

Confidential

**FACOR
ELECTRIC
LIMITED**



FOURTH
ANNUAL REPORT
2013-2014

FACOR ELECTRIC LIMITED

1

FACOR ELECTRIC LIMITED
(Regd. Office)

**S.NO. 77, ADMINISTRATIVE BUILDING, 1ST FLOOR, KONDAPALEM PANCHAYAT,
SHREERAMNAGAR, GARIVIDI-535 101, DIST. VIZIANAGARAM (A.P.)**

NOTICE TO MEMBERS

Notice is hereby given that the FOURTH ANNUAL GENERAL MEETING of the Members of the FACOR ELECTRIC LIMITED will be held at the Registered Office of the Company at S. No. 77, Administrative building, I st floor, Kondapalem Panchayat, Shreeramnagar, Garividi-535 101 on Friday, the 09th May, 2014 at 11.30 AM 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, 2014 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr Yogesh Saraf (DIN00963740) who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to notify the change in their address to the Company and always quote their Folio Numbers in all correspondence with the Company.
3. Any query relating to Accounts must be sent to Company's Registered Office at Shreeramnagar at least 10 days before the date of the meeting.
4. Members are requested to bring their copy of Annual Report with them at the meeting.

Registered Office
S. no. 77, Administrative Building,
1st floor, Kondapalem Panchayat,
Shreeramnagar, Garividi-535 101
Dist. Vizianagaram (A.P.)
CIN U40106AP2010PLC086208
Tel. No. +91 8952 282029
Fax No. +91 8952 282188
E-Mail address facoralloys@facorgroup.in
Dated: 08th April, 2014

By order of the Board,


Ashim Saraf
Director

FACOR ELECTRIC LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the Fourth Annual Report of the company alongwith the Audited Statement of Accounts for the year ended 31st March 2014.

WORKING RESULTS

The Company has not commenced its business during the year ended 31.03.2014 and has, therefore, not prepared Profit & Loss Account for the said year.

DIRECTORS

Mr. Yogesh Saraf Director of the Company, retire by rotation and, being eligible, offer himself for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

During the year under review there were no employees receiving remuneration of or in excess of Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month requiring disclosure as per the provisions of Section 217 (2A) read with the amended Companies (Particulars of Employees) Rules, 1975.

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

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) rules, 1988 regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity. There were no foreign exchange earnings and outgo during the year under review.

AUDITORS:

The retiring Auditors M/s S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No.000756 N) have expressed their inability to continue as the auditors vide their letter dated 08th April, 2014. Therefore, M/s Salve & Company, Chartered Accountants (Registration No.109003W) are proposed to be appointed as the Auditors of the Company from the conclusion of the ensuing Annual General Meeting to hold the office till the conclusion of the ninth consecutive AGM. M/s Salve & Company, have expressed their willingness to act as Auditors of the Company, if appointed. The Company has received a letter from M/s Salve & Company to the effect that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 and that, they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013. You are requested to confirm the appointment of M/s Salve & Company as Statutory Auditors and to fix their remuneration.

On behalf of the Board of Directors,


Director


Director

Place : Noida

Dated : 08th April, 2014

S S KOTHARI MEHTA & CO
CHARTERED ACCOUNTANTS

146-148 Tribhuvan Complex
Ishwar Nagar
Mathura Road
New Delhi-110065
Phones : +91-11-4670 8888
Fax : +91-11-6662 8889
E-mail : delhi@sskmin.com

**Independent Auditors' Report
To The Members of Facor Electric Limited**

Report On the Financial Statements

We have audited the accompanying Financial Statements of Facor Electric Limited ("the Company") which comprises the Balance Sheet as at 31st March, 2014, and the Cash Flow Statement for the year then ended, and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information. Statement of Profit & Loss has not been prepared as the Company has yet to commence its commercial operations.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (read with clarification issued wide General Circular No.15/2013 dated 13.09.2013, for applicability of Section 133 of Companies Act, 2013 in regard to applicability of existing Accounting Standards notified under Companies Act-1956 till the time Accounting Standards are prescribed by Central Government in consultation & recommendation of National Financial Reporting Authority). This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- ii) In the case of the Cash Flow Statement, of the 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, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (read with clarification issued wide General Circular No.15/2013 dated 13.09.2013, for applicability of Section 133 of Companies Act, 2013 in regard to applicability of existing Accounting Standards notified under Companies Act-1956 till the time Accounting Standards are prescribed by Central Government in consultation & recommendation of National Financial Reporting Authority).



