

12th ANNUAL REPORT 2014-15



FACOR ALLOYS LIMITED

CORPORATE INFORMATION

Board of Directors

R.K. Saraf
Chairman & Managing Director

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
(Upto 31.01.2015)

Arye Berest
(Upto 21.04.2015)

Keshaorao Pardhey

Mrs. Urmila Gupta
(w.e.f. 13.02.2015)

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

Executives

M.D. Saraf
President
(w.e.f. 01.08.2014)

M.S.S. Sarma
Cheif Executive

O.P. Saraswat
Dy. Chief Financial Officer

Bankers

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

Solicitors

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

Auditors

Salve & Co.
Chartered Accountants

Internal Auditors

Rao & Kumar
Chartered Accountants

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

Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 3rd Floor, 99, Madangir,
Behind LSC, New Delhi - 110 062
Phone No. 91-11-29961281-83
Fax No. 91-11-29961284
E-mail : beetal@beetalfinancial.com
beetalrta@gmail.com

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NOTICE

Notice is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at “Administrative Building, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh” on Tuesday, the 22nd September, 2015 at 11.30 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, 2015 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31st March, 2015.

2. To appoint a Director in the place of Mr. Anurag Saraf (DIN No. 00009631), who retires from office by rotation and, being eligible, offers himself for re-appointment.

3. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), appointment of M/s Salve & Co., Chartered Accountants, (Regn. No.109003W), as Statutory Auditors of the Company, which was approved by the shareholders for a period of 3 years from the conclusion of the 11th Annual General Meeting held on 09th September, 2014 be and is hereby ratified at this 12th Annual General Meeting of the Company and they are, therefore, to continue to hold office from the conclusion of this Annual General Meeting till the conclusion of the 14th Annual General Meeting of the Company at such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions, as shall be fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the appointment of the Auditors shall be subject to ratification by members in every subsequent Annual General Meeting till the conclusion of the 14th Annual General Meeting.”

AS SPECIAL BUSINESS:

4. 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 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Urmila Gupta (DIN:00637110), a non-executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and was appointed as an Additional Director w.e.f 13th February, 2015 pursuant to the

provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director of the Company, to hold office for 5 (five) consecutive years with effect from 13th February, 2015 up to 12th February, 2020.”

5. 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 Rule 14 and other applicable rules, if any, of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies the remuneration of ` 50,000/- (Rupees Fifty Thousand only) per annum plus applicable taxes and out of pocket expenses payable to Mr. Prakash Uppalapati, Cost Accountant (Registration Number-19328), appointed as Cost Auditors of the Company for the year ended 31st March 2016.”

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

“RESOLVED THAT pursuant to provisions of Section 94 (1) and other applicable provisions of Companies Act, 2013, the Companies (Management and Administration) Rules, 2015 and any other applicable rules formed there under (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of members and other security holders, at the office of the Registrar And Share Transfer Agents of the Company i.e. M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062 and at such places within New Delhi in the State of Delhi where the Registrar and Share Transfer Agent may shift its office from time to time.

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

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

“RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchange (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for entering into the following Related Party Transactions with effect from 1st April, 2014 and every year

thereafter, up to the maximum per annum amounts as appended in table below:

S. NO.	NATURE OF TRANSACTIONS	NAME OF THE RELATED PARTIES	RELATIONSHIP	MAXIMUM VALUE OF TRANSACTIONS PER ANNUM (` IN CRORES)
1.	Purchase of Raw Material	Ferro Alloys Corporation Ltd. Facor Minerals (Netherlands) B.V.	Mr R K Saraf is a Common Director Mr Ashim Saraf is a Common Director	100.00
2.	Sale of finished goods	Facor Steels Limited	Mr Anurag Saraf is a Common Director	
3.	To give or take inter corporate loans or make investments	Related/Associate parties having common director	Promoter Directors are common directors	
4.	Selling or buying of property of any kind			
5.	Rendering of services			
6.	Leasing of property	Facor Electric Limited, Facor Power Limited, Ferro Alloys Corporation Limited, GDP Infrastructure Private Limited, R B Shreeram And Company Private Limited, Pioneer Facor IT Infradevelopers Private Limited, Godawaridevi Saraf & Sons, Other related parties having common directors	Promoter Directors are common directors	4.00

RESOLVED FURTHER THAT Mr. R. K. Saraf, Chairman & Managing Director, Mr. Ashim Saraf, Joint Managing Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for giving effect to the said resolution. Further they be and are hereby authorized to take from time to time all decisions in respect of the above transactions including the extent of amount and other terms and conditions as it may, in their absolute discretion, deem appropriate."

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution **(to be voted only by Postal Ballot)**:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary and provisions of other applicable laws, consent of the Shareholders be and is hereby accorded and is deemed to have been accorded with effect from 1st April, 2014 to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, whether Indian or overseas, subject to the limits set out below on such terms and

conditions as the Board may deem fit and proper, notwithstanding the fact that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate alongwith the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company as set out below exceed the limits specified under Section 186 (2) of the Act :

Sl. No.	Particulars*	Upto a limit outstanding at any point of time
1	Loans to any person(s) (including employees) or bodies corporate	` 175 Crores
2	Investments in bodies corporate	` 175 Crores
3	Guarantees/securities in connection with loan to any person(s) (including employees) or bodies corporate	` 150 Crores
	Total	` 500 Crores

*Excluding the loans/ guarantees/ securities given or provided to wholly owned subsidiaries or joint venture companies (as the case may be), whether situated in India or abroad and investments made in wholly owned subsidiaries, whether situated in India or abroad.

RESOLVED FURTHER THAT Mr. R. K. Saraf, Chairman & Managing Director, Mr. Ashim Saraf, Joint Managing Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things including but not limiting to deciding the entity(ies) in which the investment(s) be made and / or loan(s) extended and / or guarantee(s) and security(ies) be provided, amount of investment(s) to be made and / or loan(s)

to be extended and / or guarantee(s) and security(ies) to be provided, when such amount be given from time to time, manner and nature of investment(s), the period for which loan(s) be extended, interest and security and other terms for extending loan(s), as the case may be, and such other terms and conditions, and for the purpose to sign agreements, deeds, documents, guarantees, forms, indemnities, registers, letters, declarations, confirmations, undertakings and such other papers as may be necessary, desirable and expedient.

RESOLVED FURTHER THAT all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its directors and/or officers and/or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved.”

9. 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Memorandum and Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 9 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment/appointment under Item Nos. 2 and 4, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange are annexed.
2. With respect to resolution at Item No.8 of the Notice, Members are requested to vote only by Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management And Administration) Rules, 2014. A Postal Ballot Form on postage pre-paid business reply inland letter is enclosed. Votes cast otherwise than in the said Postal Ballot Form will be rejected. Please read the instructions in the Postal Ballot Form carefully.

Depending upon the result of the Postal Ballot the said resolution will be confirmed/declared to have been passed. The date of declaration of result of Postal Ballot shall be deemed to be the date of General Meeting and the date of passing the proposed Resolution.
3. A route map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the AGM notice.
4. **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.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th September, 2015 to Tuesday, the 22nd September, 2015, both days inclusive.
6. Voting through electronic means:
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided ‘remote e-voting’ (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 12th Annual General Meeting of the Company. E-voting is optional. The facility for voting, through ballot/polling paper shall also be made available at the venue of the 12th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for shareholders voting electronically are as under:

- (i) In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 15th September, 2015 as the ‘Cut-off Date’. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 15th September, 2015 only. The voting period begins on 19th September, 2015 at 10.00 a.m. (IST) and ends on 21st September, 2015 at 5.00 p.m. (IST). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 21st September, 2015.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” tab.
- (v) Now, select the Electronic Voting Sequence Number- “EVSN-150820060” along with “Facor Alloys Limited” from the drop down menu and click on “SUBMIT”.

- (vi) 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.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) 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.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to Login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the Member ID / Folio number in the Dividend Bank details field as mentioned in instruction (vi).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) 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.
- (xx) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September, 2015 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- III. Mr. P.S. Rathi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the AGM, 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.
- V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in and on the website of CDSL and communicated to the Stock Exchange, where the shares are listed.
7. Members can also download the notice of Annual General Meeting from the website of the company i.e. www.facorgroup.in.
8. Copies of Annual Report 2014-15 and the Notice of 12th 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 2014-15 and Notice of 12th Annual General Meeting are being sent by the permitted mode.
9. 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 years 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.
10. 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.
11. 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 & Share 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.
12. 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.
13. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
14. 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.
15. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services (India) Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE828GO1013.
16. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and Share Transfer Agent of the Company about:
- The change in their residential status on return to India for permanent settlement.
 - The details of the bank account in India with complete name, branch, account type, account no. and address of the bank.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar and Share Transfer Agent.
18. 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.
19. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

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

By order of the Board,

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

Dated : 08th August, 2015

ANNEXURE TO THE NOTICE
Explanatory Statement as required by Section 102 of the Companies Act, 2013:
ITEM NO.4

Mrs. Urmila Gupta joined the Board of Directors of the Company on 13th February, 2015. Mrs. Urmila Gupta, aged 71 years is a retired IAS officer. She joined Indian Information Services in 1968 and took voluntary retirement while serving as Dy. Director General, Prasar Bharati, Ministry of Information and Broad casting, a Jt. Secretary level post. She has over four decades rich experience to her credit as a senior government officer in the area of management, administration, policy formulation etc. She is also holding directorship in B.A.G. Films & Media Ltd. a listed public company since November, 2013.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Urmila Gupta has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149 (6) of the Act. The matter regarding appointment of Mrs. Urmila Gupta as an Independent Director was placed before the Nomination and Remuneration Committee, which commends her appointment as an Independent Director from 13th February, 2015 to 12th February, 2020.

In opinion of the Board, Mrs. Urmila Gupta fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Woman Director and she is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Urmila Gupta, as an Independent Woman Director, is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mrs. Urmila Gupta 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.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mrs. Urmila Gupta are interested or concerned in the Resolution concerning her appointment proposed in Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.

The information as required in terms of Clause 49 of the Listing Agreement is given in Corporate Governance Report annexed to the Directors' Report.

ITEM NO.5

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, 2016, 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 four/five 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. 5 of the Notice.

