



Facor Alloys Limited

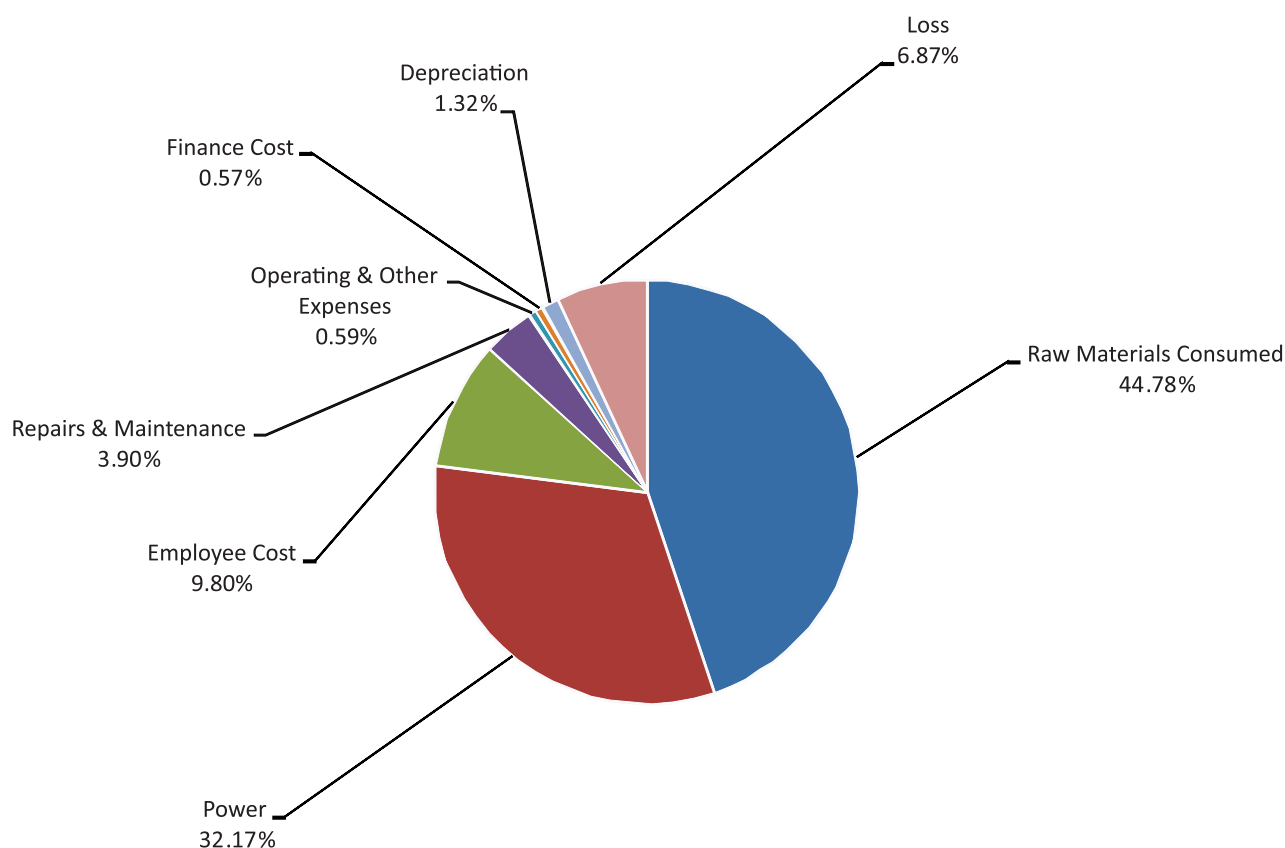
11th Annual Report 2013-14

HIGHLIGHTS - 2013-14

PARTICULARS	In ₹ Lacs		In \$ ('000)	
	2013-14	2012-13	2013-14	2012-13
Total Production (in MT)	33405	38570	-	-
Total Turnover (in MT)	34786	37610	-	-
Total Turnover	24002.86	21972.94	39938	44132
Profit before Finance Costs, Tax and Depreciation	(1245.96)	775.67	(2073)	1426
Profit after Tax	(1646.71)	79.60	(2740)	146

Exchange Rate ₹ 60.0998 for March, 2014

DISTRIBUTION OF REVENUE



CORPORATE INFORMATION**Board of Directors****R.K. Saraf**

Chairman & Managing Director

M.D. SarafVice Chairman & Managing Director
(upto 25-07-2014)**Ashim Saraf**

Joint Managing Director

Anurag Saraf

Joint Managing Director

C.N. Harman

Director (Technical)

K. Jayabharat Reddy**P.V.R.K. Prasad****K. L. Mehrotra****A. S. Kapre****Gautam Khaitan****Arye Berest****Keshaorao Pardhey****S.S. Sharma**General Manager (Legal) &
Company Secretary**Executives****M.S.S. Sarma**

Chief Executive

D.K. Pareek

Director (Projects)

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

SolicitorsMulla & Mulla and Craige Blunt & Caroe
Bhaishankar Kanga and Girdharilal**Auditors**

Salve & Co.

Chartered Accountants

Internal Auditors

Rao & Kumar

Chartered Accountants

Registrars & Share Transfer Agents

(for Both Physical & Electronic)

Beetal Financial & Computer Services Pvt. Ltd.Beetal House, 3rd Floor, 99, Madangir,
behind LSC, New Delhi - 110062

Phone No. 91-11-29961281-83

Fax No. 91-11-29961284

E-mail: beetal@beetalfinancial.combeetalrta@gmail.com**CONTENTS:**

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Notice is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at "Officers' Club, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh" on Tuesday, the 09th September, 2014 at 10.30 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, 2014 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Arye Berest (DIN No. 00020217), who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Ashim Saraf (DIN No. 00009581), who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

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

As Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. K. Jayabharat Reddy (DIN No. 00038342), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. P.V.R.K. Prasad (DIN No. 00009817), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. A. S. Kapre (DIN No. 00019530), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. K. L. Mehrotra (DIN No. 0062172), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Gautam Khaitan (DIN No. 00021117), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Kesharao Pardhey (DIN No. 00009724), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

11. To consider and, if thought fit, to pass with or without modification, 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 ₹ 50,000/- plus service tax and out-of-pocket expenses payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for the year ended 31st March 2015."

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

"RESOLVED THAT in supersession of the Resolution No. 7 passed at the 9th Annual General Meeting of the Company held on 18th September, 2012 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') to borrow any sum or sums of money, from time to time, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 600 Crores (Rupees six hundred crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by

the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members."

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

"RESOLVED THAT in supersession of the Resolution No.13 passed at the 5th Annual General Meeting of the Company held on 15th September, 2008 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company ('the Board') to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹ 30000 lacs (Rupees thirty thousand lacs only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members."

14. 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 Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (the "Act"), consent of the Company be and is hereby accorded to the appointment of Mr. M. D. Saraf, a relative of Mr. R. K. Saraf, Chairman & Managing Director, Mr. Anurag Saraf, Joint Managing Director in the Company on the terms and conditions as stated below:

1. Effective date : From 01.08.2014
2. Designation : President or such designation as is appropriate for the functions assigned to him from time to time.
3. Remuneration :
 - a. Basic Salary: ₹ 105000 per month in scale of ₹ 100000-5000-150000/-
 - b. Perquisites and allowances:

In addition to the aforesaid salary, he 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 ₹ 5,40,000/- per annum.

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 term "Family" means spouse, dependent children and dependent parents.

The remuneration payable to him by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of ₹ 18,00,000/- per annum.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites payable to him at any time, such that the overall remuneration shall not exceed the aggregate limit of ₹ 18,00,000/- as specified above.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine, modify, consolidate and/ or revise the terms and conditions of the appointment of Shri Varun Mehta, including designation and remuneration within the above limits, in any manner from time to time and to delegate all or any of the powers conferred herein to any Committees of Directors or any Officer(s) of the Company."

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 5 to 14 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment/appointment under Item Nos. 2-3 and 5 to 10, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange are annexed.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 5th September, 2014 to Tuesday, the 09th September, 2014, both days inclusive.
4. 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, the Company is pleased to provide members facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.
The instructions for e-voting are as under:
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the Electronic Voting Sequence Number- "EVSU-140802017 along with "Facor Alloys Limited" from the drop down menu and click on "SUBMIT"
 - (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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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 last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are

eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (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 the relevant <Company Name> 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 print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on 5th September, 2014 (9:00 am) and ends on 6th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July, 2014.
 - (E) Mr. P.S. Rathi., Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (F) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
5. Members can also download the notice of Annual General Meeting from the website of the company i.e. www.facorgroup.in.
 6. Copies of Annual Report 2013-14 and the Notice of 11th 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 2013-14 and Notice of 11th Annual General Meeting are being sent by the permitted mode.
 7. Pursuant to Section 205C of the Companies Act, 1956, unclaimed dividend is to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of transfer to unpaid dividend A/c. Shareholders who have not en-cashed/ misplaced/not received the dividend warrant for the years 2008-09 (interim), 2009-10 & 2010-11 are requested to write to M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 for claiming the dividend. Due dates for the transfer of the unclaimed dividend of the year 2008-09, 2009-10 & 2010-11 to the said fund is 3rd September, 2015, 24th October, 2017 & 15th October, 2018 respectively and shareholders cannot make a claim after these dates.
 8. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 in respect of their physical share holding, if any. While intimating change of address to Depositories and Registrar and Share Transfer Agents please indicate your client ID No. / Folio No., as may be applicable. The address should be complete with Pin Code No.
 9. 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.
 10. 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.
 11. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 12. As required by the Listing Agreement with the Stock Exchange, the relevant details in respect of the Directors proposed to be appointed/re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
 13. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE 828G01013.
 14. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and 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.
15. 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 Share Registrars and Transfer Agents.
16. 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.
17. 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.

By order of the Board,

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.facorgroup.in

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

Dated: 26th July, 2014

ANNEXURE TO THE NOTICE

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

ITEM NO.5

Mr. K. Jayabharat Reddy has been a Non-Executive Director of the Company since 01st September, 2004, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Reddy is a Post Graduate in Economics Statistics from Delhi School of Economics and post Graduate in Economics from Madras University, Visiting Fellow Oxford University, U.K. He is a retired IAS and having a career spanning over four decades in General and Public Administration and industrial management, policy formation.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Direc-

tor shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. K. Jayabharat Reddy has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Reddy fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Reddy as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Reddy as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. K. Jayabharat Reddy, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. K. Jayabharat Reddy is interested and concerned in the Resolution mentioned at Item No.5 of the Notice. Other than Mr. Reddy, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.5 of the Notice.

ITEM NO.6

Mr. P.V.R.K. Prasad has been a Non-Executive Director of the Company since 01st September, 2004, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Prasad is M.A. English Literature, LLB, Post Grad. Diploma in Development Administration from University of Cambridge, UK. He is a retired IAS and having a career spanning over four decades in General and Public Administration.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. P.V.R.K. Prasad has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Prasad fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Prasad as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Prasad as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. P.V.R.K. Prasad, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. P.V.R.K. Prasad is interested and concerned in the Resolution mentioned at Item No.6 of the Notice. Other than Mr. Prasad, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

ITEM NO.7

Mr. A. S. Kapre has been a Non-Executive Director of the Company since 27th October, 2007, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Kapre is B.Tech, LLB. He is having a career spanning over three decades in Project and Corporate Lending, Rehabilitation, Finance & Risk Management.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. A. S. Kapre has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Kapre fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Kapre as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kapre as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. A. S. Kapre, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. A. S. Kapre is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Other than Mr. Kapre, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

ITEM NO.8

Mr. K. L. Mehrotra has been a Non-Executive Director of the Company since 18th September, 2010, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Mehrotra is B.Tech, FIE, MIIM, MII. CHEME. He is having a career spanning over four decades in dealing with technical & commercial matters of Government organizations in senior level.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. K. L. Mehrotra has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Mehrotra fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Mehrotra as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Mehrotra as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. K. L. Mehrotra, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. K. L. Mehrotra is interested and concerned in the Resolution mentioned at Item No.8 of the Notice. Other than Mr. Mehrotra, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

ITEM NO.9

Mr. Gautam Khaitan has been a Non-Executive Director of the Company since 27th October, 2007, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Khaitan is B.Com. & LLB. He is having a career spanning over two decades in practice of legal matters.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Gautam Khaitan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Khaitan fulfills

the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Khaitan as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Khaitan as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. Gautam Khaitan, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. Gautam Khaitan is interested and concerned in the Resolution mentioned at Item No.9 of the Notice. Other than Mr. Khaitan, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.9 of the Notice.