S S KOTHARI MEHTA & CO

- e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No. 000756N



Neeraj Bansal

(Neeraj Bansal)
Partner

Membership No. 95960

Place: New Delhi
Date: 08.04.2014

ANNEXURE TO THE AUDITOR'S REPORT

(As referred in paragraph 3 of our report to the members of Facor Electric Ltd on the accounts for the year ended March 31, 2014)

- (i) The Company has not started its operations and has not acquired any fixed assets or inventory during the year, hence clause 4(i) (a), (b), (c) and 4(ii) (a), (b), (c) of the Order are not applicable
- (ii)(a) The company has not granted any loan, secured or un secured to the companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956. Accordingly, clauses 4(iii) (b) to (d) of the order are not applicable.
- (b) The Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance is Rs. 302.18 lacs.
- (c) As per the information and explanation given to us, the above loan is interest free. The terms and conditions are not prejudicial to the interest of the Company.
- (iii) The Company has adequate internal control system to commensurate with the size and nature of business.
- (iv) According to the information and explanations given to us, the company has not entered into any contracts or arrangements with the parties covered under section 301 of the Companies Act, 1956 and hence clause 4 (v) (a) and (b) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and consequently the directives issued by Reserve Bank of India, the provisions of sec 58A, sec 58AA or any other relevant provisions of the companies Act, 1956 and the rules framed there under are not applicable to the company.
- (vi) As Company has not started its operation during the year and also does not have paid up share capital exceeding to Rs. 50 lakhs therefore clause 4(vii) of the Order relating to internal audit is not applicable to the Company.
- (vii) According to the information and explanation given to us the Central Government has prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 in respect of business carried out by the Company. However the records will be maintained on the commencement of operations.



- (viii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no particulars of dues of income tax, sales tax, custom duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute.
- (ix) As the Company has not completed five years from its incorporation, therefore clause 4(x) of the Order is not applicable to the Company.
- (x) The Company has not taken any loan from financial institution or bank during the year. The Company has not issued any debentures.
- (xi) In our opinion and according to the information & explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Hence, the provisions of clause 4(xiii) of the order are not applicable to the company.
- (xiii) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.
- (xiv) As per the information and explanations given to us, the Company has not given corporate guarantee /bonds to other companies for loans taken by others from banks or financial institutions. Hence, the provisions of the clause 4 (xv) of the order are not applicable to the company.
- (xv) On the basis of records made available and according to information and explanations given to us the Company has not taken any term loan from banks or financial institutions during the year.
- (xvi) According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, in our opinion, the funds raised by the Company on short-term basis have been used for pre-operative expenditure to the extent of Rs302.18 lakhs.



S S KOTHARI MEHTA & CO

- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- (xviii) According to the information and explanation given to us during the year the company has not issued any debentures.
- (xix) During the year the Company has not raised any money through public issue.
- (xx) Based upon the audit procedures performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended March 31st 2014.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No:-000756N



(Neeraj Bansal)
Partner
Membership No. 095960

Place: New Delhi
Date: 08.04.2014

FACOR ELECTRIC LIMITED
Balance Sheet as at 31st March, 2014

Particulars	Note Nos.	(Amount in Rs.)	
		As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	500,000	500,000
		<u>500,000</u>	<u>500,000</u>
Current Liabilities			
Short-Term Borrowing	2	30,217,996	13,131,437
Other Current Liabilities	3	137,812	136,889
		<u>30,355,808</u>	<u>13,268,326</u>
TOTAL		<u><u>30,855,808</u></u>	<u><u>13,768,326</u></u>
ASSETS			
Non-Current Assets			
Long-Term Loans and Advances	4	500	500
Other Non Current Assets	5	30,462,793	13,702,587
		<u>30,463,293</u>	<u>13,703,087</u>
Current Assets			
Cash and Cash Equivalents	6	392,515	65,239
TOTAL		<u><u>30,855,808</u></u>	<u><u>13,768,326</u></u>
Significant Accounting Policies	7		
Notes on Financial Statements			


As per our report of even date attached,


For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No.000756N

NEERAJ BANSAL
(Partner)
Membership No. 095960



For and on behalf of the Board


ASHIM SARAF
(Director)


YOGESH SARAF
(Director)

Place : New Delhi
Date: 08th April, 2014

FACOR ELECTRIC LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in Rs.)