ITEM NO.6

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

It is, therefore, proposed to keep the Register of Members together with the index of members at the premises of M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062 RTA of the Company for the convenience of the shareholder.

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

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.6.

Your Directors, therefore, recommend the said resolution at item no. 6 for your approval.

ITEM NO. 7

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188 (1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by a special resolution:

S. NO.	NATURE OF TRANSACTIONS	NAME OF THE RELATED PARTIES	RELATIONSHIP	MAXIMUM VALUE OF TRANSACTIONS PER ANNUM (IN CRORES)
1.	Purchase of Raw Material	Ferro Alloys Corporation Ltd. Facor Minerals (Netherlands) B.V.	Mr R K Saraf is a Common Director Mr Ashim Saraf is a Common Director	100.00
2.	Sale of finished goods	Facor Steels Limited	Mr Anurag Saraf is a Common Director	
3.	To give or take inter corporate loans or make investments	Related/Associate parties having common director	Promoter Directors are common directors	
4.	Selling or buying of property of any kind			
5.	Rendering of services			
6.	Leasing of property	Facor Electric Limited, Facor Power Limited, Ferro Alloys Corporation Limited, GDP Infrastructure Private Limited, R B Shreeram And Company Private Limited, Pioneer Facor IT Infradevelopers Private Limited, Godawaridevi Saraf & Sons, Other related parties having common directors	Promoter Directors are common directors	4.00

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party	As per table above
Name of the Director or key managerial personnel who is related, if any	Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. Anurag Saraf or any promoter director may be deemed to be concerned in their capacity as directors.
Nature of Relationship	As per table above
The nature, material terms, monetary value and particulars of the contract or arrangement	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. Details of value and material terms of which are given in table above
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on 08th August, 2015 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

As per Clause 49 (VII) (E) of the Listing Agreement, all entities/ persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company and the Directors and Key Managerial Personnel of FAL will not vote on this resolution.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice. However, Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. Anurag Saraf may be deemed to be concerned in their capacity as directors of FAL. The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the unrelated shareholders.

ITEM NO. 8

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

In terms of Rule (11) of the Companies (Meetings of Board and its Powers) Rules, 2014, the above limits are not applicable in case a company gives loan or guarantee or provides security to its wholly owned subsidiary companies or joint venture companies or makes investment in securities of its wholly owned subsidiary companies.

Aggregate amount of the loans and investments so far made, the amount for which guarantees and securities so far provided by the Company may exceed the limits of 60% of its paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account in the near future.

In view of the above, the Board of Directors in its meeting held on 08th August, 2015 considered to obtain approval of the shareholders by means of special resolution to enable it to give any loan, guarantee or make investment in shares, debentures etc. upto an amount of ` 500.00 Crore over and above the limits as specified in Section 186 (2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/ guarantees/ securities given/ provided to wholly owned subsidiary companies and/ or joint venture companies and investments made in wholly owned subsidiary companies, from time to time.

The resolution set out at Item No. 8 is recommended for approval of the members as special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding as Members.

ITEM NO. 9

The Board is informed that the Memorandum and Articles of Association (“MoA”) of the Company presently in force were framed under the relevant provisions of the Companies Act, 1956. Several regulations in the existing MoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing MoA are no longer in conformity with the Companies Act, 2013 (“the Act”).

Further substantive Sections barring certain Sections are now in force. With the coming into force of the Act, several regulations of the existing MoA of the Company require alteration by referencing the latest Companies Act, 2013. Accordingly, existing articles have been streamlined and aligned with the Act wherever applicable. The proposed new draft MoA is being uploaded on the Company’s website, www.facorgroup.in, for perusal by the shareholders. A copy of the same shall be given to the shareholders upon receipt of a request for the same, in writing.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise,

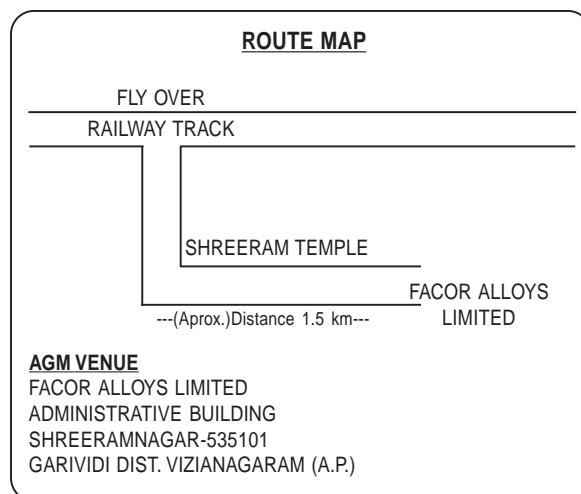
in this regard. The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

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

By order of the Board,

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

Dated : 08th August, 2015



DIRECTORS’ REPORT TO THE MEMBERS

The Directors submit the **TWELFTH ANNUAL REPORT** on the business and operations of the Company and the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

	For the year ended 31-3-2015 (` in Lacs)	For the year ended 31-3-2014 (` in Lacs)
Gross Profit/(Loss)	(1739.20)	(1387.00)
Depreciation	291.60	329.25
Provision for taxation	-	-
Tax for earlier years	(24.78)	0.26
Deferred Tax	(1198.66)	(69.80)
Net Profit/(Loss) for the year	(807.36)	(1646.71)
Balance brought forward from last year	(649.36)	997.35
Balance Carried to Balance Sheet	(1456.72)	(649.36)

OVERALL PERFORMANCE

As mentioned in the last year’s Annual Report, a lock out was declared in the plant w.e.f. 04th February, 2014 due to labour unrest. As per directions of the State Government though the lock out was uplifted w.e.f. 26th December, 2014 but the production activities are yet to be resumed. As a result of this during the financial year 2014-15 there was no production/no sale except some minor depot sales. Due to fixed overheads company has incurred a loss of ` 807.36 net of write back of deferred tax and income on sale of fixed assets including interest income of ` 1198.66 Lacs and ` 1518.02 Lacs respectively.

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 2015 on Equity Shares of the company.

STATE OF COMPANY’S AFFAIRS

As mentioned above the production activities are yet to be resumed. Due to non operation of the plant the fund flow position of the company is in very bad shape.

EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31st March, 2015 in Form MGT-9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and

Administration) Rules, 2014 is attached as Annexure-1.

NUMBER OF MEETINGS OF THE BOARD

The Board met five times in FY 2014-15 viz. on 29th May, 2014, 26th July, 2014, 10th November, 2014, 29th December, 2014 and 13th February, 2015. The maximum interval between any two meetings did not exceed 120 days.

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards read with requirements set out under schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss for the year under consideration;

- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2015 on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Independent Directors have given declaration that they meet the criteria specified under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

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

Secretarial Auditor

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has provided following guarantee and made following Loan and investment pursuant to Section 186 of the Companies Act, 2013 :

Name of the entity	Relation	Amount in Crore	Particulars of loans, guarantees and investments	Purpose for which the loan, guarantee and investment are proposed to be utilised
Cati Madencilik, Ithalat Velhracat A.S.	Step down Subsidiary	10.16 (USD 1.6 Million)	Guarantee given for availing loan from BOI, London	To secure the due repayment of loan together with interest
Sarang Securities Ltd.	N.A.	7.50	Loan given	To meet out business commitments
Facor Minerals (Netherlands) B.V.	Subsidiary	4.09	Investment in the equity shares	To meet the expenses/liabilities

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no contracts/arrangements/transactions which are not at arm's length basis and there are no material contracts/arrangements/transactions which are at arm's length basis.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER CLOSE OF THE FINANCIAL YEAR

A SBLC for USD 10 Million issued by Bank of India, Visakhapatnam in favour of Bank of India, Jersey for sanctioning a loan of USD 10 Million to Facor Minerals (Netherlands) B.V., an overseas subsidiary of the Company has been invoked. Company is approaching the BOI with a request to arrange to provide the time to the Company to pay back the guarantee invoked amount to the bank in instalments.

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

The information required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in Annexure-4 hereto forming part of this report.

RISK MANAGEMENT POLICY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors.

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

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

FINANCE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review there were no employees receiving remuneration of or in excess of ` 60,00,000/- per annum or ` 5,00,000/- per month requiring disclosure.

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report. Having regard to the provisions of Section 136 (1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. M. D. Saraf, Vice Chairman & Managing Director, Mr. Gautam Khaitan, Independent Director stepped down from the Board w.e.f. 26-07-2014 and 31-01-2015 respectively. Mr. Arye Berest ceased as a director of the company w.e.f. 22-04-2015 due to his sudden demise. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the Company during their tenure as Directors. Mr. Anurag Saraf, Joint Managing Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

Mrs. Urmila Gupta was appointed as Additional Director (Independent) on the Board with effect from 13th February, 2015. We seek your confirmation for appointment of Mrs. Urmila Gupta as Independent Director for a term upto five consecutive years i.e. from, 13th February, 2015 to 12th February, 2020 on non-rotational basis. 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 Director and the period of her 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.

At the Board Meeting held on 29th May, 2014 Mr. Ashim Saraf, Joint Managing Director, Mr. O. P. Saraswat, Dy. Chief Financial Officer and Mr. S. S. Sharma, Company Secretary were designated as "Key Managerial Personnel" of the Company pursuant to Sections 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

SECRETARIAL AUDIT REPORT

The Company has appointed Mr. Nilesh Jain of N.V. Jain & Associates, Company Secretaries to conduct secretarial audit and his Report on Company's Secretarial Audit is appended to this Report as Annexure-5.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The Audit Committee formed by the Board of Directors of the Company consists of Mr. K. 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, 2013 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 12th 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, 2016. Pursuant to the

provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, Members are requested to consider the ratification of the remuneration payable to Mr. Prakash Uppalapati.

The due date for filing of the Cost Audit Report for the financial year 2013-14 was 30th September, 2014. The Company has filed the Report with the Ministry of Corporate Affairs on 25-09-2014.

