ASHIM SARAF
Joint Managing Director
(DIN: 00009581)

Noida, UP : 13th May, 2017

Noida, UP : 13th May, 2017

Our Principal Addresses:

Registered Office and Works

Shreeramnagar:

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

Regional Offices:

Mumbai:

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

Shri Anil Banka

Sr. Manager (Accounts)

Other Offices:

Visakhapatnam:

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

Shri Naresh Kumar

Dy. General Manager [Finance]

Corporate Office

Noida :

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

Shri Ishwar Das

Manager (Administration)

Kolkata:

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

Shri Pratap Lodge

General Manager [East Zone]

Nagpur:

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

Shri H.S.Shah

Dy. General Manager

Head Office

Tumsar

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

Chennai:

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

Shri R.G. Chari

General Manager [South Zone]

Bhubaneswar:

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

Shri M.V. Rao

Resident Manager

FACOR ALLOYS LIMITED

CIN L27101AP2004PLC043252

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

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

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

Fourteenth Annual General Meeting on 20th September, 2017

FORM NO. MGT-11

PROXY FORM

(Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

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

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

(1) Name: Address:

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

(2) Name: Address:

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

(3) Name: Address:

E-mail Id : Signature:.....

and whose signature(s) are appended below as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Members of the Company to be held on Wednesday, the 20th September, 2017 at 11.00 a.m. at Administrative Building, Shreeramnagar-535101 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2017
2.	Re-appointment of Mr. Anurag Saraf, Joint Managing Director (DIN 00009631) who retires by rotation
3.	Appoint Auditors and fix their remuneration
Special Business	
4.	Ratification of Cost Auditors' remuneration
5.	Keeping the Register of Members with Registrar And Share Transfer Agent of the Company
6.	Re-appointment & Payment of remuneration of Mr Anurag Saraf as Joint Managing Director of the Company
7.	Issue of 0.01% Redeemable Cumulative Non Convertible Preference Shares on private placement basis

Signed this day of 2017

Signature of Shareholder(s) :

Signature of Proxy holder(s) :

**Affix
Revenue
Stamp**

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

REGISTERED BOOK POST

If undelivered please return to :

FACOR ALLOYS LIMITED

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