ITEM NO.10

Mr. Kesharao Pardhey has been a Non-Executive Director of the Company since 15th January, 2013, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Pardhey is Sahitya Sudhakar (Mumbai Hindi Vidya Peeth) & also an Ex-Member of Parliament. He is having a career spanning over four decades in Business Administration.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Kesharao Pardhey has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Pardhey fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Pardhey as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Pardhey as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. Kesharao Pardhey, pursuant to the provisions of Schedule IV of the Act,

shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. Kesharao Pardhey is interested and concerned in the Resolution mentioned at Item No.10 of the Notice. Other than Mr. Pardhey, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

ITEM NO.11

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, 2015, at a remuneration of ₹ 50,000/- plus service tax and out-of-pocket expenses.

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

The Board commends the remuneration of ₹ 50,000/- plus service tax and out-of-pocket expenses to Mr. Prakash Uppalapati as the Cost Auditor and the approval of the shareholders is sought for the same by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.11 of the Notice.

ITEM NO.12

Under the erstwhile Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180 (1) (c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board

of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of ₹ 600 Crores under the earlier resolution passed by the shareholders at the 9th Annual General Meeting of the Company held on 18th September, 2012 remains unchanged.

The Board commends the Resolution at Item No.12 of the Notice for approval of the shareholders by a Special 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.12 of the Notice.

ITEM NO. 13

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of ₹ 30000 lacs under the earlier resolution passed by the shareholders at the 5th Annual General Meeting of the Company held on 15th September, 2008 remains unchanged.

The Board commends the Resolution at Item No.13 of the Notice for approval of the shareholders by a Special 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.13 of the Notice.

ITEM NO. 14

It is proposed to appoint Mr. M. D. Saraf in the Company as President or at such designation as is appropriate for the functions assigned from time to time.

Mr. M. D. Saraf aged around 64 years, is a Commerce Graduate with Bachelors' Degree in Law. He is having more than 4 decades rich experience particularly in Steel Industry to his credit. Ferro Alloys Industry is closely connected with steel/stainless steel industry. It is, therefore, considered desirable that the Company should avail the benefit of his vast and varied experience and able guidance.

Pursuant to the recommendations of Audit Committee of the Board, the Board has, at its meeting held on 26th July, 2014, recommended the appointment of Mr. M. D. Saraf on the terms and conditions as mentioned in the resolution at Item No. 14 of the Notice.

Information in compliance with Section 188 of the Companies Act, 2013 and Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as stated below:

- (a) Name of the Related Party: Mr. M. D. Saraf
- (b) Name of the Director or Key Managerial Personnel who is related, if any:
 - (i) Mr. R. K. Saraf, Chairman & Managing Director
 - (ii) Mr. Anurag Saraf, Joint Managing Director
- (c) Nature of Relationship: Mr. M. D. Saraf is brother of Mr. R. K. Saraf, Chairman & Managing Director, father of Mr. Anurag Saraf, Joint Managing Director.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement:

Mr. M. D. Saraf is proposed to be appointed at an office or place of profit in the Company. Particulars of terms and conditions for appointment of Mr. M. D. Saraf are mentioned in the resolution at Item No.14 of the Notice.

Copy of the draft letter for appointment of Mr. M. D. Saraf as President setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto and inclusive of the date of the ensuing Annual General Meeting.

- (e) Any other information relevant or important for the members to take a decision on the proposed resolution:

Mr. M. D. Saraf, is having more than 4 decades rich experience particularly in Steel Industry to his credit. Ferro Alloys Industry is closely connected with steel/stainless steel industry. Therefore,

it is proposed to appoint Mr. M. D. Saraf at a total salary of ₹ 18.00 lacs per annum including perquisites.

The Board recommends the resolution at Item No. 14, in relation to the appointment of Mr. M. D. Saraf at an office or place of profit in the Company, for your approval. Mr. M. D. Saraf is a 'related party' within the meaning of Section 2 (76) of the Companies Act, 2013, and thus the transaction requires the approval of members by a special resolution under Section 188 of the Companies Act, 2013.

Mr. M. D. Saraf is related to Mr. R. K. Saraf, and Mr. Anurag Saraf hence they are deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

By order of the Board,

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.facorgroup.in

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

Dated: 26th July, 2014

DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **ELEVENTH ANNUAL REPORT** on the business and operations of the Company and the Audited Statements of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

	For the year ended 31-3-2014 (₹ in Lacs)	For the year ended 31-3-2013 (₹ in Lacs)
Gross Profit/(Loss)	(1387.00)	566.79
Depreciation	329.25	358.52
Provision for taxation	-	160.42
Tax for earlier years	0.26	43.43
Deferred Tax	(69.80)	(75.18)
Net Profit/(Loss) for the year	(1646.71)	79.60
Balance brought forward from last year	997.35	917.75
Balance Carried to Balance Sheet	(649.36)	997.35

OVERALL PERFORMANCE

As mentioned else where in the report that the plant of the company is under lock out since February, 2014. On account of lock out and other factors, during the year under consideration the production and sale of ferro chrome were lower as compared to the previous year 2012-2013. However, due to better sales realization the overall turnover of the Company increased from ₹ 219.73 crores in 2012-2013 to ₹ 240.03 crores in 2013-14. Exports were ₹ 111.36 crores as against ₹ 132.07 crores in the previous year and during the year under review foreign currency earnings in rupee terms was Rs 99.14 crores. The Company derived 46% of its total sales from exports. Despite increased turnover, there is a loss of ₹ 17.16 crores before tax as compared to ₹ 2.08 crores profit before tax in the previous year. The loss of ₹ 17.16 crores during the year is mainly due to closure of the plant, burdening the company heavily by way of claims for Fuel Surcharge Adjustment (FSA) to the extent of ₹ 23.11 crores including arrears for earlier years and steep hike in the power tariff.

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 2014 on Equity Shares of the company.

PROSPECTS

Ferro Chrome imparts the non-corrosive property to stainless steel and thus, there is a deep correlation between the outlook for both the industries. During the first 6 months of 2013, stainless steel crude production reached an all time high of 18.6 million tonne- up 4.6% for the first half of 2012, according to ISSF. Global stainless steel crude production is expected to hit a new high of 36.4 million tonne in 2013 registering an increase of 2.9%. However the ferro chrome industry has not particularly benefited from the growth seen in the stainless steel industry due to several factors including rising costs, infrastructural constraints and over capacity. India has seen an enigma as far as the ferro chrome industry is concerned. Redistribution of chrome ore reserves in the late 90s led to a paradigm shift and rapid growth in output which though, stagnated around the 1 million tonne per annum mark. Constraints in ore out put, rising electricity tariff though several producers now either have captive power generation or are planning to set it up, high internal logistics costs have somewhat dampened sentiments although the outlook for fully integrated producers is decidedly better. To summarise, while stainless steel out put continues to increase mainly on strength of robust growth in China the ferro chrome industry is passing though an uncertain phase.

FINANCE

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

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

In terms of the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. 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 will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies as well. Further, the Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

DECLARATION OF LOCK OUT IN PLANT

Agitation of lorry loading workers was going on since last February, 2013. This agitation has resulted in short supply of raw materials to the plant. Further, bilateral discussions were going on between the management and batch leaders but the dispute is not yet resolved. As a result plant operations are badly hit due to acute shortage of raw material. Due to disruption of further supplies of raw materials to the plant, the existing raw material stocks available in the plant has exhausted and the operations at the plant have been put to a complete halt, since night shift of 10.01.2014. Accordingly a lock out has been declared in the plant w.e.f. 04-02-2014.

Further company has already taken required possible/necessary steps to resolve the impasse at the earliest and is in dialogue with the casual workers. Company is monitoring the situation and all required possible/ necessary steps in uplifting the lock-out will be taken as permitted by the circumstances.

DIRECTORS

Mr. Arye Berest and Mr. Ashim Saraf, Directors of the Company, retire by rotation and, being eligible offer themselves for re-election.

As per provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. K Jayabharat Reddy,

Mr. P.V.R.K. Prasad, Mr. A. S. Kapre, Mr. K. L. Mehrotra, Mr. Gautam Khaitan & Mr. Kesharao Pardhey as Independent Directors is being placed before the Members in General Meeting for their approval. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and are independent of the management. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Directors and the period of their appointment.

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.

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 alongwith proper explanations;
- ii) they have selected such accounting policies and applied them consistently and made judgements 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 and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

The Audit Committee formed by the Board of Directors of the Company consists of Mr. K. Jayabharath 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. Jayabharath 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, 1956 and the Listing Agreement.

AUDITORS

M/s Salve & Co., Chartered Accountants, the existing Auditors, will retire at the ensuing Annual General Meeting and are eligible for re-appointment. Based on the recommendation of the Audit Committee, the Board of Directors of the Company have proposed the appointment of M/s Salve & Co., Chartered Accountants, as the Auditors of the Company from the conclusion of the forthcoming 11th Annual General Meeting till the conclusion of the 14th Annual General Meeting. M/s Salve & Co., have expressed their willingness to act as Auditors of the

Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 141 of the Companies Act, 2013.

COST AUDITOR

Mr. Prakash Uppalapati, Cost Accountant has been appointed by the Board as Cost Auditor of the Company to conduct audit of cost records of the Company for the year ended 31st March 2015. 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 and Compliance Reports for the financial year 2012-13 was 30th September, 2013. The Company has filed the Reports with the Ministry of Corporate Affairs on 26-09-2013.

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

The statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed and marked Annexure 'A' which forms part of this Report.

PARTICULARS OF EMPLOYEES

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

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.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors place on record their gratitude for the support and cooperation 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.)

R.K. SARAF

Dated : 26th July, 2014

Chairman & Managing Director

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 : 200 sets of energy efficient, newly developed LED fittings were fixed in place metal halide lamps in the office rooms, Conference Halls, building corridors, and control rooms of the plant.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : Approx. ₹ 1.50 Lacs
- c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods : Moderate saving in power consumption
- d) Total energy consumption and energy per unit of production in prescribed form 'A' consumption : Form "A" is inapplicable to Ferro Alloys Industry

B. TECHNOLOGY ABSORPTION

Research and development

- a. Specific areas in which R & D carried out by the Company : 1. High Cr/Fe ratio chrome ore (+2.8) availability is not sufficient to maintain the required grade of alloy, throughout our production. Hence we made an experimental study by introducing HC FeCr slag to an extent of 15% in the charge burden. Since slag is having high Cr/Fe ratio, we could achieve the required grade. In addition because of

the hard lumpy structure of the slag porosity of the charge is also improved. As the result of the experimental study is fruitful, now we have to establish the result on larger scale.

2. Pilot scale study is made on making of Manganese ore composite briquettes using humic acid as binder. We succeeded in pilot scale work and could produce quality briquettes with required strength. Soon after we switch over to Manganese production we will try these briquettes in commercial production to establish the result.

- | | | |
|---|---|-----------------------|
| b. Benefits derived as a result of above R & D | : | Yet to be established |
| c. Future plan of action | : | NIL |
| 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 | During the year 2013-14 15598 MT Ferro Chrome was exported. Directors undertake extensive foreign traveling to explore new avenues of exports and to understand latest developments in the international markets. |
| 2) Total Foreign Exchange used and earned (2013-2014) | : (₹ in Lacs) |
| i) CIF value of imports | : 2693.47 |
| ii) Expenditure in Foreign Currency | : 182.88 |
| iii) Foreign Exchange earned | : 9914.02 |

On behalf of Board of Directors,

Place : Noida (U.P.)