ACKNOWLEDGEMENT AND APPRECIATION

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

On behalf of Board of Directors,

Place : Noida (U.P.)
Dated : 08th August, 2015

R.K. SARAF
Chairman & Managing Director

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

ANNEXURE-1

as on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27101AP2004PLC043252
ii) Registration Date	14.05.2004
iii) Name of the Company	Facor Alloys Limited
iv) Category / Sub-Category of the Company	Public
v) Address of the Registered office and contact details	Shreeramnagar-535101 Garividi, Dist: Vizianagaram (AP) Phone No. : 08952-282029
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3 rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 Phone No. +91-11-29961281-83, Fax No. +91-11-29961284 E-mail : beetal@beetalfinancial.com, beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & promoter group									
(1) Indian									
a) Individual/ HUF	23669186	0	23669186	12.10	23749101	0	*23749101	12.14	0.04
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Bodies Corp.	62620240	0	62620240	32.02	62620240	0	62620240	32.02	0
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Any Other.... - Trust									
Sub-total (A) (1):-	86289426	0	86289426	44.13	86369341	0	86369341	44.17	0.04
(2) Foreign									
a) NRIs - Individuals	239387	Nil	239387	0.12	239387	0	239387	0.12	0.00
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) Bodies Corp.	4492654	0	4492654	2.30	4492654	0	4492654	2.30	0
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (A) (2):-	4732041	0	4732041	2.42	4732041	0	4732041	2.42	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	91021467	0	91021467	46.55	91101382	0	91101382	46.59	0.04
*79915 Equity Shares held by Mrs. Sunanda Devi Saraf was erroneously considered in Public Category last year.									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5739	0	5739	0.00	5739	0	5739	0.00	0.00
b) Banks / FI	35656	7266	42922	0.02	35656	7426	43082	0.02	0.00
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Insurance Companies	1620	6600	8220	0.00	1620	6600	8220	0.00	0.00
g) FIs	0	120	120	0.00	0	120	120	0	0.00
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (B)(1):-	43015	13986	57001	0.02	43015	14146	57161	0.02	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14949525	9675	14959200	7.65	14446401	9515	14455916	7.39	(0.26)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	73393447	667405	74060852	37.87	74459263	660579	75119842	38.42	0.55
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	12789025	0	12789025	6.54	12178554	0	12178554	6.23	(0.31)
c) Others (specify)									
(1) Trust									
(2) Foreign Nationals									
(3) Non Resident Indians	2615516	44294	2659810	1.36	2590206	44294	2634500	1.35	(0.01)
(4) Clearing Members									
(5) HUF									
Sub-total (B)(2):-	103747513	721374	104468887	53.42	103674424	714388	104388812	53.38	(0.04)
Total Public Shareholding (B)=(B) (1)+(B)(2)	103790528	735360	104525888	53.45	103717439	728534	104445973	53.41	(0.04)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	194811995	735360	195547355	100	194818821	728534	195547355	100	00

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1 Urmiladevi Narayandas Saraf	3629215	1.86	0	3629215	1.86	0	0
2 Promiladevi Ramkisan Saraf	2556967	1.31	0	2556967	1.31	0	0
3 Anurag Murlidhar Saraf	2507354	1.28	0	2507354	1.28	0	0
4 Manjudevi Murlidhar Saraf	2189631	1.12	0	2189631	1.12	0	0
5 Mohinidevi Umashankar Saraf	2098174	1.07	0	2098174	1.07	0	0
6 Sushmadevi Vinodkumar Saraf	1708582	0.87	0	1708582	0.87	0	0
7 Ramadevi Manojkumar Saraf	1248361	0.64	0	1248361	0.64	0	0
8 Bimladevi Vithaldas Saraf	1217651	0.62	0	1217651	0.62	0	0
9 Vanitadevi Vineetkumar Saraf	876536	0.45	0	876536	0.45	0	0
10 Rohitkumar Narayandasji Saraf	872669	0.45	0	872669	0.45	0	0
11 Vinodkumar Saraf	731814	0.37	0	731814	0.37	0	0
12 Murlidhar Durgaprasadj Saraf	661343	0.34	0	661343	0.34	0	0
13 Vineetkumar Vithaldas Saraf	588385	0.30	0	588385	0.30	0	0
14 Shailjadevi Ashishkumar Saraf	498207	0.25	0	498207	0.25	0	0
15 Manojkumar Umashankar Saraf	488956	0.25	0	488956	0.25	0	0
16 Madhavhari Yogeshkumar Saraf	311441	0.16	0	311441	0.16	0	0
17 Ashishkumar Ramkisan Saraf	246679	0.13	0	246679	0.13	0	0
18 Sonal Ashimkumar Saraf	237680	0.12	0	237680	0.12	0	0
19 Gautam Vinodkumar Saraf	164098	0.08	0	164098	0.08	0	0
20 Raghuhari Yogesh kumar Saraf	147185	0.08	0	147185	0.08	0	0
21 Vineetkumar Vithaldas Saraf	120624	0.06	0	120624	0.06	0	0
22 Manojkumar Umashankar Saraf	103915	0.05	0	103915	0.05	0	0
23 Saritadevi Sanjivkumar Saraf	93373	0.05	0	93373	0.05	0	0
24 Gauri Sanjeev Saraf	74797	0.04	0	0	0.00	0	(0.04)
25 Payal Murlidhar Saraf	72651	0.04	0	72651	0.04	0	0
26 Vibhav Vineetkumar Saraf	64451	0.03	0	64451	0.03	0	0
27 FAL Employees Welfare Trust	27576	0.01	0	27576	0.01	0	0
28 FACOR Employees Welfare Trust	22424	0.01	0	22424	0.01	0	0
29 Ashim Saraf	17008	0.01	0	17008	0.01	0	0
30 Yogeshkumar Umashankar Saraf	12288	0.01	0	12288	0.01	0	0
31 Preetidevi Rohitkumar Saraf	12600	0.01	0	12600	0.01	0	0
32 Aisha Ashishkumar Saraf	11500	0.01	0	11500	0.01	0	0
33 Madhuri Manojkumar Saraf	7948	0.00	0	7948	0.00	0	0
34 Sidharath Vineet Kumar Saraf	7348	0.00	0	7348	0.00	0	0
35 Gaurav Vinodkumar Saraf	5156	0.00	0	5156	0.00	0	0
36 Sakhi Sanjeevkumar Saraf	5128	0.00	0	5128	0.00	0	0
37 Gauri Sanjeev Saraf	4800	0.00	0	4800	0.00	0	0
38 Raghavendra Manojkumar Saraf	4800	0.00	0	4800	0.00	0	0
39 Yogeshkumar Umashankar Saraf	4100	0.00	0	4100	0.00	0	0
40 Vinodkumar Vithaldas Saraf	3560	0.00	0	3560	0.00	0	0
41 Sunandadevi Yogeshkumar Saraf	3267	0.00	0	3267	0.00	0	0
42 Ramkisan Saraf	2256	0.00	0	2256	0.00	0	0
43 Narayandas Durgaprasadj Saraf	1704	0.00	0	1704	0.00	0	0

Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
44 Narayandas Durgaprasad Saraf	1472	0.00	0	1472	0.00	0	0
45 Sunandadevi Saraf	0	0.00	0	79915	0.04	0	0.04
46 Amla Saraf	0	0.00	0	74797	0.04	0	0.04
47 Shreeram Co.Empls.Welfare Trust	2512	0.00	0	2512	0.00	0	0
48 Premier Commercial Corporation	1000	0.00	0	1000	0.00	0	0
49 R B Shreeram & Company Pvt. Ltd.	61055682	31.22	0	61055682	31.22	0	0
50 Saraf Bandhu Pvt. Ltd.	826200	0.42	0	826200	0.42	0	0
51 Ferro Alloys Corporation Limited	500000	0.26	0	500000	0.26	0	0
52 GDP Infrastructure Pvt.Ltd.	214440	0.11	0	214440	0.11	0	0
53 Vidarbha Iron & Steel Corpn.Ltd.	18144	0.01	0	18144	0.01	0	0
54 Suchitra Investments & Leasing Ltd	5774	0.00	0	5774	0.00	0	0
55 Sanjiv Saraf	239387	0.12	0	239387	0.12	0	0
56 Global Scale Investments Ltd.	4492654	2.30	0	4492654	2.30	0	0
Total	91021467	46.55	0	91101382	46.59	0	0.04

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	91021467	46.55	91021467	46.55
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/sweat equity etc):	*79915 (Transfer of shares)	0.04	91101382	46.59
At the End of the year	91101382	46.59	91101382	46.59

*79915 Equity Shares held by Mrs. Sunanda Devi Saraf was erroneously considered in Public Category last year.

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

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

BMA Wealth Creators Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1354874	0.69	1354874	0.69
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	170534 (Transfer of shares)	0.09	1525408	0.78
At the End of the year (or on the date of Separation, if separated during the year)	1525408	0.78	1525408	0.78
Sarang Securities Limited				
At the beginning of the year	295000	0.15	295000	0.15
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	826542 (Transfer of shares)	0.42	1121542	0.57
At the End of the year (or on the date of Separation, if separated during the year)	1121542	0.57	1121542	0.57
Khetshi Umarshi Maru				
At the beginning of the year	0	0	0	0
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	725000 (Transfer of shares)	0.37	725000	0.37
At the End of the year (or on the date of Separation, if separated during the year)	725000	0.37	725000	0.37
Mira Sengar				
At the beginning of the year	484010	0.25	484010	0.25
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	16990 (Transfer of shares)	0.01	501000	0.26
At the End of the year (or on the date of Separation, if separated during the year)	501000	0.26	501000	0.26
Ajay Kumar Aggarwal				
At the beginning of the year	498660	0.26	498660	0.26
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
At the End of the year (or on the date of Separation, if separated during the year)	498660	0.26	498660	0.26
Pratibhuti Vinihit Ltd.				
At the beginning of the year	495000	0.25	495000	0.25
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):				
At the End of the year (or on the date of Separation, if separated during the year)	495000	0.25	495000	0.25

Omprakash Bagadia	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	292394	0.15	292394	0.15
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	173011 (Transfer of shares)	0.09	465405	0.24
At the End of the year (or on the date of Separation, if separated during the year)	465405	0.24	465405	0.24
Anil Kumar Singhania				
At the beginning of the year	423304	0.22	423304	0.22
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	41840 (Transfer of shares)	0.02	465144	0.24
At the End of the year (or on the date of Separation, if separated during the year)	465144	0.24	465144	0.24
Kirtika Praful Javeri				
At the beginning of the year	340000	0.17	340000	0.17
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	81705 (Transfer of shares)	0.05	421705	0.22
At the End of the year (or on the date of Separation, if separated during the year)	421705	0.22	421705	0.22

v) Shareholding of Directors & Key Managerial Personnel:

R.K. Saraf	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2256	0.00	2256	0.00
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	2256	0.00
At the End of the year	2256	0.00	2256	0.00
Ashim Saraf				
At the beginning of the year	17008	0.01	17008	0.01
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	17008	0.01
At the End of the year	17008	0.01	17008	0.01
Anurag Saraf				
At the beginning of the year	2507354	1.28	2507354	1.28
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	2507354	1.28
At the End of the year	2507354	1.28	2507354	1.28

C.N. Harman	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1544	0.00	1544	0.00
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	1544	0.00
At the End of the year	1544	0.00	1544	0.00
A S Kapre				
At the beginning of the year	150000	0.08	150000	0.08
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	150000	0.08
At the End of the year	150000	0.08	150000	0.08
M D Saraf				
At the beginning of the year	661343	0.34	661343	0.34
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	661343	0.34
At the End of the year	661343	0.34	661343	0.34
S S Sharma				
At the beginning of the year	7992	0.00	7992	0.00
Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	7992	0.00
At the End of the year	7992	0.00	7992	0.00

vi) Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1076.88	0	0	1076.88
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	15.15	0	0	15.15
Total (i+ii+iii)	1092.03	0	0	1092.03
Change in Indebtedness during the financial year				
i) Addition	424.29	0	0	424.29
ii) Reduction	390.36	0	0	390.36
Net Change	33.93	0	0	33.93
Indebtedness at the end of the financial year				
i) Principal Amount	1112.47	0	0	1112.47
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	13.49	0	0	13.49
Total (i+ii+iii)	1125.96	0	0	1125.96

vii. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (` in Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		R.K. Saraf	M.D. Saraf	Ashim Saraf	Anurag Saraf	C.N. Harman	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.25	4.64	15.23	14.63	11.28	61.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.49	1.07	2.60	2.19	1.45	8.80
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	16.74	5.71	17.83	16.82	12.73	69.83
	Ceiling as Per the Act						

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors						Total Amount	
		Mr A S Kapre	Mr K J Reddy	Mr PVRK Prasad	Mrs Urmila Gupta	Mr Arye Berest	Mr K L Mehrotra		Mr Keshao Rao Pardhey
	Independent Directors								
	Fee for attending board committee meetings	80000	60000	85000	10000	10000	55000	50000	350000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	80000	60000	85000	10000	10000	55000	50000	350000
	Other Non-Executive Directors								
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total = (B)(1+2)	80000	60000	85000	10000	10000	55000	50000	350000
	Total Managerial Remuneration								350000
	Overall Ceiling as Per the Act								

C. Remuneration to Key Managerial Personnel Other than MD/WTD/Manager (` in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Dy.CFO/ Company Secretary	Total
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	20.19	20.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.36	2.36
	(c) Profits in lieu of salary under Section 17(3) Income- tax (9) Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	Total	22.55	22.55

viii. Penalties/Punishment/Compounding of Offences

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

ANNEXURE-2

FORM AOC – 1

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

Part “ A ” : Subsidiaries

(` in Lacs)

1	Sl.No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Mandencilik Ithalat ve ihracat A. S.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US\$ 62.59	US\$ 62.59	US\$ 62.59	US\$ 62.59
5	Share Capital	5.00	1.00	5.00	339.85	1,440.52	1,376.93	887.19
6	Reserves & Surplus	(10.17)	-	-	(8.14)	(3,231.48)	(82.52)	(892.84)
7	Total Assets	0.31	1,204.62	312.74	338.92	6,921.57	1,314.35	2,006.69
8	Total Liabilities	0.31	1,204.62	312.74	338.92	6,921.57	1,314.35	2,006.69
9	Investments	0.01	-	-	-	-	1,261.34	-
10	Turnover	-	-	-	-	188.92	-	188.92
11	Profit before taxation	(0.41)	-	-	8.92	(1,720.38)	(28.70)	(556.30)
12	Provision for taxation	-	-	-	-	-	-	-
13	Profit after taxation	(0.41)	-	-	8.92	(1,720.38)	(28.70)	(556.30)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	93.48%	51%	100%

Notes : Following are the names of subsidiaries which are yet to commence operations:

- | | |
|---|---|
| i) FAL Power Ventures Pvt. Ltd. | ii) Facor Electric Limited |
| iii) Facor Minerals Pte. Ltd. | iv) Facor Minerals (Netherlands) B.V. |
| v) Facor Turkkrom Mining (Netherlands) B.V.-
Subsidiary of Facor Minerals (Netherlands) B.V. | vi) Cati Mandencilik Ithalat ve Ihracat A.S :-
Wholly owned subsidiary of Facor Turkkrom Mining (Netherlands) B.V. |

Part “B” : Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	Pioneer Facor IT Infradevelopers Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2015
2	Shares of Associates held by the company on the year end	
	No.	1742700
	Amount of Investment in Associates	1815.07
	Extend of Holding %	20.40%
3	Description of how there is significant influence	There is significant influence due to holding of more than 20% Equity Share Capital
4	Reason why the associate/joint venture is not considered	-
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (` /Lacs)	588.83
6	Profit/Loss for the year	
	(i) Considered in Consolidation (` /Lacs)	4.30
	(ii) Not Considered in Consolidation	-

ANNEXURE-3

NOMINATION AND REMUNERATION POLICY

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

I Objectives

The objective and purpose of this policy are:

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b) To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ferro Alloys industry.
- c) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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

II. Effective Date:

This policy shall be effective from the date of adoption by the Board of Directors of the Company.

III. Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted earlier by renaming it as Nomination and Remuneration Committee on 6th May, 2014. The Nomination and Remuneration Committee comprises of following Directors:

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

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

IV Definitions

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

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

V. Applicability

The Policy is applicable to Directors (Executive and Non Executive)

- a) Key Managerial Personnel
- b) Senior Management Personnel

VI. General

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

PART – A

Matters to be dealt with, perused and recommended to the Board by Nomination and Remuneration Committee

The Committee shall:

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

PART – B

Policy for appointment and Removal of Director, KMP and Senior Management

- i) Appointment criteria and qualifications:
 - a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 - b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
 - c) The Company shall not appoint of any person as Whole-time Director who has attained the age seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement to be annexed to the notice for such motion indicating the justification for appointment, extension of appointment beyond seventy years.
- ii) Term / Tenure:
 - a) Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

c) Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel and submit the same to the Board of Directors.

d) Removal:

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

e) Retirement:

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

f) Board Diversity:

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

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

PART – C

Policy relating to the remuneration for the Wholetime Director, KMP and Senior Management Personnel

a) General:

- i) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management

Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
 - iii) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st January/1st April/1st July, as applicable in respect of a Whole-time Director and 1st January/1st July in respect of other employees of the Company.
 - iv) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- b) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:
- i) Fixed pay:
The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration (with suitable grade) as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites and allowances including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
 - ii) Minimum Remuneration:
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

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

c) Remuneration to Non-Executive / Independent Director:

- i) Remuneration / Commission:
The remuneration / commission shall be fixed as per the provisions of the Companies Act, 2013 and the rules made thereunder.
- ii) Sitting Fees:
The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount prescribed by the Central Government from time to time.
- iii) Commission:
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company to each Whole-time Director of the Company, computed as per the applicable provisions of the Companies Act, 2013.
- iv) Stock Options:
An Independent Director shall not be entitled to any stock option of the Company.

VII Review

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

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

ANNEXURE-4

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

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

A CONSERVATION OF ENERGY:

- a) Measures Taken : In briquetting plant dryer burner fan variable frequency drive (VFD) is connected to the 10 HP motor for better control and to reduce fuel consumption.
At new drying circuit double ducker vibrating screen is provided with variable frequency drive (VFD) to improve availability and energy saving.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : No such proposal.
- c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods : Not measurable
- d) Total energy consumption and energy consumption per unit of production in prescribed form 'A' : Form "A" is inapplicable to Ferro Alloys Industry

B. TECHNOLOGY ABSORPTION

Research and development

- a) Specific areas in which R & D carried out by the company : Working out a process to recover the metallics entrapped with the High Carbon Ferro Chrome slag by crushing and jiggling and experimenting to know the actual percentage of metallics that can be recovered. Reusing this metallics in main process, chromium recovery can be improved.
- b) 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 : 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 (2014-2015) : (**₹ in Lacs**)
 - i) CIF value of imports : -
 - ii) Expenditure in Foreign Currency : **19.65**
 - iii) Foreign Exchange earned : -

On behalf of Board of Directors,

Place : Noida (U.P.)
Dated : 08th August, 2015

R.K. SARAF
Chairman & Managing Director

ANNEXURE-5

**Form No.MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) There are no Other Specific Laws applicable to the Company as informed to us by the Management.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Ltd.

I have not examined compliance by the Company with

- (a) the Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government upto March 31, 2015.
- (b) applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / company secretary / CEO taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law and environmental laws.

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For N. V. Jain & Associates
Company Secretaries

I further report that during the audit period there were no specific events/ actions in pursuance of the above laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Place : Nagpur
Date : 08-08-2015

Nilesh Jain
(Proprietor)
FCS No. 4933; C.P No. 3069

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

'ANNEXURE A'

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

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

- Maintenance of secretarial record is the responsibility of the management of the company.

Our responsibility is to express an opinion on these secretarial records based on our audit.

- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For N. V. Jain & Associates
Company Secretaries

Place : Nagpur
Date : 08-08-2015

Nilesh Jain
(Proprietor)
FCS No. 4933; C.P No. 3069

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro Chrome is an alloy of chrome and iron containing between 50% to 70% chrome. While high carbon ferro chrome / charge chrome is mostly used in the manufacture of stainless steel, low & medium carbon ferro chrome are largely consumed in the production process of special and carbon steel. Chrome imparts the non-corrosive property to stainless steel thus making it a unique product with multiple applications. In 2014, the global production of ferro chrome rose by 9% to over 11.8 million tonnes whereas consumption is estimated to be around 10.60 MT. China's ferro chrome production expanded by 7.4% during 2014 to a record of 4.28 million tonnes. (Source: ICDA & Metal Bulletin Research)

Ferro Chrome prices remained low throughout the year owing to poor market sentiments relating to stainless steel and depreciation of the South African Rand. Prices remained low in China due to weak demand and over-capacity although it stabilised towards the end of FY 2014-15. Going ahead, a recovery seems unlikely in the short term particularly since the appreciation of the US Dollar will lead to high realisation in local currency terms for all producing countries. However, improving economic scenario worldwide will lead to a revival of demand and better prices in the mid to long term. India is a significant player with almost a tenth of the global Ferro chrome output and produces about 1 million tonnes per annum. At present growth of stainless steel production / consumption has been somewhat sedate.

However, this is likely to change in the next 5 years as stainless steel is at a tipping point. As focus shifts from initial cost of acquisition to lifecycle cost, it is expected that stainless steel consumption will increase at a faster pace making India one of the key drivers and providing a boost to the ferro chrome industry.

RISKS AND CONCERNS / OPPORTUNITIES AND THREATS / OUTLOOK

Global Ferro chrome market is relatively stable and prices are thought to have bottomed out in the current fiscal. Stability is a first step towards revival and augurs well for the industry given the downward trend witnessed during the year. While supplies are tightening as marginal producers come under pressure and expansion plans are put off, increased consumption can only come about from an economic revival. In this context, the North American economy has been a beacon of hope although Europe has been disappointing. China, meanwhile, is grappling with its own set of problems although steps to boost economic growth are thought to be on the anvil. Finally, greater positivity about the India growth story is a reason for optimism.

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 15%, 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 steep tariff hike have hit the company hard. 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 in the last year's Annual Report, a lock out was declared in the plant w.e.f. 04th February, 2014 due to labour unrest. As per directions of the State Government though the lock out was uplifted w.e.f. 26th December, 2014 but the production activities are yet to be resumed. As a result of this during the financial year 2014-15 there was no production/no sale except some minor depot sales. Due to fixed overheads company has incurred a loss of ` 807.36 net of write back of deferred tax and income on sale of fixed assets including interest income of ` 1198.66 Lacs and ` 1518.02 Lacs respectively.

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 491 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 31.03.2015	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2015	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director	Executive*	2	1	5	No
Mr. Ashim Saraf Joint Managing Director	Executive*	4	Nil	5	Yes
Mr. Anurag Saraf Joint Managing Director	Executive*	6	2	1	No

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies as on 31.03.2015	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2015	No. of Board Meetings attended	Whether Last AGM attended
Mr. C. N. Harman Director (Technical)	Executive	Nil	Nil	1	No
Mr. Arye Berest (upto 22-04-2015)	Non-Independent Non-Executive**	1***	Nil	1	No
Mr. K. Jayabharath Reddy	Independent Non-Executive	4	3	4	No
Mr. P.V.R.K. Prasad	Independent Non-Executive	1	1	5	No
Mr. A.S. Kapre	Independent Non-Executive	5	6	5	Yes
Mr. K. L. Mehrotra	Independent Non-Executive	Nil	Nil	5	No
Mrs. Urmila Gupta	Independent Non-Executive	1	4	1	No
Mr. Kesharao Pardhey	Independent Non-Executive	3	Nil	5	Yes

* Represents Promoter Group;

** Represents Foreign Investor;

*** Excluding directorship in foreign companies

During the Financial Year April 2014 to March 2015, 5 Board Meetings were held on 29/05/2014, 26/07/2014, 10/11/2014, 29/12/2014 and 13/02/2015.

3. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company met on 13th February, 2015 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors, as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

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

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

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

b) No. of meetings and attendance:

There were five meetings during the year 2014-15 on 29/05/2014, 26/07/2014, 10/11/2014, 29/12/2014 & 13/02/2015. All five meetings were attended by all members, except Mr K. Jayabharat Reddy. Mr K. Jayabharat Reddy has attended only four meetings.

c) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 177 of the Companies Act, 2013, the rules made there under and Clause 49 of the Listing Agreement.

B. NOMINATION AND REMUNERATION COMMITTEE:

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-constituted the then Nomination Committee

as "Nomination and Remuneration Committee".

- a) The Committee presently consists of 3 Members viz. Mr. P.V.R.K. Prasad, Mr. K. L. Mehrotra and Mr. A.S. Kapre who are non-executive independent Directors of the Company.
- b) The Committee oversees the Company's nomination process for the Directors, Senior management and specifically to identify, screen and review individuals qualified to serve as Directors and at Senior Management consistent with criteria approved as per the Nomination & Remuneration Policy approved by the Board and to recommend, for approval of the Board, nominees for election at the AGM of the shareholders.

The Committee also reviews the compensation of the Company's Wholetime Directors and senior management. The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors.

- c) Details of remuneration payable to Managerial Personnel for the year 2014-15 :

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	₹ 1729586/-	₹ 151041/-	5 years from 01/04/14
2.	Mr. M. D. Saraf, VC & MD	₹ 526858/-	₹ 107225/-	5 years from 01/02/13
3.	Mr. Ashim Saraf, JMD	₹ 1894586/-	₹ 212056/-	5 years from 01/04/14
4.	Mr. Anurag Saraf, JMD	₹ 1818941/-	₹ 279556/-	5 years from 01/02/13
5.	Mr. C. N. Harman, Director (Tech.)	₹ 1169325/-	₹ 119040/-	5 years from 01/08/14

- d) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2014-15, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid	No. of equity shares of ₹ 1/- each held
1.	Mr. A. S. Kapre	₹ 80000/-*	150000
2.	Mr. K Jayabharath Reddy	₹ 60000/-*	-
3.	Mr. P. V. R. K. Prasad	₹ 85000/-*	-
4.	Mrs. Urmila Gupta	₹ 10000/-	-
5.	Mr. Arye Berest	₹ 10000/-	-
6.	Mr. K. L. Mehrotra	₹ 55000/-	-
7.	Mr. Keshao Rao Pardhey	₹ 50000/-	-
		₹ 350000/-	-

* Includes sitting fees paid for attending Committee Meetings.

- Notes: (i) There are no stock options and severance fees.
 (ii) No notice period is specified for Directors resignation/termination.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board re-named the then "Share Transfer and Shareholders'/Investors' Grievances Committee" as the "Stakeholders' Relationship Committee". The Committee reviews and resolves the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The Committee presently consists of 3 Members viz., Mr. R. K. Saraf, Mr. C.N. Harman and Mr. P.V.R.K. Prasad. The Chairman of the Committee is Mr. P.V.R.K. Prasad. One meeting of the Committee was held during the year on 13th February, 2015.

- 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 1-4-2014 to 31-3-2015 7
- c) No. of complaints not solved to the satisfaction of the Shareholders Nil
- d) Number of pending complaints as on 31-3-2015 Nil

D. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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

Policy for Determining Material Subsidiaries

In terms of Clause 49 (V) of the Listing Agreement the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website www.facorgroup.in.

Vigil Mechanism

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

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

5. GENERAL BODY MEETINGS

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

AGM held	Day, date & time	Venue
9th AGM	Tuesday, 18 th September, 2012 at 3.00 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
10th AGM	Tuesday, 13 th August, 2013 at 3.00 p.m.	- do -
11th AGM	Tuesday, 9 th September, 2014 at 10.30 a.m.	Officers' Club, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)

- 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

6. DISCLOSURES

a) All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the year were on an arm's length price basis and in the ordinary course of business and with requisite approvals as required. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.facorgroup.in. There were no materially significant related-party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

b) There were no instances of non-compliance and no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authorities on any matter related to capital markets during the last year.

c) Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a 'Code of Conduct' for 'Prevention of Insider Trading' (The code). The code is applicable to all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. S. S. Sharma, General Manager (Legal) & Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

d) Disclosure of information as per SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 – List of persons, who are constituting group as defined under MRTP Act, 1969 is as under:

I) PROMOTERS

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

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

III) Group / Associated Entities:

- | | |
|--|--|
| (1) 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) Bitalfosystem Private Limited; | (8) Boula Platinum Mining Private Limited; |

- | | |
|--|---|
| (9) Cornell Corporation SA.; | (10) CatiMadencilikThalatvelhracat A. S.; |
| (11) Dass Papers Private Limited; | (12) Deepee Sales Corporation; |
| (13) Divyajyoti Builders Private Limited; | (14) DP Infrastructure Holdings Private Limited; |
| (15) Embark Infosystems Private Limited; | (16) Facor Electric Limited; |
| (17) FACOR Employees Welfare Trust; | (18) Facor Energy India Limited; |
| (19) Facor Energy Limited; | (20) Facor Minerals (Netherlands) B.V.; |
| (21) Facor Minerals Pte. Ltd, Singapore; | (22) Facor Power Limited; |
| (23) FACOR Realty and Infrastructure Limited; | (24) Facor Solar Limited; |
| (25) FACOR Steels Limited; | (26) Facor Turkkrom 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) Godawari devi 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) Vineet Infin Private Limited; |
| (59) YMR Enterprise Private Limited. | |

7. MEANS OF COMMUNICATION

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

8. GENERAL SHAREHOLDER INFORMATION

i) AGM-Date, Time and Venue:

Date	Time	Venue
22 nd September, 2015	11.30 A.M.	Administrative Building, 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 31-3-2015	Chairman / Member of the committee of Board of other Public Limited Companies on which he/she was a Director as on 31-3-2015	No. of shares held
Mr. Anurag Saraf	17 th May, 1971	15 th January, 2013	Business Administration	B.E. (Electrical)	Facor Steels Ltd., Ferro Alloys Corpn. Ltd., Facor Power Ltd., Facor Realty & Infrastructure Ltd. Vidarbha Iron & Steel Corporation Ltd., Facor Solar Ltd.	2	2507354
Mrs. Urmila Gupta	12 th January, 1944	13 th February, 2015	Rich experience in Management, Administration & Policy formation	M.A. English Literature	B.A.G Films & Media Ltd. Ferro Alloys Corpn. Ltd.	4	—