	Amount for the year 2013-14	Amount for the year 2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
PRE OPERATIVE EXPENDITURE DURING THE YEAR	(16,760,206)	(4,743,866)
Adjustment for :		
Depreciation	-	-
Exchange difference on translation (Net)	-	-
Profit on sale of Investments	-	-
Interest and Dividend Income	-	-
Finance Costs	-	-
Profit/Loss on sale of Fixed Assets (Net)	-	-
Operating profit before working capital changes	(16,760,206)	(4,743,866)
Adjustment for:		
Trade and Other Receivables	-	-
Inventories	-	-
Trade and Other Payables	17,087,482	2,105,531
Cash generated from operations	327,276	(2,638,335)
Direct taxes paid/adjusted	-	-
Cash Flow before extraordinary items	327,276	(2,638,335)
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	327,276	(2,638,335)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Purchase of Investments	-	-
Sale of Investments	-	-
Interest and Dividend Income	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital (Net)	-	-
Proceeds from Long and Short Term Borrowings	-	-
Finance cost	-	-
Dividend/Corporate Tax paid	-	-
NET CASH USED IN FINANCING ACTIVITIES (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	327,276	(2,638,335)
Opening Balance of Cash and Cash Equivalents	65,239	2,703,574
Closing Balance of Cash and Cash Equivalents	392,515	65,239
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	327,276	(2,638,335)
		-

As per our report of even date attached,

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.000756N

NEERAJ BANSAL
(Partner)
Membership No. 095960



Place : New delhi
Date: 08th April, 2014

For and on behalf of the Board


ASHIM SARAF
(Director)


YOGESH SARAF
(Director)

FACOR ELECTRIC LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

(Amount in Rs.)

Note No.	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
1.	SHARE CAPITAL		
	Authorised Share Capital:		
	250,00,000 Equity shares (Previous Year- 25000000) @ Rs. 10/- Each	250,000,000	250,000,000
	Issued, Subscribed and Paid up:		
	50,000 Equity Shares (Previous Year- 50,000) @ Rs.10/- Each	500,000	500,000
	TOTAL	500,000	500,000

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

Particulars	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	50,000	50,000
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	50,000	50,000

1.2 Terms/rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

1.3 Details of shareholders holding more than 5% shares in the company

Names	As at March 31st, 2014		As at March 31st, 2013	
	No. of Shares	% Shares Held	No. of Shares	% Shares Held
Facor Alloys Limited	50000*	100.00%	50000	100.00%
Total	50000	100.00%	50000	100.00%

* Includes 8 shares of Rs.10 each held by 8 individuals holding 1 share each as nominee jointly with M/s Facor Alloys Ltd., being beneficial owner of these shares.



FACOR ELECTRIC LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

(Amount in Rs.)

Note Particulars No.	As at 31st March, 2014	As at 31st March, 2013
2. SHORT-TERM BORROWINGS		
Unsecured		
Advance from Holding Company	30,217,996	13,131,437
TOTAL	30,217,996	13,131,437
3. OTHER CURRENT LIABILITIES		
Provision for Audit Fee	56,180	28,090
Provision for Telephone Bills	112	112
TDS Payable on Rent	50,000	50,000
Deposits Received	12,000	12,000
Payable to Related Party	19,520	19,520
Others	-	27,167
TOTAL	137,812	136,889
4. LONG-TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Security Deposits	500	500
TOTAL	500	500
5. OTHER NON CURRENT ASSETS		
a Preliminary Expenses		
Opening Balance	19,520	19,520
Incurred during the year	-	-
	19,520	19,520
b Pre Operative Expenditure		
Opening Balance	13,683,067	8,939,201
Incurred During the Year :		
Audit Fees	28,090	28,090
Telephone & Trunk calls	672	672
Legal and Professional Expenses	15,013	37,719
Finance Cost (other borrowing cost)	16,153,541	4,076,197
Bank Charges and Commission	1,090	629
Advertisement	-	8,286
Miscellaneous Expenses	-	30,473
Lease rent	561,800	561,800
	30,443,273	13,683,067
TOTAL	30,462,793	13,702,587
6. CASH AND CASH EQUIVALENTS		
Cash and Bank Balances:-		
In Current Accounts with schedule banks:		
With Central Bank of India - Vizag	372,406	10,811
With State Bank of India - Garividi	8,250	8,800
With HDFC Bank - New Delhi	11,859	45,628
TOTAL	392,515	65,239