Dated : 26th July, 2014

R.K. SARAF
Chairman & Managing Director

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro Chrome imparts the non-corrosive property to stainless steel and thus, there is a deep correlation between the outlook for both the industries. During the first 6 months of 2013, stainless steel crude production reached an all time high of 18.6 million tonne- up 4.6% for the first half of 2012, according to ISSF. Global stainless steel crude production is expected to hit a new high of 36.4 million tonne in 2013 registering an increase of 2.9%. However the ferro chrome industry has not particularly benefited from the growth seen in the stainless steel industry due to several factors including rising costs, infrastructural constraints and over capacity. India has seen an enigma as far as the ferro chrome industry is concerned. Redistribution of chrome ore reserves in the late 90s led to a paradigm shift and rapid growth in output which though, stagnated around the 1 million tonne per annum mark. Constraints in ore out put, rising electricity tariff though several producers now either have captive power generation or are planning to set it up, high internal logistics costs have somewhat dampened sentiments although the outlook for fully integrated producers is decidedly better. To summarise, while stainless steel out put continues to increase mainly on strength of robust growth in China the ferro chrome industry is passing through an uncertain phase.

RISKS AND CONCERNS / OPPORTUNITIES AND THREATS / OUTLOOK

The Ferro Alloys Industry is highly cyclical in nature reflecting a similar trend in the stainless steel industry and as a result, there is substantial volatility in prices. The performance of the Company is dependent to a large extent on the prevailing prices in the international market which is influenced / set by large producers in South Africa and Kazakhstan.

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. Besides, the Industry has to compete with the integrated producers having captive mines situated in South Africa, Australia, Brazil, CIS, etc. to sell acceptable quality of Chrome Alloys in the world market for earning the valuable foreign exchange for the country. Reductants viz Anthracite Coal, Coke, Charcoal etc. are vital inputs for the Ferro Alloys Industry. The consumption of these reductants for producing one tonne of Ferro Alloys varies between 600 to 2,000 kgs, depending on the Ferro Alloys produced. The availability of these items in good quality is declining in the country and the Ferro Alloy Industry may have to totally depend on import of these reductants on regular basis. Further the present Import Duty on Ferro Alloys is 5%, but this is not sufficient, as the import of Ferro Alloys is increasing every year, when the domestic Industry is operating at around 60% of capacity leaving balance 40% lying idle. These cheap imports from China and other countries are steadily grabbing the domestic market share to meet the expected rising demand from steel Industry. Further the problems of this industry are aggravated because of the high input cost of power

including FSA charges. The ferro alloy Industry is a power intensive Industry, the power cost is about 35-40 percent of its total production cost. Repeated power tariff hikes by state run power utility company have put the Industry in a fix. Further the ongoing power crisis in Andhra Pradesh manifesting in unprecedented power cuts and steep tariff hike have hit the company hard. Besides this, the Company is also burdened heavily by way of claims for Fuel Surcharge Adjustment (FSA) including arrears for earlier years. These issues need to be addressed by the Government to enable the Ferro Alloys Producers to compete in the Domestic as well as International Markets.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

As mentioned else where in the directors' report that the plant of the company is under lock out since February, 2014. On account of lock out and other factors, during the year under consideration the production and sale of ferro chrome were lower as compared to the previous year 2012-2013. However, due to better sales realization the overall turnover of the Company increased from ₹ 219.73 crores in 2012-2013 to ₹ 240.03 crores in 2013-14. Exports were ₹ 111.36 crores as against ₹ 132.07 crores in the previous year and during the year under review foreign currency earnings in rupee terms was Rs 99.14 crores. The Company derived 46% of its total sales from exports. Despite increased turnover, there is a loss of ₹ 17.16 crores before tax as compared to ₹ 2.08 crores profit before tax in the previous year. The loss of ₹ 17.16 crores during the year is mainly due to closure of the plant, burdening the company heavily by way of claims for Fuel Surcharge Adjustment (FSA) to the extent of ₹ 23.11 crores including arrears for earlier years and steep hike in the power tariff.

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 582 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 31.03.2014	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2014	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director	Executive*	2	1	5	Yes
Mr. M.D. Saraf Vice Chairman & Managing Director	Executive*	4	1	2	No
Mr. Ashim Saraf Joint Managing Director	Executive*	4	Nil	4	Yes
Mr. Anurag Saraf Joint Managing Director	Executive*	4	2	1	No
Mr. C. N. Harman Director (Technical)	Executive	Nil	Nil	2	No
Mr. Arye Berest	Non-Independent Non-Executive**	1***	Nil	1	No
Mr. K. Jayabharath Reddy	Independent Non-Executive	5	5	4	Yes
Mr. P.V.R.K. Prasad	Independent Non-Executive	1	1	2	No
Mr. Gautam Khaitan	Independent Non-Executive	6	6	1	No
Mr. A.S. Kapre	Independent Non-Executive	3	6	5	Yes
Mr. K. L. Mehrotra	Independent Non-Executive	1	Nil	3	No
Mr. Keshao Rao Pardhey	Independent Non-Executive	2	Nil	4	Yes

* Represents Promoter Group;

** Represents Foreign Investor;

***Excluding directorship in foreign companies

During the Financial Year April 2013 to March 2014, 5 Board Meetings were held on 27/05/2013, 13/08/2013, 10/10/2013, 26/10/2013 and 30/01/2014.

3. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

The Committee presently consists of 4 Members viz. Mr. K. Jayabharath 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. Jayabharath Reddy. Mr. K. Jayabharath 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 Medallist) and Law Graduate from Nagpur University.

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

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

b) No. of meetings and attendance:

There were four meetings during the year 2013-14 on 27/05/2013, 13/08/2013, 26/10/2013 & 30/01/2014. All four meetings were attended by all members, except Mr P V R K Prasad. Mr P V R K Prasad has attended only two 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 Companies Act, 1956 and the Listing Agreement.

4. REMUNERATION COMMITTEE:

- a) The Committee presently consists of 4 Members viz. Mr. P.V.R.K. Prasad, Mr. Gautam Khaitan, Mr. K. L. Mehrotra and Mr. A.S. Kapre who are non-executive independent Directors of the Company. The remuneration being paid to the Managing Directors, Joint Managing Directors and Wholetime Director is well within the limits as prescribed in Schedule XIII of the Companies Act, 1956 and was approved by the Remuneration Committee, Board of Directors and Shareholders.

- b) Details of remuneration payable to Managerial Personnel for the year 2013-14 :

	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	₹ 1709392/-	₹ 149666/-	5 years from 01/04/14
2.	Mr. M. D. Saraf, VC & MD	₹ 1652581/-	₹ 345390/-	5 years from 01/02/13
3.	Mr. Ashim Saraf, JMD	₹ 1872517/-	₹ 295390/-	5 years from 01/04/14
4.	Mr. Anurag Saraf, JMD	₹ 1807016/-	₹ 335330/-	5 years from 01/02/13
5.	Mr. C. N. Harman, Director (Tech.)	₹ 1095319/-	₹ 114540/-	5 years from 01/08/14

- c) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2013-14, they were paid sitting fees/remuneration as under:

	Name of Directors	Sitting fees paid	No. of equity shares of Re.1/- each held
1.	Mr. A. S. Kapre	₹ 75000/-*	150000
2.	Mr. K Jayabharath Reddy	₹ 60000/-*	-
3.	Mr. P. V. R. K. Prasad	₹ 35000/-*	-
4.	Mr. Gautam Khaitan	₹ 15000/-	-
5.	Mr. Arye Berest	₹ 10000/-	-
6.	Mr. K. L. Mehrotra	₹ 35000/-	-
7.	Mr. Kesharao Pardhey	₹ 40000/-	-
		₹ 270000/-	

* 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.

5. SHARE TRANSFER AND SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

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

- 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 1-4-2013 to 31-3-2014 14
- c) No. of complaints not solved to the satisfaction of the Shareholders Nil
- d) Number of pending complaints as on 31-3-2014 Nil

6. GENERAL BODY MEETINGS

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

AGM held	Day, date & time	Venue
8th AGM	Tuesday, 13th September, 2011 at 3.30 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
9th AGM	Tuesday, 18th September, 2012 at 3.00 p.m.	- do -
10th AGM	Tuesday, 13th August, 2013 at 3.00 p.m.	- do -

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

7. DISCLOSURES

- a) 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, 1992 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) Company has not adopted Whistle Blower Policy since it is a non-mandatory requirement.
- e) Disclosure of information as per SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 - List of persons, who are constituting group as defined under MRTP Act, 1969 is as under:

I) PROMOTERS

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

II) Relatives of above five Promoters as defined under the Companies Act, 1956.

III) Group / Associated Entities:

- | | |
|-------------------------------------|-------------------------------------|
| (1) AoneTechnet 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) BitalInfosystem Private Limited; | (8) Boula Platinum Mining Private Limited; |
| (9) Cornell Corporation SA.; | (10) Cati Madencilik Ithalatvehracat 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) FacorTurkkrom 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) Globalscale Investments Limited; | (34) Godawaridevi Saraf and Sons; |
| (35) Imagetec Limited; | (36) Investar Limited; |
| (37) Mezeron Enterprises Private Limited; | (38) NDS Minerals Private Limited; |
| (39) Pioneer Facor IT Infradevelopers Pvt. Limited; | (40) Precisetec Limited; |
| (41) Premier Commercial Corporation; | (42) Raghavendra Sarkar Ventures Private Limited; |
| (43) Rai Bahadur Shreeram and Company;
Private Limited; | (44) Saraf Bandhu Private Limited; |
| (45) Shree Ram Durga Prasad Ores Private Limited; | (46) Shreeram Shipping Services Pvt. Limited; |
| (47) SRX Global Private Limited; | (48) Suchitra Investments & Leasing Limited; |
| (49) Super Vision Limited; | (50) Teracota Consultancy Services Limited; |
| (51) Trusta Resources S.L.; | (52) Tusta Trading Company Inc.; |
| (53) UMT International Limited; | (54) V&G Commercial Private Limited; |
| (55) Vakrangee Press Limited; | (56) Vanita Enterprises Private Limited; |
| (57) Vidarbha Iron & Steel Corporation Limited; | (58) YMR Enterprise Private Limited |

8. MEANS OF COMMUNICATION

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

9. GENERAL SHAREHOLDER INFORMATION

- i) AGM-Date, Time and Venue:

Date	Time	Venue
09 th September, 2014	10.30 A.M.	Officers' Club, Shreeramnagar - 535 101, Garividi; Dist: Vizianagaram, Andhra Pradesh.

ii) The particulars of Directors as required under Clause 49 IV (G) (i) of the Listing Agreement 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 31-3-2014	Chairman/ Member of the committee of Board of other public Limited Companies on which he was a Director as on 31-3-2014	Shares held
1) Mr. Arye Berest	27th November 1939	1st February, 2005	Expertise in metals and minerals as well as Finance and International trade	Qualified in Business studies, Polytechniques from London	Facor Steels Ltd., Ferro Alloys Corpn. Ltd.	Nil	Nil
2) Mr. Ashim Saraf	27 th Sept. 1967	1st August, 2004	Business Administration	M.Sc (Tech) S.T.D	Vidarbha Iron & Steel Co. Ltd., Facor Electric Ltd., Facor Solar Ltd., Vakrangee Press Limited	Nil	17008

iii) Financial Year ending : 31st March

iv) Date of Book closure from : Friday, 5th September, 2014 to Tuesday, 09th September, 2014 (both days inclusive)

v) Dividend payment date : Not Applicable

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

vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2013-14 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 2013	1.69	1.31	1030750	19,622.68	18,144.22
May 2013	1.66	1.30	1398757	20,443.62	19,451.26
June 2013	1.64	1.24	1304816	19,860.19	18,467.16
July 2013	1.62	1.25	756535	20,351.06	19,126.82
August 2013	1.52	1.24	1038106	19,569.20	17,448.71
September 2013	1.72	1.27	1356370	20,739.69	18,166.17
October 2013	2.10	1.54	2188986	21,205.44	19,264.72
November 2013	1.94	1.55	949374	21,321.53	20,137.67
December 2013	1.89	1.50	811294	21,483.74	20,568.70
January 2014	1.94	1.23	1283714	21,409.66	20,343.78
February 2014	1.79	1.22	2042361	21,140.51	19,963.12
March 2014	1.45	1.13	1472326	22,467.21	20,920.98

viii) Registrar & Transfer Agent (RTA):