- iii) Financial Year ending : 31st March
- iv) Date of Book closure from : Friday, 18th September, 2015 to Tuesday, 22nd September, 2015
(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 2014-15 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 2014	1.75	1.17	1470095	22,939.31	22,197.51
May 2014	2.29	1.32	2780454	25,375.63	22,277.04
June 2014	2.39	1.81	2763497	25,725.12	24,270.20
July 2014	2.29	1.71	1603133	26,300.17	24,892.00
August 2014	1.89	1.45	917573	26,674.38	25,232.82
September 2014	2.15	1.46	2037283	27,354.99	26,220.49
October 2014	1.75	1.27	885429	27,894.32	25,910.77
November 2014	1.83	1.39	1229296	28,822.37	27,739.56
December 2014	1.58	1.13	987745	28,809.64	26,469.42
January 2015	1.67	1.21	1921723	29,844.16	26,776.12
February 2015	1.62	1.12	1040744	29,560.32	28,044.49
March 2015	1.26	0.71	1957293	30,024.74	27,248.45

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 31.03.2015:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
upto 500	40081	4244985	2.17
501 to 1000	5872	5423181	2.77
1001 to 2000	3465	5943737	3.04
2001 to 3000	1498	4075475	2.08
3001 to 4000	702	2609489	1.33
4001 to 5000	1072	5237811	2.68
5001 to 10000	1534	12199408	6.24
10001 and above	1520	155813269	79.69
Total	55744	195547355	100.00
Physical Mode		728534	
Electronic Mode		194818821	

b) Categories of shareholders as on 31.03.2015 :

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	91101382	46.59
b.	Financial Institutions	34020	0.02
c.	State Government Company/State Financial Corporation	4046	-
d.	Nationalised Banks	1770	-
e.	Bodies Corporate	14455916	7.39
f.	Others	89950221	46.00
	Total:	195547355	100.00

xi) Dematerialisation of shares and liquidity:

99.63 % of the share capital has been dematerialized as on 31st March, 2015.

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 5 All 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 sixth 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, 2015.

Place : Noida, U.P.

Date : 08th August, 2015

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 Ltd., for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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, U.P.

Date : 08th August, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Facor Alloys Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its loss and its 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, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company did not have any long-term contracts including the derivative contracts for which there were any material foreseeable losses;
 - iii. there was no amount required to be transferred to the investor education and protection fund by the Company.

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

C. A. S. D. PARANJPE
Partner
Membership No.41472

Place : Noida, UP
Date : 30th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Facor Alloys Limited ('the Company'), for the year ended 31st March, 2015.

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.
- 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) The Company has not granted unsecured loans to parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('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) The Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules specified by the Central Government under sub-section 1 of Section 148 of the Companies Act, 2013 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.
- vii) (a) According to the information and explanations given to 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, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
(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.
(c) According to the information and explanations given to us no amount was required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The Company's accumulated losses at the end of the financial year are less than fifty percent of its networth and it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to financial institution or bank or debenture-holders.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the Company.
- (xi) The term loans raised by the Company have been applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

C. A. S. D. PARANJPE
Partner
Membership No.41472

Place : Noida, UP
Date : 30th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

STANDALONE ACCOUNTS

(` in lacs)

	<u>Note Nos</u>	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,955.48	1,955.48
Reserves and Surplus	3	10,161.31	10,968.67
		12,116.79	12,924.15
Non-Current Liabilities			
Long-Term Borrowings	4	1,000.00	2.37
Deferred Tax Liabilities (Net)	13	-	403.72
Long-Term Provisions	5	1,150.03	1,165.25
		2,150.03	1,571.34
Current Liabilities			
Short-Term Borrowings	6	1,128.67	1,102.58
Trade Payables	7	694.90	1,747.32
Other Current Liabilities	8	770.67	1,338.32
Short-Term Provisions	9	62.93	73.96
		2,657.17	4,262.18
TOTAL		<u>16,923.99</u>	<u>18,757.67</u>
ASSETS			
Non-Current Assets			
Fixed Assets-Tangible	10	2,122.69	2,203.16
Non-Current Investments	11	6,963.98	6,554.63
Long-Term Loans and Advances	12	793.98	1,156.97
Deferred Tax Assets (Net)	13	794.94	-
		10,675.59	9,914.76
Current Assets			
Inventories	14	1,458.23	1,465.02
Trade Receivables	15	327.20	387.18
Cash and Cash Equivalents	16	961.85	1,662.69
Short-Term Loans and Advances	17	3,453.79	5,240.75
Other Current Assets	18	47.33	87.27
		6,248.40	8,842.91
TOTAL		<u>16,923.99</u>	<u>18,757.67</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 38		

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy. Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. S.D. PARANJPE
Partner
Membership No. 41472

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

ASHIM SARAF
Joint Managing Director

Noida, UP : 30th May, 2015

Noida, UP : 30th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

	<u>Note Nos</u>	<u>Year Ended 31st March, 2015</u>	<u>Year Ended 31st March, 2014</u>
(` in lacs)			
INCOME			
Revenue from Operations	19	209.91	24,554.05
Other Income	20	1,518.02	401.21
Total Revenue		1,727.93	24,955.26
EXPENSES			
Cost of Materials Consumed	21	-	11,174.45
Changes in Inventories of Finished Goods and Stock-in-Process	22	8.16	903.01
Employee Benefits Expense	23	1,182.14	2,446.43
Finance Costs	24	228.84	141.04
Depreciation and Amortisation Expense	10	291.60	329.25
Other Expenses	25	2,047.99	11,677.33
Total Expenses		3,758.73	26,671.51
Profit/(Loss) Before Tax		(2,030.80)	(1,716.25)
Tax Expenses			
Current Tax		-	-
Tax for Earlier Years		(24.78)	0.26
Deferred Tax		(1,198.66)	(69.80)
		(1,223.44)	(69.54)
Profit/(Loss) for the year		(807.36)	(1,646.71)
Earning per equity share of face value of ` 1/- each			
Basic and Diluted (in `)	26	(0.41)	(0.84)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 38		

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy. Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. S.D. PARANJPE
Partner
Membership No. 41472

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

ASHIM SARAF
Joint Managing Director

Noida, UP : 30th May, 2015

Noida, UP : 30th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

(` in lacs)

	<u>2014-15</u>	<u>2013-14</u>
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(2,030.80)	(1,716.25)
Adjustment for:		
Depreciation	291.60	329.25
Exchange difference on translation (Net)	(0.03)	40.99
Interest and Dividend Income	(206.08)	(318.91)
Finance Costs	228.84	141.04
Profit/Loss on Sale of Fixed Assets (Net)	(1,291.69)	(70.89)
	<u>(977.36)</u>	<u>121.48</u>
Operating Profit before Working Capital Changes	(3,008.16)	(1,594.77)
Adjustment for:		
Trade and Other Receivables	2,416.15	2,598.54
Inventories	6.79	2,241.72
Trade Payables	(1,640.10)	487.06
Others	(90.91)	(32.94)
	<u>691.93</u>	<u>5,294.38</u>
Cash Generated from Operations	(2,316.23)	3,699.61
Direct Taxes Paid/Adjusted	(192.99)	(30.80)
Net Cash Flow from Operating Activities	(2,509.22)	3,668.81
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(240.83)	(95.04)
Sale of Fixed Assets	1,321.39	72.32
Purchase of Investments	(409.36)	(794.33)
Sale of Investments	0.01	-
Interest and Dividend Income	257.60	252.54
Net Cash Flow (used in) /from Investing Activities	928.81	(564.51)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long and Short Term Borrowings	1,023.72	(3,440.44)
Finance Costs Paid	(235.06)	(134.37)
Net Cash Flow (used in) /from Financing Activities	788.66	(3,574.81)
Net Increase/(Decrease) in Cash and Cash Equivalents	(791.75)	(470.51)
Opening Balance of Cash and Cash Equivalents	1,056.83	1,527.34
Closing Balance of Cash and Cash Equivalents	265.08	1,056.83
Net Increase/(Decrease) in Cash and Cash Equivalents	(791.75)	(470.51)

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy. Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. S.D. PARANJPE
Partner
Membership No. 41472

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

ASHIM SARAF
Joint Managing Director

Noida, UP : 30th May, 2015

Noida, UP : 30th May, 2015

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

Facor Alloys Limited ("The Company") is a Public Limited Company incorporated in India under the Companies Act, 1956. It is part of Worldwide reputed FACOR Group of Industries. The Company is listed at Bombay Stock Exchange. The Company, one of the India's largest producers of Ferro Alloys Products produces Ferro Alloys product at its works in Andhra Pradesh and caters both domestic and international markets. The product is used in the manufacture of Steel/Stainless Steel.

(b) Basis of Preparation of Financial Statements

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

(c) Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles, which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known /materialized.

(d) Fixed Assets :

All fixed assets are valued at cost net of recoverable taxes less depreciation. Roll-over charges on forward exchange contracts and loss or gain on conversion of foreign currency liabilities for acquisition of fixed assets are added to or deducted from the cost of fixed assets.

(e) Intangible 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.

(f) Depreciation :

Depreciation on tangible assets acquired prior to 01.04.2014 is provided on different fixed assets on the basis of 'straight line method' and 'written down value method' over the useful lives of assets estimated by the Management based on independent technical evaluation carried out by external valuers and the management believes that the useful lives as evaluated by external valuers best represents the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

However, the useful lives of the assets acquired on or after 1st April, 2014, is in accordance with the useful lives as prescribed for those assets in Part C of Schedule II of the Companies Act, 2013.

(g) Foreign Exchange Transactions :

- (i) Transactions in foreign exchange are translated to Indian Rupees at the rate of exchange ruling on the date of transaction.
- (ii) All foreign currency liabilities related to acquisition of Fixed Assets remaining unsettled at the end of the year are converted at contract rates, where covered by foreign exchange contracts and at year end rates in other cases and the difference in translation is adjusted in the carrying cost of such assets.
- (iii) Other outstanding foreign currency liabilities and receivables are translated at the year end rates and the difference in translation is recognized in the Statement of Profit and Loss.

(h) Investments :

Current Investments are carried at lower of cost and quoted/fair value.

Long term investments are stated at cost and provision for diminution is made, if such diminution is other than temporary in nature.