Note-7**Significant Accounting Policies and Notes to Accounts for the Year Ended on March 31, 2014**

The Company is in project stage. Operations have not started and hence no profit & loss account prepared during the year. The relevant accounting policies for the transactions recognised have been disclosed.

A. Significant Accounting policies**1 Accounting Conventions**

The financial statements are prepared under the historical cost convention on accrual, prudence and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the Section 211 of the said Act. The accounting policies have been consistently applied by the company.

2 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 recognised in the year in which the results are known /materialized.

3 Revenue Recognition

The Company has not started its operation (i.e. generation of power) and therefore, company has not prepared profit & loss account. And has not received and recognised any revenue.

4 Borrowing Cost

Borrowing cost that is attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such asset. A qualifying asset is one that takes technically and commercially takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

5 Cash Flow Statement

Cash flow statements are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

6 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

7 Miscellaneous expenditure (to extent not written off or adjusted)

Preliminary expenditures have been shown under the head miscellaneous expenditure, which will be written off in a period of five years starting from the year in which company will start its commercial operations.



B. Notes to Accounts

- 1 Capital Commitment
Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil
(Previous year Rs.Nil)
- 2 In the opinion of the management, the value of realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet and provisions for all known liabilities has been made.
- 3 Based on the information available with the Company, No balances are due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014. Further during the year no interest has been paid or payable under the terms of the said Act.
- 4 The Company has no employee hence section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employee) Rules 1975 are not applicable
- 5 The Company has entered into Term Loan agreement of Rs. 100 crore and Rs. 71.10 crore from Power Finance Corporation (PFC) and PTC India Financial Services Ltd respectively and Company has paid Rs.115.56 lacs as lead fees to PFC in current year as against Rs32.77lacs as Syndication charges to PFC capital advisory service in previous year and Rs.39.94 lacs as upfront fee to PTC India Financial Services Ltd in current year as against Rs.6.86 lacs as processing fees in previous year.
- 6 The Company has taken 24.14 acres of Land on lease for 25 years at Rs 5 Lac per annum as Lease rent.

7 Related Party Transactions

As per Accounting Standard -18 "Related Party" notified as per (Accounting Standards Rules, 2006). The Company's related parties and transactions are disclosed below:

a) List of related parties

(i) **Name and nature of relationship with the related party where control exists:**

Facor Alloys Limited- Holding company (100%)

(ii) **Key Management Personnel (KMP)**

Mr. Vinod Saraf - Director
Mr. Yogesh Saraf - Director
Mr. Ashim Saraf - Director
Mr. Rohit Saraf - Director

(iii) **Enterprise, over which Key management personnel and their relatives exercise significant influence with whom transactions have taken place during the year :**

1. Facor Alloys Limited



b) **Transactions with Related Parties during the year ended 31-03-2014 in the ordinary course of business**
(Amount in Rs)

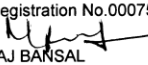
Particulars	With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2013-14	2012-13	2013-14	2012-13
i) Rent paid	561,800	561,800	-	-
ii) Unsecured loan taken	17,086,559	4,562,068	-	-
iii) Balances outstanding at the year end :				
a) Short term Borrowings (Unsecured)	30,217,996	13,131,437	-	-
b) Other Payables	-	-	19,520	19,520

8 Auditor's Remuneration

Particulars	(Amount in Rs)	
	2013-14	2012-13
As Statutory Auditor Fees	28,090	28090

9 All financial figures have been rounded off to the nearest rupee.

As per our Report of even date attached,

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.000756N

NEERAJ BANSAL
(Partner)
Membership No. 095960



Place : New Delhi
Date: 08th April, 2014

For and on behalf of the Board


ASHIM SARAF
(Director)


YOGESH SARAF
(Director)