The Company has appointed M/s Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi - 110062 as its Registrar and Share Transfer Agent for handling the share registry work in terms of both physical and electronic (Dematerialisation of shares). Accordingly, the shareholders are required to approach Beetal Financial & Computer Services (P) Ltd for

all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialisation of shares held in the company. The shareholders are also requested to send all correspondence relating to company's shares to Beetal Financial & Computer Services (P) Ltd.

ix) Share Transfer System:

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

x) a) Distribution of shareholding as on 31.03.2014:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
upto 500	41377	4513599	2.30
501 to 1000	6379	5894005	3.01
1001 to 2000	3703	6351121	3.25
2001 to 3000	1573	4279246	2.19
3001 to 4000	756	2822028	1.45
4001 to 5000	1084	5293487	2.70
5001 to 10000	1519	12126358	6.21
10001 and above	1521	154267511	78.89
Total	57912	195547355	100.00
Physical Mode		735360	
Electronic Mode		194811995	

b) Categories of shareholders as on 31.03.2014:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	91021467	46.55
b.	Financial Institutions	34020	0.02
c.	State Government Company/State Financial Corporation	4046	-
d.	Nationalised Banks	1770	-
e.	Bodies Corporate	14959200	7.65
f.	Others	89526852	45.78
	Total	195547355	100.00

xi) Dematerialisation of shares and liquidity:

99.62 % of the share capital has been dematerialized as on 31st March, 2014.

xii) The Company has not issued any GDRs / ADRs / Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.

xiii) Plant location: Shreeramnagar-535 101, Garividi, Dist:Vizianagaram, Andhra Pradesh

xiv) Address for correspondence:

a) For matters relating to Company's shares:

Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor,
99, Madangir, Behind LSC, New Delhi - 110062

b) For other matters:

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

10. COMPLIANCE:**Disclosure under Clause 53 of the Listing Agreement regarding certain agreements with the media companies:**

Pursuant to the requirement of Clause 53 of the Listing Agreement, 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.

11. INVESTOR SAFEGUARDS AND OTHER INFORMATION:**a) Clause 5 A 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.

Apropos to clause 5All inserted in the Listing Agreement 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 newly inserted Clause, this Annual Report should be construed as a fifth 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 Agents, M/s Beetal Financial & Computer Services (P) Ltd., New Delhi.

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

c) Dematerialisation of Shares:

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

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

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

e) Updation of Address / Bank Details:

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

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

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

12. NON-MANDATORY REQUIREMENTS

The Company at present has not adopted the Non-mandatory requirements as per Clause 49 of the Listing Agreement except constitution of Remuneration Committee.

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct for the year ended 31st March, 2014.

Place : Noida, U.P.

Date : 26th July, 2014

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, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us for the review by the Company.

Based on such a review, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

On the basis of the records maintained by the Company and furnished to us and the information and explanations given to us by the Company, we state that there were no investor grievances pending against the Company for a period exceeding one month.

We further 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.

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

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

Place : Noida, UP

Date : 26th July, 2014

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Members of Facor Alloys Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Facor Alloys Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2014, Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 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 auditors' 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 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the 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 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of 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 (Auditors' Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ; and
 - e. on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 Salve & Co.
Chartered Accountants,
(Regn. No. 109003W)

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

Place : Noida, UP

Date : 29th May, 2014

ANNEXURE TO AUDITORS' REPORT:

The Annexure referred to in our report to the members of Facor Alloys Limited ('the Company'), for the year ended 31st March, 2014.

We report that :

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) The Company has not disposed of any major part of fixed assets during the year.
- ii)
 - a) Physical verification of inventory has been conducted at reasonable intervals by the Management.
 - b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed by the Management on physical verification.
- iii)
 - 1)
 - (a) The Company has granted unsecured loans to five companies covered in the Register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 3243.07 lacs and the year end balance of such loan aggregated to ₹ 2418.79 lacs.
 - (b) In our opinion, the rate of interest where ever applicable and other terms and conditions of such loan were not prima facie prejudicial to the interest of the Company.
 - (c) The principal amount is repayable on demand and thus, there are no overdues.
 - 2) The Company has not taken any loan during the year from Companies, firms or other parties covered in Register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v)
 - a) According to the information and explanations given to us, based on the disclosure of interest made by the directors of the Company, transactions that need to be entered into register in pursuance of Sections 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any fixed deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies (Acceptance of Deposit) Rules, 1975.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix)
 - 1) According to the records examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, with the appropriate authorities. No amounts are outstanding for transfer to the Investors Education and Protection Fund under Section 205C of the Companies Act, 1956.
 - 2) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2014 for a period of more than 6 months from the date they became payable.
- b) The Company has disputed statutory dues of ₹ 21.27 lacs in respect of Sales Tax for financial year 2003-04, which has not been deposited on account of the matter being pending before AP High Court.

- x) The Company has no accumulated losses as on 31st March 2014 and it has incurred cash losses during the financial year ended on that date. However the Company has not incurred cash losses in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company and, therefore, Clauses 4(xiii)(a), (xiii) (b), (xiii) (c) and (xiii) (d) of the said Order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xvi) The Company has not raised any term loan during the year.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion, the funds raised on short term basis have not been used for long term investment.
- xviii) 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.
- xix) During the year covered by our audit report, the Company has not issued any secured debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

Place : Noida, UP
Date : 29th May, 2014

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

BALANCE SHEET AS AT 31ST MARCH, 2014

STANDALONE ACCOUNTS

(₹ in lacs)

	Note Nos		As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2		1,955.48	1,955.48
Reserves and Surplus	3		10,968.67	12,615.38
			<u>12,924.15</u>	<u>14,570.86</u>
Non-Current Liabilities				
Long-Term Borrowings	4		2.37	11.81
Deferred Tax Liabilities (Net)	5		403.72	473.52
Long-Term Provisions	6		1,165.25	1,129.84
			<u>1,571.34</u>	<u>1,615.17</u>
Current Liabilities				
Short-Term Borrowings	7		1,102.58	4,533.58
Trade Payables	8		1,747.32	1,011.60
Other Current Liabilities	9		1,338.32	1,548.99
Short-Term Provisions	10		73.96	154.32
			<u>4,262.18</u>	<u>7,248.49</u>
TOTAL			<u><u>18,757.67</u></u>	<u><u>23,434.52</u></u>
ASSETS				
Non-Current Assets				
Fixed Assets-Tangible	11		2,203.16	2,438.80
Non-Current Investments	12		6,554.63	5,760.30
Long-Term Loans and Advances	13		1,156.97	1,159.41
			<u>9,914.76</u>	<u>9,358.51</u>
Current Assets				
Inventories	14		1,465.02	3,706.74
Trade Receivables	15		387.18	3,252.03
Cash and Cash Equivalents	16		1,662.69	2,100.26
Short-Term Loans and Advances	17		5,240.75	4,981.38
Other Current Assets	18		87.27	35.60
			<u>8,842.91</u>	<u>14,076.01</u>
TOTAL			<u><u>18,757.67</u></u>	<u><u>23,434.52</u></u>
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 38			

As per our report of even date attached,

For SALVE & Co.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021

Noida, UP: 29th May, 2014

S.S. SHARMA

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

	Note Nos		Year Ended 31 st March, 2014	Year Ended 31 st March, 2013
(₹ in lacs)				
INCOME				
Revenue from Operations	19	24,554.05		22,840.27
Other Income	20	401.21		146.32
Total Revenue			24,955.26	22,986.59
EXPENDITURE				
Cost of Materials Consumed	21	11,174.45		10,919.15
Changes in Inventories of Finished Goods and Stock-in-Process	22	903.01		(652.87)
Employee Benefits Expense	23	2,446.43		2,289.67
Finance Costs	24	141.04		208.88
Depreciation and Amortisation Expense	11	329.25		358.52
Other Expenses	25	11,677.33		9,654.97
Total Expenses			26,671.51	22,778.32
Profit/(Loss) Before Tax			(1,716.25)	208.27
Tax Expenses				
Current Tax		-		160.42
Tax for Earlier Years		0.26		43.43
Deferred Tax		(69.80)		(75.18)
			(69.54)	128.67
Profit/(Loss) for the year			(1,646.71)	79.60
Earning per equity share of face value of ₹ 1/- each				
Basic and Diluted (in ₹)	26		(0.84)	0.04
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 38			

As per our report of even date attached,

For SALVE & Co.Chartered Accountants
(Regn.No. 109003W)**C.A. K.P. SAHASRABUDHE**Partner
Membership No. 7021Noida, UP: 29th May, 2014**S.S. SHARMA**General Manager (Legal)
& Company SecretaryNoida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014
 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

STANDALONE ACCOUNTS

	(₹ in lacs)	
	2013-14	2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(1,716.25)	208.27
Adjustment for:		
Depreciation	329.25	358.52
Exchange difference on translation (Net)	40.99	(2.13)
Interest and Dividend Income	(318.91)	(137.06)
Finance Costs	141.04	208.88
Profit/Loss on Sale of Fixed Assets (Net)	(70.89)	0.65
	<u>121.48</u>	<u>428.86</u>
Operating Profit before Working Capital Changes	(1,594.77)	637.13
Adjustment for:		
Trade and Other Receivables	2,598.54	(2,717.53)
Inventories	2,241.72	(953.83)
Trade Payables	487.06	(2,001.42)
Others	(32.94)	3,696.94
	<u>5,294.38</u>	<u>(1,975.84)</u>
Cash Generated from Operations	3,699.61	(1,338.71)
Direct Taxes Paid/Adjusted	(30.80)	(314.84)
	<u>(30.80)</u>	<u>(314.84)</u>
Net Cash Flow from Operating Activities	3,668.81	(1,653.55)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(95.04)	(121.41)
Sale of Fixed Assets	72.32	29.23
Purchase of Investments	(794.33)	(291.83)
Interest and Dividend Income	252.54	214.76
Net Cash Flow (used in) /from Investing Activities	(564.51)	(169.25)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long and Short Term Borrowings	(3,440.44)	1,224.34
Finance Costs Paid	(134.37)	(217.73)
Net Cash Flow (used in) /from Financing Activities	(3,574.81)	1,006.61
Net Increase/(Decrease) in Cash and Cash Equivalents	(470.51)	(816.19)
Opening Balance of Cash and Cash Equivalents	1,527.34	2,343.53
Closing Balance of Cash and Cash Equivalents	1,056.83	1,527.34
Net Increase/(Decrease) in Cash and Cash Equivalents	(470.51)	(816.19)

As per our report of even date attached,

For SALVE & Co.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021Noida, UP: 29th May, 2014

S.S. SHARMA

General Manager (Legal)
& Company SecretaryNoida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
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, 1956, as adopted consistently by the Company.

(c) 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.

(d) Intangible asset :

Intangible asset acquired separately are measured at cost less amortisation and impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful life.

(e) Depreciation :

Depreciation is provided on different fixed assets on the basis of 'straight line method' and 'written down value method' at rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(f) 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.

(g) 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.

(h) 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.

(i) 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 on accrual basis as per schemes specified in Foreign Trade Policy, as amended from time to time. 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.

(j) 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

(k) 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.

(l) 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.

(m) Contingent liabilities :

Contingent Liabilities are not recognised but are disclosed in the notes.

2. SHARE CAPITAL

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital:		
360,000,000 (Previous Year- 360,000,000) Equity Shares of ₹ 1/- each	3,600.00	3,600.00
3,900,000 (Previous Year- 3,900,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	3,900.00	3,900.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid up:		
195,547,355 (Previous Year- 195,547,355) Equity Shares of ₹ 1/- each fully paid-up	1,955.48	1,955.48
TOTAL	1,955.48	1,955.48

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	61,055,682	31.22%	61,055,682	31.22%

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
	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, 1956.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

3. RESERVES AND SURPLUS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
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	997.35	917.75
Add: Profit/(Loss) for the year	<u>(1,646.71)</u>	79.60
Balance as at the end of the year	<u>(649.36)</u>	997.35
TOTAL	<u>10,968.67</u>	<u>12,615.38</u>

4. LONG-TERM BORROWINGS

(Unsecured)

Deferred payment liabilities	2.37	11.81
Terms of repayment : Payable in equal monthly instalments.	<u>2.37</u>	<u>11.81</u>
TOTAL	<u>2.37</u>	<u>11.81</u>

5. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability:

Difference between Book and Income Tax depreciation	474.85	542.68
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Deferred Tax Assets:

Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	71.13	69.16
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Net Deferred Tax Liability	<u>403.72</u>	<u>473.52</u>
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6. LONG-TERM PROVISIONS

Provision for Employee Benefits:

P.L.Encashment (Unfunded)	144.72	109.31
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Others	1,020.53	1,020.53
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TOTAL	<u>1,165.25</u>	<u>1,129.84</u>
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7. SHORT-TERM BORROWINGS

From Banks (Secured) :

Cash Credit Accounts	1,102.58	2,731.03
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Bills Discounted	-	1,802.55
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TOTAL	<u>1,102.58</u>	<u>4,533.58</u>
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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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

(₹ in lacs)

As at 31st March, 2014 As at 31st March, 2013

8. TRADE PAYABLES

Trade Payables	1,747.32	1,011.60
TOTAL	1,747.32	1,011.60

Small scale industrial undertakings, to whom ₹ 3.75 lacs (Previous Year ₹ 3.89 lacs) are due for a period exceeding 30 days, have been identified based on the information available with the Company and are as follows:

T.S.Enterprises, Saradhi Industries and Metal Engineering & Treatment Co.

9. OTHER CURRENT LIABILITIES

Unpaid dividends	17.86	17.92
Other Payables *	1,320.46	1,531.07
TOTAL	1,338.32	1,548.99

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

10. SHORT-TERM PROVISIONS

Provision for Employee Benefits:

P.L.Encashment (Unfunded)	73.96	99.82
For Taxation	-	54.50
TOTAL	73.96	154.32

11. FIXED ASSETS

(₹ in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	Upto 1.04.2013	For the Year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets:										
Land Freehold	79.50	-	1.41	78.09	-	-	-	-	78.09	79.50
Mines and Quarries Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14
Buildings	914.27	-	-	914.27	616.91	19.22	-	636.13	278.14	297.36
Railway Siding	53.99	-	-	53.99	35.33	2.55	-	37.88	16.11	18.66
Plant and Machinery	4,597.73	20.77	-	4,618.50	2,870.42	225.14	-	3,095.56	1,522.94	1,727.31
Office and Other Equipments	341.91	55.16	0.74	396.33	244.27	24.45	0.74	267.98	128.35	97.64
Furniture and Fixtures	165.58	19.11	1.00	183.69	148.38	5.47	0.98	152.87	30.82	17.20
Vehicles	603.66	-	-	603.66	403.67	52.42	-	456.09	147.57	199.99
TOTAL	6,757.78	95.04	3.15	6,849.67	4,318.98	329.25	1.72	4,646.51	2,203.16	2,438.80
Previous Year	6,739.65	121.41	103.28	6,757.78	4,033.85	358.52	73.39	4,318.98	2,438.80	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

12. NON-CURRENT INVESTMENTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
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
14,96,059 (Previous Year- 18,000) Facor Minerals (Netherlands) BV of USD 1 each	807.28	12.95
	<u>2,682.57</u>	<u>1,888.24</u>
In Equity Shares of Associated Companies - Unquoted, fully paid up		
1,36,663 (Previous Year-1,36,663) Vidharbha Iron & Steel Corporation Limited of ₹ 10/- each	13.67	13.67
2,00,00,000 (Previous Year- 2,00,00,000) Facor Power Limited of ₹ 10/- each	2,000.00	2,000.00
	<u>2,013.67</u>	<u>2,013.67</u>
Others - In Equity Shares -Unquoted, fully paid up		
3,000 (Previous Year- 3,000) Sunil Healthcare Limited of ₹ 10/- each	0.20	0.20
20 (Previous Year- 20) Anand Udyog Premises Co-operative Society Limited of ₹ 50/- each	0.01	0.01
17,42,700 (Previous Year- 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1/- each	1,855.63	1,855.63
	<u>1,855.84</u>	<u>1,855.84</u>
In Government Securities : Unquoted		
6 Years National Savings Certificates Deposited with Government/Semi Government Authorities as Security Deposit Rs. 2.05 lacs (Previous Year Rs. 2.55 lacs)	2.55	2.55
TOTAL	<u>6,554.63</u>	<u>5,760.30</u>
Aggregate amount of Unquoted Investments	6,554.63	5,760.30
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Security Deposits	1,156.97	1,159.41
TOTAL	<u>1,156.97</u>	<u>1,159.41</u>
14. INVENTORIES		
(As per Inventory taken, valued and as certified by the Management)		
(At Cost unless otherwise stated)		
Raw Materials (includes in transit ₹ Nil, Previous Year ₹ 33.57 lacs)	1,348.73	2,650.97
Stock-in-Process (At Cost or Net realisable value whichever is lower)	-	71.17
Finished Goods (At Cost or Net realisable value whichever is lower)	13.52	845.36
Stores and Spare Parts	85.22	121.69
Loose Tools	17.55	17.55
TOTAL	<u>1,465.02</u>	<u>3,706.74</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
15. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	82.67	87.55
Others	304.51	3,164.48
TOTAL	387.18	3,252.03
16. CASH AND CASH EQUIVALENTS		
Cash in hand	9.77	9.97
With Scheduled Banks:		
In Current Accounts	47.06	867.37
In Current Accounts- For Unpaid Dividend	17.86	17.92
	64.92	885.29
In Fixed Deposit Accounts:		
With original maturity upto three months	1,000.00	650.00
With original maturity of more than three months but less than twelve months	588.00	555.00
	1,652.92	2,090.29
TOTAL	1,662.69	2,100.26
Fixed Deposit Receipts lodged with Banks as security deposit for Letters of Credit/Guarantees ₹ 588.00 lacs (Previous Year ₹ 555.00 lacs)		
17. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	4,490.19	4,110.86
Others	750.56	870.52
TOTAL	5,240.75	4,981.38
18. OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	61.81	10.14
Claims Recoverable	25.46	25.46
TOTAL	87.27	35.60
19. REVENUE FROM OPERATIONS		
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Sale of products, less returns	23,765.58	19,903.36
Sale of Services	1,632.12	2,825.81
	25,397.70	22,729.17
Less: Excise Duty	1,394.84	756.23
	24,002.86	21,972.94
Add: Export Incentives	551.19	867.33
TOTAL	24,554.05	22,840.27

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

19.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in lacs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Gross Sales	
Ferro Alloys	23,635.25	19,647.82
Off Grade / By-products	130.33	255.54
Services rendered (Conversion Charges)	1,632.12	2,825.81
TOTAL	25,397.70	22,729.17

20. OTHER INCOME

INTEREST INCOME:

Interest on Deposits	91.64	72.49
Other Interest	227.27	64.57
	318.91	137.06
Miscellaneous receipts	11.41	9.91
Profit / (Loss) on Fixed Assets Sold/Discarded (Net)	70.89	(0.65)
TOTAL	401.21	146.32

21. COST OF MATERIALS CONSUMED

Opening stock of Materials	2,650.97	2,335.63
Add: Purchases	9,872.21	11,234.49
	12,523.18	13,570.12
Less: Closing stock of Materials	1,348.73	2,650.97
Cost of Materials Consumed	11,174.45	10,919.15

21.1 PARTICULARS OF MATERIALS CONSUMED

Chrome Ore/Concentrate/Others	8,326.81	7,804.19
Coke and Coal	2,661.71	2,807.82
Quartz	26.57	28.87
Carbon paste/Electrode paste	124.50	194.74
Miscellaneous	34.86	83.53
TOTAL	11,174.45	10,919.15

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

Closing stock:		
Finished Goods	13.52	845.36
Stock-in-Process	-	71.17
	13.52	916.53
Opening stock:		
Finished Goods	845.36	181.62
Stock-in-Process	71.17	82.04
	916.53	263.66
Decrease/(Increase) in Inventories	903.01	(652.87)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

		Year Ended 31st March, 2014	Year Ended 31st March, 2013
		(₹ in lacs)	
23. EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages and Bonus		1,762.69	1,627.46
Contribution to Provident and Other Funds		286.24	314.60
Welfare Expenses		317.96	279.88
Directors' Remuneration		79.54	67.73
	TOTAL	<u>2,446.43</u>	<u>2,289.67</u>
24. FINANCE COSTS			
Interest:			
On Fixed Loan	-		-
On Others	<u>130.64</u>		<u>188.61</u>
		130.64	188.61
Other Borrowing Costs		<u>10.40</u>	<u>20.27</u>
	TOTAL	<u>141.04</u>	<u>208.88</u>
25. OTHER EXPENSES			
Power and Fuel		8,027.90	6,393.94
Mining, Handling and other Production Expenses		535.07	606.82
Freight, Shipment and Sales Expenses		619.04	691.78
Stores and Spares		157.34	240.70
Works Expenses		736.24	680.07
Transport Expenses		90.83	109.09
Repairs and Maintenance to Plant and Machinery		761.78	327.55
Repairs and Maintenance to Buildings		210.82	162.12
Insurance		18.51	15.00
Rent (Net)		73.42	31.04
Rates and Taxes		13.62	15.68
Commission and Brokerage on Sales		135.17	234.07
Donations		4.94	15.21
Payment to Auditors		4.42	4.35
Directors' Sitting Fees		2.70	2.95
Foreign Exchange Loss		192.34	12.94
Miscellaneous Expenses		93.19	111.66
	TOTAL	<u>11,677.33</u>	<u>9,654.97</u>
25.1 PAYMENT TO AUDITORS			
(A) Statutory Auditor			
Audit Fees		2.75	2.50
Tax Audit Fees		0.15	0.15
Certification and Consultation Fees		0.22	0.30
Reimbursement of Expenses		<u>0.65</u>	<u>0.83</u>
Sub-Total (A)		<u>3.77</u>	<u>3.78</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

(₹ in lacs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
(B) Cost Auditor		
Audit Fees	0.50	0.50
Management Services	-	-
Certification and Consultation Fees	0.05	0.05
Reimbursement of Expenses	0.10	0.02
Sub-Total (B)	0.65	0.57
TOTAL (A + B)	4.42	4.35

26. EARNING PER SHARE (BASIC AND DILUTED)

(i) Net Profit after Tax	(1,646.71)	79.60
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (₹ per share)	(0.84)	0.04

27. The manufacturing Unit at Shreeramnagar (A.P.) is under lock out since 04-02-2014, the accounts for the Year ended on 31-03-2014 have been prepared on the basis of the available information and records.

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

Defined Contribution Plan :

Amount of ₹ 194.29 Lacs (Previous Year ₹ 197.08 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	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	947.86	209.13	932.11	202.31
Interest Cost	75.83	16.73	74.57	16.19
Current Service Cost	47.08	15.80	44.25	16.27
Actuarial Losses/(Gains)	59.74	56.37	87.47	26.78
Benefits Paid	(119.72)	(79.34)	(190.54)	(52.42)
Present value of Defined Benefit Obligation at the close of the year	1,010.79	218.69	947.86	209.13

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

(₹ in lacs)

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the Beginning of the year	910.35	-	905.02	-
Add : Expected Return on Plan Assets	77.38	-	76.92	-
Add/(Less) : Actuarial Gains/(Losses)	13.32	-	11.87	-
Add : Contributions	46.49	-	107.08	-
Less : Benefits Paid	(119.72)	-	(190.54)	-
Fair Value of Plan Assets at the close of the year	927.82	-	910.35	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,010.79	218.69	947.86	209.13
Less : Fair Value of Plan Assets	927.82	-	910.35	-
Present Value of unfunded obligation	82.97	218.69	37.51	209.31

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	47.08	15.80	44.25	16.27
Interest Cost	75.83	16.73	74.57	16.19
Expected return on Plan Asset	(77.38)	-	(76.92)	-
Net actuarial loss/(gain)	46.42	56.37	75.60	26.78
Net periodic cost	91.95	88.90	117.50	59.24

(e) Actuarial Assumptions as at the Balance Sheet date: (₹ in Lacs)

Particulars	2013-14		2012-13	
	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	9%	9%	8%	8%
Salary Escalation Rate	5%	5%	5%	5%

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	37.51	209.13	27.09	202.31
Expenses as above	91.95	88.90	117.50	59.24
Contributions Paid	(84.00)	(79.34)	(107.08)	(52.42)
Closing net liability	45.46	218.69	37.51	209.13

(g) Other Disclosures: (₹ in Lacs)

Particulars	2013-14		2012-13		2011-12		2010-11	
	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment
Defined Benefit Obligation	1,010.79	218.69	947.86	209.13	932.11	202.31	889.93	190.50
Plan Assets	927.82	-	910.35	-	905.02	-	898.61	-
Surplus/(Deficit)	(82.97)	(218.69)	(37.51)	(209.13)	(27.09)	(202.31)	8.68	(190.50)

		2013-14		2012-13	
		₹ in lacs	Percentage	₹ in lacs	Percentage
29. (a)	1. Value of Consumption of imported Raw Materials	2,477.18	22.17	2,421.01	22.17
	2. Value of Consumption of indigenous Raw Materials	8,697.27	77.83	8,498.14	77.83
		<u>11,174.45</u>	<u>100.00</u>	<u>10,919.15</u>	<u>100.00</u>
(b)	1. Value of Consumption of imported Components and Spare Parts:	-	-	-	-
	2. Value of Consumption of indigenous Components and Spare Parts:	337.91	100.00	176.69	100.00
		<u>337.91</u>	<u>100.00</u>	<u>176.69</u>	<u>100.00</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

	(₹ in lacs)	
	Year Ended	Year Ended
	31st March, 2014	31st March, 2013
30. C.I.F. Value of Imports :		
(a) Raw Materials	2,672.51	865.58
(b) Capital Goods	20.96	-
	<u>2,693.47</u>	<u>865.58</u>
31. Expenditure in Foreign Currency :		
(i) Commission on Sales	135.17	234.07
(ii) Travelling Expenses	39.04	38.56
(iii) Miscellaneous	8.67	45.68
	<u>182.88</u>	<u>318.31</u>
32. Earnings in Foreign Exchange on account of Export of Goods on F.O.B. basis	9,914.02	12,179.04
33. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
34. 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.		
35. Contingent Liabilities and Commitments		
(I) Contingent Liabilities:		
(a) Claims against the Company not acknowledged as debts, since disputed ₹ 2047.39 lacs (Previous Year ₹ 4198.05 lacs).		
(b) A standby Letter of Credit (SBLC) for a sum of 10 Million USD from Bank of India, Visakhapatnam is provided to the Bank of India, London for sanctioning a loan of 10 Million USD to Facor Minerals (Netherlands) B.V., one of the wholly owned overseas subsidiary of the Company. The said SBLC facility is secured by way of first charge on fixed assets of the Company by deposit of title deeds in respect of immovable properties.		
(c) 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:		
(a) Estimated amount of contracts on Capital Account and other commitments remaining to be executed and not provided for in accounts ₹ NIL (Previous Year ₹ NIL).		
36. Related Party Disclosure:-		
(I) <u>List of related parties:-</u>		
(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. - Subsidiary Company		
(B) Enterprise, over which key management personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :		
1. Ferro Alloys Corporation Limited	2. Facor Steels Limited	
3. Rai Bahadur Shreeram and Company Private Limited	4. Godawaridevi Saraf & Sons	
5. Saraf Bandhu Private Limited	6. GDP Infrastructure Private Limited	
7. Shreeram Shipping Services Pvt. Ltd.	8. Smt. Godawaridevi Saraf Janseva Trust	
9. Pioneer Facor IT Infradevelopers Pvt. Limited	10. Shri.R.B.Shreeram Religious & Charitable Trust	
11. Vidharbha Iron & Steel Corporation Limited	12. Facor Power Limited	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

STANDALONE ACCOUNTS

- (C) Key Management Personnel :
- i) R.K. Saraf Chairman & Managing Director
 - ii) M.D.Saraf Vice Chairman & Managing Director
 - iii) Ashim Saraf Joint Managing Director
 - iv) Anurag Saraf Joint Managing Director
 - v) C.N.Harman Director (Technical)
- (D) Relative of a Key Management Personnel:
- i) Mrs. Sunanda Devi Saraf
- II. Transactions with Related Parties during the year ended 31-03-2014 in the ordinary course of business.

(₹ in lacs)

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
i) Sale of Goods	-	-	-	397.77	-	-
ii) Purchase of Goods	-	-	3,026.12	5,566.79	-	-
iii) Sale of Assets	-	-	-	28.62	-	-
iv) Purchase of Assets	-	-	32.02	87.26	-	-
v) Rent paid	-	-	63.32	44.76	-	15.00
vi) Rent received	5.00	5.00	11.20	1.06	-	-
vii) Interest paid/(Received)	-	-	(93.21)	8.12	-	-
viii) Donation paid	-	-	3.00	13.50	-	-
ix) Short Term Loans and Advances given/(Received)	(160.90)	516.21	(780.58)	1,303.90	-	-
x) Clearing & forwarding and other service charges	-	-	3.95	5.17	-	-
xi) Directors' remuneration	-	-	-	-	91.94	79.41
xii) Investments	794.33	291.83	-	-	-	-
xiii) Balances outstanding at the year end:						
a) Short Term Loans and Advances given	1,918.79	2,079.69	544.27	1,324.85	-	-
b) Trade Receivables	-	-	2,109.73	1,107.30	-	-
c) Managerial Remuneration Payables	-	-	-	-	7.37	3.41
d) Other Payables	-	-	6.94	30.32	-	-

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

38. The Ministry of Corporate Affairs, Government of India, vide Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to the fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements. The annual accounts of the subsidiary companies are available for inspection by any shareholder at the Registered office of the Company. The annual accounts of the subsidiary companies are also available for inspection at their respective registered offices.

As per our report of even date attached,

For SALVE & Co.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021

Noida, UP: 29th May, 2014

S.S. SHARMA

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

Facor Alloys Limited

We have audited the accompanying consolidated financial statements of Facor Alloys Limited ("the Company"), its subsidiaries and associates, which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view 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 the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

Financial statements of certain subsidiaries which reflect total assets of ₹ 1,204.66 Lacs as at 31st March, 2014, total revenue of ₹ "Nil" and net cash flows amounting to ₹ 0.09 Lacs for the year then ended, have been audited by us.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 7,504.39 Lacs as at 31st March, 2014, total revenues of ₹ 7.39 Lacs and net cash flows amounting to (-) ₹ 1,322.93 Lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the report of other auditors.

The consolidated financial statements also reflect the Company's share of loss of ₹ 18.12 Lacs in respect of the consolidated loss of an associate for the year ended 31st March, 2014, whose financial statements have been audited by other auditor. Our opinion in so far as it relates to the amount included in respect of this associate is based solely on the report of the other auditor furnished to us.

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

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

Place : Noida, UP
Date : 29th May, 2014.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note Nos		As at 31st March, 2014	(₹ in lacs) As at 31st March, 2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital.....	2	1,955.48		1,955.48
Reserves and Surplus.....	3	10,568.43		12,180.94
			12,523.91	14,136.42
Minority Interest.....			476.52	39.67
Non-Current Liabilities.....				
Long-Term Borrowings.....	4	5,845.22		5,439.56
Deferred Tax Liabilities (Net).....	5	402.77		473.33
Long-Term Provisions.....	6	1,165.25		1,129.84
			7,413.24	7,042.73
Current Liabilities.....				
Short-Term Borrowings.....	7	1,102.58		4,533.58
Trade Payables.....	8	1,747.32		1,011.60
Other Current Liabilities.....	9	1,849.17		2,242.85
Short-Term Provisions.....	10	73.96		154.32
			4,773.03	7,942.35
TOTAL			25,186.70	29,161.17
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets.....	11	2,343.54		2,485.75
Intangible Assets.....	11	8,160.46		7,000.12
Capital Work-in-Progress.....	11	272.54		-
		10,776.54		9,485.87
Non-Current Investments.....	12	3,827.21		3,845.33
Long-Term Loans and Advances.....	13	1,165.32		1,168.73
Other Non- Current Assets.....	14	1,362.45		1,198.34
			17,131.52	15,698.27
Current Assets				
Inventories.....	15	1,852.80		3,706.74
Trade Receivables.....	16	387.21		3,252.03
Cash and Cash Equivalents.....	17	1,753.28		3,513.69
Short-Term Loans and Advances.....	18	3,974.62		2,954.83
Other Current Assets.....	19	87.27		35.61
			8,055.18	13,462.90
TOTAL			25,186.70	29,161.17
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 32			

As per our report of even date attached,

For SALVE & Co.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021

Noida, UP: 29th May, 2014

S.S. SHARMA

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note Nos	Year Ended 31st March, 2014	Year Ended 31st March, 2013
(₹ in lacs)			
INCOME			
Revenue from Operations.....	20	24,561.94	22,840.27
Other Income.....	21	423.10	146.34
Total Revenue		24,985.04	22,986.61
EXPENDITURE :			
Cost of Materials Consumed.....	22	11,174.45	10,919.15
Changes in Inventories of Finished Goods & Stock-in-Process.....	23	903.01	(652.87)
Employee Benefits Expense.....	24	2,461.43	2,318.71
Finance Costs.....	25	531.99	300.05
Depreciation and Amortisation Expense.....	26	951.33	403.35
Other Expenses.....	27	11,859.35	9,833.47
Total Expenses		27,881.56	23,121.86
Profit/(Loss) Before exceptional items and Tax		(2,896.52)	(135.25)
Exceptional items.....		(0.18)	3.21
Profit/(Loss) Before Tax		(2,896.70)	(132.04)
Tax Expenses			
Current Tax.....		-	160.42
Tax for Earlier Years.....		0.26	43.43
Deferred Tax.....		(70.56)	(75.37)
		(70.30)	128.48
Profit/(Loss) after Tax but before share of Profit / Loss from Associate & Minority Interest		(2,826.40)	(260.52)
Minority Interest.....		67.31	8.23
Share of Profit/ (Loss) from Associate After Tax.....		(18.12)	(28.81)
Profit/ (Loss) for the year		(2,777.21)	(281.10)
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹).....	28	(1.42)	(0.14)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 32		

As per our report of even date attached,

For SALVE & Co.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021Noida, UP: 29th May, 2014

S.S. SHARMA

General Manager (Legal)
& Company SecretaryNoida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	2013-14	2012-13	(₹ in lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit / (Loss) before tax.....	(2,896.70)		(132.04)
Add : Income from associate after Tax.....	(18.12)		(28.81)
Adjustment for:.....			
Depreciation.....	951.39	403.44	
Exchange difference on translation (Net).....	40.99	(2.13)	
Interest and Dividend Income.....	(340.80)	(137.08)	
Finance Costs.....	531.99	300.05	
Profit/Loss on Sale of Fixed Assets (Net).....	(70.89)	0.65	
	<u>1,112.68</u>		<u>564.93</u>
Operating Profit before Working Capital Changes.....	(1,802.14)		404.08
Adjustment for:.....			
Trade and Other Receivables.....	1,824.35	(1,974.98)	
Inventories.....	1,853.94	(953.83)	
Trade Payables.....	304.07	(1,345.82)	
Others.....	(32.94)	3,696.95	
	<u>3,949.42</u>		<u>(577.68)</u>
Cash Generated from Operations.....	2,147.28		(173.60)
Direct Taxes Paid/Adjusted.....	(30.80)	(314.84)	
	<u>(30.80)</u>		<u>(314.84)</u>
Net Cash Flow from Operating Activities.....	2,116.48		(488.44)
(B) CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets.....	(478.21)	(121.42)	
Addition to Intangibles.....	(1,176.37)	(5,455.20)	
Sale of Fixed Assets.....	72.32	29.24	
Purchase/Sale of Investments.....	18.12	28.82	
Interest and Dividend Income.....	289.14	186.93	
	<u>(1,275.00)</u>		<u>(5,331.63)</u>
Net Cash Flow (used in) /from Investing Activities.....	(1,275.00)		(5,331.63)
(C) CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Long and Short Term Borrowings.....	(3,025.34)	6,652.09	
Other Non current assets.....	(164.11)	(45.39)	
Finance Costs Paid.....	(525.32)	(300.05)	
Dividend/Corporate Tax on Dividend Paid.....	-	-	
	<u>(3,714.77)</u>		<u>6,306.65</u>
Adjustment to net worth on consolidation:			
i) Foreign Currency Translation Reserve.....	(597.28)	17.84	
ii) Adjustment to minority interest.....	504.16	47.90	
iii) Addition to Capital Reserves.....	5.32	1.40	
iv) Adjustment on account of consolidation.....	1,167.74	7.13	74.27
	<u>1,079.94</u>		<u>74.27</u>
Net Cash Flow (used in)/from Financing Activities.....	(2,634.83)		6,380.92
Net Increase/(Decrease) in Cash and Cash Equivalents.....	(1,793.35)		560.85
Opening Balance of Cash and Cash Equivalents.....	2,940.77		2,379.92
Closing Balance of Cash and Cash Equivalents.....	1,147.42		2,940.77
Net Increase/(Decrease) in Cash and Cash Equivalents.....	(1,793.35)		560.85

As per our report of even date attached,

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

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

Noida, UP: 29th May, 2014

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

Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF
Chairman & Managing Director

M.D. SARAF
Vice Chairman & Managing Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

(A) 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.

Subsidiary Companies

Sl. No.	Name of the Company	Relationship	Proportion of ownership & Voting Power	Country of Incorporation
1.	Best Minerals Limited (BML)	Subsidiary	100%	India
2.	FAL Power Ventures Pvt. Ltd. (FPVPL)	Subsidiary	100%	India
3.	Facor Electric Ltd. (FEL)	Subsidiary	100%	India
4.	Facor Minerals Pte. Limited (FML)	Subsidiary	100%	Singapore
5.	Facor Minerals (Netherlands) B.V. (FMN)	Subsidiary	100%	Netherland
6.	Facor Turkukrom Mining (Netherlands) B.V. (FTM)	Subsidiary of FMN	51%	Netherland
7.	Cati Madencilik Ithalat ve ihracat A.S. (Cati)	Subsidiary of FTM	100%	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 intragroup balances, intragroup transactions and any unrealized profits.
- c) The consolidated financial statements have been prepared using accounting policies for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.
- d) The financial statements of FML have been prepared in accordance with Singapore Generally Accepted Accounting Principles. This subsidiary is not significant as compared to the Company's consolidated operations and hence, the impact thereof, if any, on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material.
- e) The financial statements of FMN and fellow subsidiary FTM have been prepared in accordance with Netherland Generally Accepted Accounting Principles. The impact on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material in view of Company's consolidated operations.
- f) The financial statements of fellow subsidiary Cati have been prepared in accordance with IFRS. The impact on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material in view of Company's consolidated operations.
- g) In translating the financial statements of the non-integral foreign subsidiary for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expenses items are translated at average exchange rate; and all resulting exchange differences are accumulated in foreign currency translation reserve.
- h) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in financial statements as Goodwill or Capital Reserve as the case may be.
- i) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- j) 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, 2014

- k) Investments in Associate Company has been accounted under the equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements".
- l) The difference between the cost of investments in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (B) Investments other than investments in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- (C) 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.
- (D) 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.
- (E) 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.
- (F) Consolidated Employee benefits are same as Employee benefits of standalone Facor Alloys Limited.
- (G) Consolidated contingent liabilities and commitments are the same as contingent liabilities and commitments of standalone Facor Alloys Ltd.

2. SHARE CAPITAL

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital:		
360,000,000 (Previous Year- 360,000,000) Equity Shares of ₹ 1/- each	3,600.00	3,600.00
3,900,000 (Previous Year- 3,900,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	3,900.00	3,900.00
TOTAL	7,500.00	7,500.00
Issued, Subscribed and Paid up:		
195,547,355 (Previous Year- 195,547,355) Equity Shares of ₹ 1/- each fully paid-up	1,955.48	1,955.48
TOTAL	1,955.48	1,955.48

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	61,055,682	31.22%	61,055,682	31.22%

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

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	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	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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, 1956.

3. RESERVES AND SURPLUS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
Capital Reserve		
Balance as at the beginning of the year	8,701.95	8,700.55
Add : Addition during the year	5.32	1.40
Balance as at the end of the year	<u>8,707.27</u>	<u>8,701.95</u>
Securities Premium Reserve		
Balance as at the beginning and end of the year	2,667.52	2,667.52
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	13.57	(4.27)
Add: Movement during the year	<u>(8.36)</u>	<u>17.84</u>
Balance as at the end of the year	5.21	13.57
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	547.90	821.87
Add: Profit/(Loss) for the year	<u>(2,777.21)</u>	<u>(281.10)</u>
Less: Transferred to Goodwill on Consolidation	1,167.74	7.13
Balance as at the end of the year	<u>(1,609.47)</u>	<u>(273.97)</u>
TOTAL	<u><u>10,568.43</u></u>	<u><u>12,180.94</u></u>

4. LONG-TERM BORROWINGS

(Secured)		
From Bank		
Term Loan from Bank	5,842.85	5,427.75
Terms of repayment : Payable in 20 equal quarterly instalments. [Collaterally secured by SBLC issued By Bank of India, Visakhapatnam.]		
(Unsecured)		
Deferred payment liabilities	2.37	11.81
Terms of repayment : Payable in equal monthly instalments.		
TOTAL	<u><u>5,845.22</u></u>	<u><u>5,439.56</u></u>

5. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	474.85	542.68
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 and Others to be allowed on payment basis	<u>72.08</u>	<u>69.35</u>
Net Deferred Tax Liability	<u><u>402.77</u></u>	<u><u>473.33</u></u>

6. LONG TERM PROVISIONS

Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	144.72	109.31
Others	<u>1,020.53</u>	<u>1,020.53</u>
TOTAL	<u><u>1,165.25</u></u>	<u><u>1,129.84</u></u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
7. SHORT-TERM BORROWINGS		
From Banks (Secured) :		
Cash Credit Accounts	1,102.58	2,731.03
Bills Discounted	-	1,802.55
TOTAL	1,102.58	4,533.58

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.

8. TRADE PAYABLES		
Trade Payables	1,747.32	1,011.60
TOTAL	1,747.32	1,011.60

9. OTHER CURRENT LIABILITIES		
Unpaid dividends	17.86	17.92
Other Payables *	1,831.31	1,693.02
Other Payables -Related Party	-	531.91
TOTAL	1,849.17	2,242.85

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

10. SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	73.96	99.82
For Taxation	-	54.50
TOTAL	73.96	154.32

11. FIXED ASSETS (₹ in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	Upto 1.04.2013	For the Year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets:										
Land Freehold	126.31	-	1.41	124.90	-	-	-	-	124.90	126.31
Mines and Quarries Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14
Buildings	914.27	-	-	914.27	616.91	19.22	-	636.13	278.14	297.36
Railway Siding	53.99	-	-	53.99	35.33	2.55	-	37.88	16.11	18.66
Plant and Machinery	4,597.73	94.69	-	4,692.42	2,870.42	236.58	-	3,107.00	1,585.42	1,727.31
Office and Other Equipments	342.34	55.16	0.74	396.76	244.56	24.51	0.74	268.33	128.43	97.78
Furniture and Fixtures	165.67	25.92	1.00	190.59	148.47	6.53	0.98	154.02	36.57	17.20
Vehicles	603.66	29.89	-	633.55	403.67	57.05	-	460.72	172.83	199.99
TOTAL	6,805.11	205.66	3.15	7,007.62	4,319.36	346.44	1.72	4,664.08	2,343.54	2,485.75
Previous Year	6,786.97	121.42	103.28	6,805.11	4,034.14	358.61	73.39	4,319.36	2,485.75	-
Intangible Assets:										
Mining Concession Licence	68.92	(2.03)	-	66.89	-	7.08	-	7.08	59.81	-
Goodwill	6,976.03	1,767.32	-	8,743.35	44.83	597.87	-	642.70	8,100.65	7,000.12
TOTAL	7,044.95	1,765.29	-	8,810.24	44.83	604.95	-	649.78	8,160.46	-
Previous Year	1,589.75	5,455.20	-	7,044.95	-	44.83	-	44.83	7,000.12	-
Capital Work- in- Progress	-	-	-	-	-	-	-	-	272.54	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

12. NON-CURRENT INVESTMENTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
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. Ltd. of ₹ 1/- each (at cost) (refer note 12.2)	1,855.63	1,855.63
Add: Share of Profit / (Loss) net	(44.86)	(26.74)
	1,810.77	1,828.89
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	2,000.00	2,000.00
3,000 (Previous Year- 3,000) Sunil Healthcare Limited of ₹ 10/- each	0.20	0.20
20 (Previous Year- 20) Anand Udyog Premises Co-operative Society Limited of ₹ 50/- each	0.01	0.01
	2,013.88	2,013.88
In Government Securities : Unquoted		
6 Years National Savings Certificates	2.55	2.55
12 Years National Plan Saving Certificates	0.01	0.01
TOTAL	3,827.21	3,845.33
12.1 Aggregate amount of Unquoted Investments	3,827.21	3,845.33
12.2 Goodwill arising at acquisition ₹ 1500.22 lacs (Previous year ₹ 1500.22 lacs)		
13. LONG-TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Security Deposits	1,165.32	1,166.40
Prepaid expenses	-	2.33
TOTAL	1,165.32	1,168.73
14. OTHER NON CURRENT ASSETS		
Unamortised Expenditures	1,362.45	1,198.34
TOTAL	1,362.45	1,198.34
15. INVENTORIES (As per Inventory taken, valued and as certified by the Management) (At Cost unless otherwise stated)		
Raw Materials (includes in transit ₹ NIL, Previous year ₹ 33.57 lacs)	1,348.73	2,650.97
Stock-in-Process (At Cost or Net realisable value whichever is lower)	387.78	71.17
Finished Goods (At Cost or Net realisable value whichever is lower)	13.52	845.36
Stores and Spare Parts	85.22	121.69
Loose Tools	17.55	17.55
TOTAL	1,852.80	3,706.74

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014	As at 31st March, 2013
(₹ in lacs)		
16. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	82.67	87.55
Others	304.54	3,164.48
TOTAL	387.21	3,252.03
17. CASH AND CASH EQUIVALENTS		
Cash in hand	9.81	10.16
With Scheduled Banks:		
In Current Accounts	137.61	2,280.61
In Current Accounts- For Unpaid Dividend	17.86	17.92
	155.47	2,298.53
In Fixed Deposit Accounts:		
With original maturity upto three months	1,000.00	650.00
With original maturity of more than three months but less than twelve months	588.00	555.00
	1,743.47	3,503.53
TOTAL	1,753.28	3,513.69
Fixed Deposit Receipts lodged with Banks as security deposit for Letters of Credit/Guarantees ₹ 588.00 lacs (Previous Year ₹ 555.00 lacs)		
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	2,571.40	2,031.18
Others:		
Balance with Government authorities	130.49	28.80
Prepaid expenses	23.42	17.58
Others	1,249.31	877.27
TOTAL	3,974.62	2,954.83
19. OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	61.81	10.15
Claims Recoverable	25.46	25.46
TOTAL	87.27	35.61
20. REVENUE FROM OPERATIONS	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Sale of products, less returns	23,773.47	19,903.36
Sale of Services	1,632.12	2,825.81
	25,405.59	22,729.17
Less: Excise Duty	1,394.84	756.23
	24,010.75	21,972.94
Add: Export Incentives	551.19	867.33
TOTAL	24,561.94	22,840.27

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	(₹ in lacs)	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	<u>Gross Sales</u>	
20.1 PARTICULARS OF SALE OF PRODUCTS		
Ferro Alloys	23,635.25	19,647.82
Chrome Ore	7.89	-
Off Grade / By-products	130.33	255.54
Services rendered (Conversion Charges)	1,632.12	2,825.81
TOTAL	<u>25,405.59</u>	<u>22,729.17</u>
21. OTHER INCOME		
INTEREST INCOME		
Interest on Deposits	91.64	72.49
Other Interest	249.16	64.59
	<u>340.80</u>	<u>137.08</u>
Miscellaneous receipts	11.41	9.91
Profit /(Loss) on Fixed Assets Sold/Discarded (Net)	70.89	(0.65)
TOTAL	<u>423.10</u>	<u>146.34</u>
22. COST OF MATERIALS CONSUMED		
Opening stock of Materials	2,650.97	2,335.63
Add: Purchases	9,872.21	11,234.49
	<u>12,523.18</u>	<u>13,570.12</u>
Less: Closing stock of Materials	1,348.73	2,650.97
Cost of Materials Consumed	<u>11,174.45</u>	<u>10,919.15</u>
23. CHANGES IN INVENTORIES OF FINISHED GOOD AND STOCK-IN PROCESS		
Closing stock:		
Finished Goods	13.52	845.36
Stock-in-Process	-	71.17
	<u>13.52</u>	<u>916.53</u>
Opening stock:		
Finished Goods	845.36	181.62
Stock-in-Process	71.17	82.04
	<u>916.53</u>	<u>263.66</u>
Decrease/(Increase) in Inventories	<u>903.01</u>	<u>(652.87)</u>
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	1,762.69	1,627.46
Contribution to Provident and Other Funds	286.24	337.68
Welfare Expenses	317.96	279.88
Directors' Remuneration	94.54	73.69
TOTAL	<u>2,461.43</u>	<u>2,318.71</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
		(₹ in lacs)
25. FINANCE COSTS		
Interest:		
On Fixed Loan	383.39	32.34
On Others	130.64	188.61
	<u>514.03</u>	220.95
Other Borrowing Costs	17.96	79.10
TOTAL	<u>531.99</u>	<u>300.05</u>
26. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	346.44	358.61
Less: Considered in Pre-operative Expenditure	0.06	0.09
	<u>346.38</u>	358.52
Amortisation	604.95	44.83
TOTAL	<u>951.33</u>	<u>403.35</u>
27. OTHER EXPENSES		
Power and Fuel	8,027.90	6,393.94
Mining, Handling and other Production Expenses	648.21	583.74
Freight, Shipment and Sales Expenses	619.04	691.78
Stores and Spares	157.34	240.70
Works Expenses	786.77	852.19
Transport Expenses	90.83	109.09
Repairs and Maintenance to Plant and Machinery	761.78	327.55
Repairs and Maintenance to Buildings	210.82	162.12
Insurance	18.51	15.00
Rent (Net)	78.42	36.04
Rates and Taxes	13.70	15.76
Commission and Brokerage on Sales	135.17	234.07
Donations	4.94	15.21
Payment to Auditors	15.32	14.18
Directors' Sitting Fees	2.70	2.95
Foreign Exchange Loss	192.04	12.94
Miscellaneous Expenses	95.86	126.21
TOTAL	<u>11,859.35</u>	<u>9,833.47</u>
28. EARNING PER SHARE (BASIC AND DILUTED)		
(i) Net Profit after Tax	(2,777.21)	(281.10)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (₹ per share)	(1.42)	(0.14)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

29. STATEMENT PURSUANT TO GENERAL EXEMPTION GRANTED BY THE MINISTRY OF CORPORATE AFFAIRS U/S212(8) OF THE COMPANIES ACT, 1956

(₹ in lacs)

Particulars / Name of the Subsidiary Company	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.
Financial Year ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
Capital	5.00	1.00	5.00	327.58	902.53
Reserves	(9.76)	-	-	(16.65)	(1539.36)
Total Assets	0.32	1204.34	308.56	314.53	6881.30
Total Liabilities	0.32	1204.34	308.56	314.53	6881.30
Details of Investment					
- Investment in Government Securities	0.01	-	-	-	-
Turnover	-	-	-	-	-
Profit / (Loss) before Taxation	(0.21)	-	-	2.46	(1177.69)
Provision for taxation	-	-	-	-	(0.76)
Profit / (Loss) after Taxation	(0.21)	-	-	2.46	(1176.93)
Proposed Dividend	-	-	-	-	-
Exchange Rate used	-	-	-	60.33	60.33
Local Currency	INR	INR	INR	US\$	US\$

30. Related Party Disclosure:-

I List of related parties:-

A Enterprise, over which key management personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :

- | | |
|--|---|
| 1 Ferro Alloys Corporation Limited | 2 Facor Steels Limited |
| 3 Rai Bahadur Shreeram and Company Private Limited | 4 Godavaridevi Saraf & Sons |
| 5 Saraf Bandhu Private Limited | 6 GDP Infrastructure Private Limited |
| 7 Shreeram Shipping Services Pvt. Ltd. | 8 Smt. Godavaridevi Saraf Janseva Trust |
| 9 Shri Durgaprasad Saraf Charitable Trust. | 10 Shri.R.B.Shreeram Religious & Charitable Trust |
| 11 Vidharbha Iron & Steel Corporation Limited | 12 Facor Power Limited |
| 13 Pioneer Facor IT Infradevelopers Pvt.Limited | |

B Key Management Personnel :

- | | |
|-------------------|-----------------------------------|
| i) R.K. Saraf | Chairman & Managing Director |
| ii) M.D.Saraf | Vice Chairman & Managing Director |
| iii) Ashim Saraf | Joint Managing Director |
| iv) Anurag Saraf | Joint Managing Director |
| v) C.N.Harman | Director (Technical) |
| vi) Rohit Saraf | Director |
| vii) Gokhan Cevik | Director |

C Relative of a Key Management Personnel :

- i) Mrs. Sunanda Devi Saraf

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

II Transactions with Related Parties during the year ended 31-03-2014 in the ordinary course of business.

(₹ in lacs)

Particulars	With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2013-14	2012-13	2013-14	2012-13
i) Sale of Goods	-	397.77	-	-
ii) Purchase of Goods	3,026.12	5,566.79	-	-
iii) Sale of Assets	-	28.62	-	-
iv) Purchase of Assets	32.02	87.26	-	-
v) Rent Paid	63.32	44.76	-	15.00
vi) Rent Received	11.20	1.06	-	-
vii) Interest Paid / (Received)	(93.21)	8.12	-	-
viii) Donation paid	3.00	13.50	-	-
ix) Short Term Loans and Advances Given/(Received)	(780.58)	1,303.90	-	-
x) Clearing & forwarding and other service charges	3.95	5.17	-	-
xi) Directors' remuneration	-	-	91.94	79.41
xii) Share application pending allotment	-	531.90	-	-
xiii) Balances outstanding at the year end:				
a) Short Term Loans and Advances given	544.27	1,324.85	-	-
b) Share application pending allotment	-	531.90	-	-
c) Trade Receivables	2,109.73	1,107.30	-	-
d) Managerial Remuneration Payables	-	-	7.37	3.41
e) Other Payables	6.94	30.32	-	0.20

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

32. Pursuant to the general exemption granted by the Department of Corporate Affairs, Government of India, the Parent Company is publishing the standalone and consolidated financial statements of Facor Alloys Limited and its subsidiaries and the requisite financial information of subsidiaries have been furnished by the management as a part of annual report.

As per our report of even date attached,

For SALVE & Co.

 Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

 Partner
Membership No. 7021

 Noida, UP: 29th May, 2014

S.S. SHARMA

 General Manager (Legal)
& Company Secretary

 Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

M.D. SARAF

Vice Chairman & Managing Director

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.facorgroup.in

CIN : L27101AP2004PLC043252

Regional Offices:

Mumbai :

Marathon Innova IT Park, B-wing, unit no. 403, 4th floor, Ganpat Rao Kadam Marg, Lower Parel, Mumbai - 400013, Maharashtra,

Ph : 912224918155

Fax : 912224918157

E-mail : facormumbai@facorgroup.in

Shri Arun Mahalpurkar

Dy. General Manager

Other Offices:

Visakhapatnam:

Manganese House
Harbour Road

Visakhapatnam - 530 001

Phone : 2569011 / 2569013
2568003

Gram : FACOR

E-mail : facor@sancharnet.in
facorvzg@satyam.net.in
facoralloys@eth.net

Fax : 91-891-2564077

Shri Naresh Kumar

Dy. General Manager [Finance]

Corporate Office

Noida :

Facor House, A-45-50, Sector-16, Noida, Dist. Gautam Buddh Nagar, U. P.-201 301 India

Phones: +91-120417 1000

Fax: +91-120425 6700,

E-Mail: facordelhi@facorgroup.in

Shri Ishwar Das

Manager [Administration]

Kolkata :

Everest House, 17th Floor, 46-C, Chowringhee Road, Kolkata - 700 071

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 - 23

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, 2 Middle Floor
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

Registered Office & Works: SHREERAMNAGAR-535 101, Dist. Vizianagaram, A.P., India CIN L27101AP2004PLC043252
 Phones: +91 8952 282029, 282038, 282456 Fax: +91 8952 282188 E-Mail: facoralloys@facorgroup.in
 Website: WWW.facorgroup.in

PROXY FORM

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

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

- (1) Name:Address:
 E-mail Id:.....Signature:or failing him;
- (2) Name:Address:
 E-mail Id:.....Signature:or failing him;
- (3) Name:Address:
 E-mail Id:.....Signature:or failing him;

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Eleventh Annual General Meeting of the Company, to be held on Tuesday, the 09th September, 2014 at 10.30 a.m. at Officers Club, Shreeramnagar-535 101 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, 2014
2.	Re-appointment of Mr. Arye Berest, who retires by rotation
3.	Re-appointment of Mr. Ashim Saraf, who retires by rotation
4.	Appoint Auditors and fix their remuneration
Special Business	
5.	Appointment of Mr. K. Jayabharat Reddy as Independent Director
6.	Appointment of Mr. P.V.R.K. Prasad as Independent Director
7.	Appointment of Mr. A.S. Kapre as Independent Director
8.	Appointment of Mr. K.L. Mehrotra as Independent Director
9.	Appointment of Mr. Gautam Khaitan as Independent Director
10.	Appointment of Mr. Kesharao Pardhey as Independent Director
11.	Ratification of Cost Auditors' remuneration
12.	To approve borrowing limits of the Company
13.	Creation of Charge on the assets of the Company
14.	Appointment of Mr. M.D. Saraf as President

Signed this.....day of2014

Signature of Shareholder:

Signature of Proxy holder:



NOTE:

- 1. This form of Proxy, in order to be effective, should be deposited duly completed at the Registered Office of the Company, at Shreeramnagar-535 101 not less than FORTY-EIGHT (48) HOURS before the commencement of the Meeting.
- 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Eleventh Annual General Meeting.

Down the memory line - Some Snap Shots of
Ex-officers meet held in second week of March, 2013 at Shreeramnagar



A panoramic view of the OEU Lions Eye Hospital, Shreeramnagar



FACOR ALLOYS LIMITED

CIN : L27101AP2004PLC043252

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