(i) Current Assets :

Finished Goods and Stock-in-Process are valued at cost or net realisable value whichever is lower. Other inventories are valued at cost. All other items of current assets are stated after provisions for any diminution in value.

(j) Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales comprise sale of goods and services, conversion charges, inter-unit transfers and exports. Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are inclusive of excise duty but net of trade discounts and VAT. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time, on accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive is established.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

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

2. SHARE CAPITAL

(` in lacs)

	As at 31st March, 2015	As at 31st March, 2014
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, 2015		As at 31st March, 2014	
	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, 2015	As at 31st March, 2014
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	195,547,355	195,547,355
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	195,547,355	195,547,355

2.3 Terms/rights attached to Equity Shares:

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

3. RESERVES AND SURPLUS

(` in lacs)

	As at 31st March, 2015	As at 31st March, 2014
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	(649.36)	997.35
Add: Profit/(Loss) for the year	(807.36)	(1,646.71)
Balance as at the end of the year	(1,456.72)	(649.36)
TOTAL	10,161.31	10,968.67

4. LONG-TERM BORROWINGS

(Secured)		
Loan from Others (Refer Note below)	1,000.00	-
(Unsecured)		
Deferred payment liabilities	-	2.37
TOTAL	1,000.00	2.37

Note: Secured by way of pledge of 17,42,700 Equity shares of Pioneer Facor IT Infradevelopers Pvt. Limited. The loan is repayable over a period of 2 Years and interest @ 13.80% p.a.

5. LONG-TERM PROVISIONS

Provision for Employee Benefits:		
P.L. Encashment (Unfunded)	129.50	144.72
Others	1,020.53	1,020.53
TOTAL	1,150.03	1,165.25

6. SHORT-TERM BORROWINGS

From Banks (Secured) :		
Cash Credit Accounts	1,128.67	1,102.58
TOTAL	1,128.67	1,102.58

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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

7. TRADE PAYABLES

(` in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Trade Payables	694.90	1,747.32
TOTAL	694.90	1,747.32

Small scale industrial undertakings, to whom ` Nil (Previous Year ` 3.75 lacs) are due for a period exceeding 30 days, have been identified based on the information available with the Company.

8. OTHER CURRENT LIABILITIES

Unpaid dividends	17.86	17.86
Other Payables *	752.81	1,320.46
TOTAL	770.67	1,338.32

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

9. SHORT-TERM PROVISIONS

Provision for Employee Benefits: P.L. Encashment (Unfunded)	62.93	73.96
TOTAL	62.93	73.96

10. FIXED ASSETS

(` in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2014	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2015	Upto 1.04.2014	For the Year	Deductions/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets:										
Land Freehold	78.09	-	5.98	72.11	-	-	-	-	72.11	78.09
Mines and Quarries Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14
Buildings	914.27	30.22	63.59	880.90	636.13	21.60	41.15	616.58	264.32	278.14
Railway Siding	53.99	-	-	53.99	37.88	2.19	-	40.07	13.92	16.11
Plant and Machinery	4,618.50	60.76	-	4,679.26	3,095.56	193.89	-	3,289.45	1,389.81	1,522.94
Office and Other Equipments	396.33	4.36	2.65	398.04	267.98	23.07	1.37	289.68	108.36	128.35
Furniture and Fixtures	183.69	145.49	0.43	328.75	152.87	13.00	0.43	165.44	163.31	30.82
Vehicles	603.66	-	-	603.66	456.09	37.85	-	493.94	109.72	147.57
TOTAL	6,849.67	240.83	72.65	7,017.85	4,646.51	291.60	42.95	4,895.16	2,122.69	2,203.16
Previous Year	6,757.78	95.04	3.15	6,849.67	4,318.98	329.25	1.72	4,646.51	2,203.16	-

Pursuant to the requirement of Schedule II to the Companies Act, 2013, the Company has revised the remaining useful lives of the assets acquired upto 31st March, 2014 on the basis of the assessment by independent consultant which is different from those mentioned in Schedule II of the Companies Act, 2013. In respect of assets acquired on or after 1st April, 2014, useful lives are considered as mentioned in Schedule II of the Companies Act, 2013. As a result of this change, the depreciation charged for the year ended 31st March, 2015, is higher by ` 2.40 lacs.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

11. NON-CURRENT INVESTMENTS

(` in lacs)

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Trade Investments : (At Cost)		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
5,000 (Previous Year - 5,000) Best Minerals Limited of ` 100/- each	5.00	5.00
10,000 (Previous Year - 10,000) FAL Power Ventures Pvt. Ltd. of ` 10/- each (Formerly known as BEC Power Private Limited)	1,583.75	1,583.75
50,000 (Previous Year - 50,000) Facor Electric Limited of ` 10/- each	5.01	5.01
5,43,000 (Previous Year - 5,43,000) Facor Minerals Pte Limited of USD 1 each	281.53	281.53
21,51,605 (Previous Year - 14,96,059) Facor Minerals (Netherlands) BV of USD 1 each	1,216.14	807.28
	3,091.43	2,682.57
In Equity Shares of Associated Companies - Unquoted, fully paid up		
17,42,700 (Previous Year - 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ` 1/- each	1,855.63	1,855.63
Others - In Equity Shares -Quoted, fully paid up		
6,600 (Previous Year - 6,600) Sunil Healthcare Limited of ` 10/- each	0.20	0.20
Others - In Equity Shares -Unquoted, fully paid up		
NIL (Previous Year - 20) Anand Udyog Premises Co-operative Society Limited of ` 50/- each	-	0.01
1,36,663 (Previous Year -1,36,663) Vidarbha Iron & Steel Corporation Limited of ` 10/- each	13.67	13.67
2,00,00,000 (Previous Year - 2,00,00,000) Facor Power Limited of ` 10/- each	2,000.00	2,000.00
	2,013.67	2,013.68
In Government Securities : Unquoted		
6 Years National Savings Certificates	3.05	2.55
Deposited with Government/Semi Government Authorities as Security Deposit ` 2.55 lacs (Previous Year ` 2.05 lacs)		
TOTAL	6,963.98	6,554.63
Aggregate cost of Quoted Investments	0.20	0.20
Market Value of Quoted Investments	2.50	1.29
Aggregate amount of Unquoted Investments	6,963.78	6,554.43
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Other Loans	750.00	-
Security Deposits	43.98	1,156.97
TOTAL	793.98	1,156.97

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

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

(` in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	436.41	474.85
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	115.12	71.13
Unabsorbed Depreciation and Unabsorbed Business loss	1,116.23	-
	1,231.35	71.13
Net Deferred Tax Assets /(Liabilities)	794.94	(403.72)

14. INVENTORIES

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

Raw Materials	1,365.18	1,348.73
Finished Goods (At Cost or Net realisable value whichever is lower)	5.36	13.52
Stores and Spare Parts	70.71	85.22
Loose Tools	16.98	17.55
TOTAL	1,458.23	1,465.02

15. TRADE RECEIVABLES

(Unsecured and Considered Good)

Over six months	327.20	82.67
Others	-	304.51
TOTAL	327.20	387.18

16. CASH AND CASH EQUIVALENTS

Cash in hand	4.70	9.77
With Scheduled Banks:		
In Current Accounts	260.38	47.06
In Current Accounts - For Unpaid Dividend	17.86	17.86
	278.24	64.92
In Fixed Deposit Accounts:		
With original maturity upto three months	-	1,000.00
With original maturity of more than twelve months	678.91	588.00
	957.15	1,652.92
TOTAL	961.85	1,662.69

Fixed Deposit Receipts lodged with Banks as security deposit for Letters of Credit ` 678.91 lacs (Previous Year ` 588.00 lacs)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

17. SHORT-TERM LOANS AND ADVANCES

(` in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	2,748.50	4,490.19
Others	705.29	750.56
TOTAL	3,453.79	5,240.75

18. OTHER CURRENT ASSETS

Interest accrued on Fixed Deposits	21.87	61.81
Claims Recoverable	25.46	25.46
TOTAL	47.33	87.27

19. REVENUE FROM OPERATIONS

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Sale of products, less returns	15.03	23,765.58
Sale of Services	196.16	1,632.12
	211.19	25,397.70
Less: Excise Duty	1.66	1,394.84
	209.53	24,002.86
Add: Export Incentives	0.38	551.19
TOTAL	209.91	24,554.05

GROSS SALES

19.1 PARTICULARS OF SALE OF PRODUCTS

Ferro Alloys	10.53	23,635.25
Off Grade / By-products	4.50	130.33
Services rendered (Conversion Charges)	196.16	1,632.12
TOTAL	211.19	25,397.70

20. OTHER INCOME

INTEREST INCOME

Interest on Deposits	101.56	91.64
Other Interest	104.52	227.27
	206.08	318.91
Miscellaneous receipts	0.25	11.41
Profit /(Loss) on Fixed Assets Sold/Discarded (Net)	1,291.69	70.89
Foreign Exchange Gain	20.00	-
TOTAL	1,518.02	401.21

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

21. COST OF MATERIALS CONSUMED

(` in lacs)

	<u>Year Ended 31st March, 2015</u>	<u>Year Ended 31st March, 2014</u>
Opening stock of Materials	1,348.73	2,650.97
Add: Purchases	<u>16.45</u>	<u>9,872.21</u>
	1,365.18	12,523.18
Less: Closing stock of Materials	<u>1,365.18</u>	<u>1,348.73</u>
Cost of Materials Consumed	<u>-</u>	<u>11,174.45</u>

21.1 PARTICULARS OF MATERIALS CONSUMED

Chrome Ore/Concentrate/Others	-	8,326.81
Coke and Coal	-	2,661.71
Quartz	-	26.57
Carbon paste/Electrode paste	-	124.50
Miscellaneous	-	34.86
TOTAL	<u>-</u>	<u>11,174.45</u>

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

Closing stock:		
Finished Goods	5.36	13.52
Stock-in-Process	<u>-</u>	<u>-</u>
	5.36	13.52
Opening stock:		
Finished Goods	13.52	845.36
Stock-in-Process	<u>-</u>	<u>71.17</u>
	13.52	916.53
Decrease/(Increase) in Inventories	<u>8.16</u>	<u>903.01</u>

23. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus	679.46	1,762.69
Contribution to Provident and Other Funds	185.79	286.24
Welfare Expenses	245.50	317.96
Directors' Remuneration	71.39	79.54
TOTAL	<u>1,182.14</u>	<u>2,446.43</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

24. FINANCE COSTS

(` in lacs)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Interest:		
On Fixed Loan	31.90	-
On Others	196.94	130.64
	228.84	130.64
Other Borrowing Costs	-	10.40
TOTAL	228.84	141.04

25. OTHER EXPENSES

Power and Fuel	1,131.30	8,027.90
Mining, Handling and other Production Expenses	59.80	535.07
Freight, Shipment and Sales Expenses	9.99	619.04
Stores and Spares	0.28	157.34
Works Expenses	566.34	736.24
Transport Expenses	3.55	90.83
Repairs and Maintenance to Plant and Machinery	30.19	761.78
Repairs and Maintenance to Buildings	117.53	210.82
Insurance	17.79	18.51
Rent (Net)	27.80	73.42
Rates and Taxes	14.49	13.62
Commission and Brokerage on Sales	-	135.17
Donations	-	4.94
Payment to Auditors	3.82	4.42
Directors' Sitting Fees	3.50	2.70
Foreign Exchange Loss	-	192.34
Miscellaneous Expenses	61.61	93.19
TOTAL	2,047.99	11,677.33

25.1 PAYMENT TO AUDITORS

(A) Statutory Auditor

Audit Fees	2.75	2.75
Tax Audit Fees	0.15	0.15
Certification and Consultation Fees	0.30	0.22
Reimbursement of Expenses	0.02	0.65
Sub-Total (A)	3.22	3.77

(B) Cost Auditor

Audit Fees	0.50	0.50
Management Services	-	-
Certification and Consultation Fees	-	0.05
Reimbursement of Expenses	0.10	0.10
Sub-Total (B)	0.60	0.65

TOTAL (A + B)

3.82 **4.42**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

26. EARNING PER SHARE (BASIC AND DILUTED)

(` in lacs)

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
(i) Net Profit after Tax	(807.36)	(1,646.71)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (` per share)	(0.41)	(0.84)

27. The lock-out declared in the Manufacturing Unit at Shreeramnagar (A.P.) w.e.f. 04-02-2014 has been lifted from 26-12-2014. However, no production activity could be started as yet.

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

Defined Contribution Plan :

Amount of ` 84.63 Lacs (Previous Year ` 194.29 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	2014-15		2013-14	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	1,010.79	218.69	947.86	209.13
Interest Cost	90.97	19.68	75.83	16.73
Current Service Cost	39.77	13.41	47.08	15.80
Actuarial Losses/(Gains)	16.38	(33.09)	59.74	56.37
Benefits Paid	(296.80)	(26.26)	(119.72)	(79.34)
Present value of Defined Benefit Obligation at the close of the year	861.11	192.43	1,010.79	218.69

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

Particulars	2014-15		2013-14	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the Beginning of the year	965.33	-	910.35	-
Add : Expected Return on Plan Assets	82.05	-	77.38	-
Add/(Less) : Actuarial Gains/(Losses)	(36.08)	-	13.32	-
Add : Contributions	1.36	-	46.49	-
Less : Benefits Paid	(296.80)	-	(119.72)	-
Fair Value of Plan Assets at the close of the year	715.86	-	927.82	-

(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	2014-15		2013-14	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	861.11	192.43	1,010.79	218.69
Less : Fair Value of Plan Assets	715.86	-	927.82	-
Present Value of unfunded obligation	145.25	192.43	82.97	218.69

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

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

Particulars	2014-15		2013-14	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	39.77	13.41	47.08	15.80
Interest Cost	90.97	19.68	75.83	16.73
Expected return on Plan Asset	(82.05)	-	(77.38)	-
Net actuarial loss/(gain)	52.46	(33.09)	46.42	56.37
Net periodic cost	101.15	-	91.95	88.90

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

Particulars	2014-15		2013-14	
	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	8%	8%	9%	9%
Salary Escalation Rate	5%	5%	5%	5%

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

Particulars	2014-15		2013-14	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	45.46	218.69	37.51	209.13
Expenses as above	101.15	-	91.95	88.90
Contributions Paid	(1.36)	(26.26)	(84.00)	(79.34)
Closing net liability	145.25	192.43	45.46	218.69

(g) Other Disclosures : (₹ in lacs)

Particulars	2014-15		2013-14		2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment
Defined Benefit Obligation	861.11	192.43	1,010.79	218.69	947.86	209.13	932.11	202.31
Plan Assets	715.86	-	927.82	-	910.35	-	905.02	-
Surplus/(Deficit)	(145.25)	(192.43)	(82.97)	(218.69)	(37.51)	(209.13)	(27.09)	(202.31)

2014-15

2013-14

	2014-15		2013-14	
	₹ in lacs	Percentage	₹ in lacs	Percentage
29. (a) 1. Value of Consumption of imported Raw Materials	-	-	2,477.18	22.17
2. Value of Consumption of indigenous Raw Materials	-	-	8,697.27	77.83
	-	-	11,174.45	100.00
(b) 1. Value of Consumption of imported Components and Spare Parts:	-	-	-	-
2. Value of Consumption of indigenous Components and Spare Parts:	2.63	100.00	337.91	100.00
	2.63	100.00	337.91	100.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

(` in lacs)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
30. C.I.F. Value of Imports :		
(a) Raw Materials	-	2,672.51
(b) Capital Goods	-	20.96
	<u>-</u>	<u>2,693.47</u>
31. Expenditure in Foreign Currency :		
(i) Commission on Sales	-	135.17
(ii) Travelling Expenses	16.74	39.04
(iii) Miscellaneous	2.91	8.67
	<u>19.65</u>	<u>182.88</u>
32. Earnings in Foreign Exchange on account of Export of Goods on F.O.B. basis	-	9,914.02

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 ` 944.14 lacs (Previous Year ` 2047.39 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, Jersey for sanctioning a loan of 10 Million USD to Facor Minerals (Netherlands) B.V., one of the 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) A corporate guarantee for a sum of 1.6 Million USD is provided to Bank of India, London as a collateral security to the Term Loan sanctioned to Cati Madencilik Ithalat Ve Ihracat A.S., a tier II subsidiary of the Company.
- (d) 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) List of related parties:-

- A Name and nature of relationship with the related party where control exists:
 - Best Minerals Ltd. - Subsidiary Company
 - Facor Electric Ltd. - Subsidiary Company
 - FAL Power Ventures Pvt Ltd. - Subsidiary Company
 - Facor Minerals Pte Ltd. - Subsidiary Company
 - Facor Minerals (Netherlands) B.V. - Subsidiary Company
- B Associate and Enterprise, over which key management personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

STANDALONE ACCOUNTS

C Key Management Personnel :

a) Directors

- | | |
|----------------------------------|-----------------------------------|
| i) R.K. Saraf | Chairman & Managing Director |
| ii) M.D. Saraf (upto 25-07-2014) | Vice Chairman & Managing Director |
| iii) Ashim Saraf | Joint Managing Director |
| iv) Anurag Saraf | Joint Managing Director |
| v) C.N. Harman | Director (Technical) |

b) Executive Officers

- | | |
|----------------------------------|-----------------------------|
| i) M.D. Saraf (w.e.f 01-08-2014) | President |
| ii) S.S. Sharma | GM (Legal) & Co. Secretary |
| iii) O.P. Saraswat | Dy. Chief Financial Officer |

II Transactions with Related Parties during the year ended 31-03-2015 in the ordinary course of business. (` in lacs)

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
i) Purchase of Goods	-	-	-	3,026.12	-	-
ii) Purchase of Assets	-	-	236.14	32.02	-	-
iii) Rent paid	-	-	56.76	63.32	-	-
iv) Rent received	5.00	5.00	67.20	11.20	-	-
v) Reimbursement of Expenditure Paid/(Received) (Net)	-	-	18.70	18.16	-	-
vi) Services Received/(Provided) (Net)	-	-	13.05	26.04	-	-
vii) Interest paid/(Received)	-	-	(62.50)	(93.21)	-	-
viii) Donation paid	-	-	-	3.00	-	-
ix) Short Term Loans and Advances given/(Received)	(385.22)	(160.90)	29.91	(780.58)	-	-
x) Clearing & forwarding and other service charges	-	-	-	3.95	-	-
xi) Directors' remuneration	-	-	-	-	80.08	91.94
xii) Executive Officers' remuneration	-	-	-	-	39.59	-
xiii) Investments	408.86	794.33	-	-	-	-
xiv) Balances outstanding at the year end:						
a) Short Term Loans and Advances given	1,533.57	1,918.79	574.18	544.27	-	-
b) Trade Receivables	-	-	723.34	2,109.73	-	-
c) Managerial Remuneration Payable	-	-	-	-	43.07	7.37
d) Executive Officers' Remuneration Payable	-	-	-	-	8.12	-
e) Other Payables	-	-	21.15	6.94	-	-

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

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

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

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy.Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. S.D. PARANJPE
Partner
Membership No. 41472

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

ASHIM SARAF
Joint Managing Director

Noida, UP : 30th May, 2015

Noida, UP : 30th May, 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Facor Alloys Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ` 7,260.49 Lacs as at 31st March, 2015, total revenues of ` 188.92 Lacs and net cash flows amounting to ` (-) 53.78 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ` 4.30 Lacs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the informations and explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements;
 - ii. the Group and its associate did not have any long-term contracts including the derivative contracts for which there were any material foreseeable losses;
 - iii. there was no amount required to be transferred to the investor education and protection fund by the Group and associate company in India.

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

C. A. S. D. PARANJPE
Partner
Membership No.41472

Place : Noida, UP
Date : 30th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT:

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date.

We report that :

- 1) a) "The Group" and its associate have 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.
- ii) a) Physical verification of inventory has been conducted at reasonable intervals by the Management of the "The Group" and its associate.
- 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 Group" and its Associate and the nature of the business.
- c) "The Group" and its associate are maintaining proper records of inventory and no material discrepancies were noticed by the Management on physical verification.
- iii) "The Group" and its associate have not granted unsecured loans to parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('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 "The Group" and its associate and the nature of the business, for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) "The Group" and its associate have not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Rules specified by the Central Government under sub-section 1 of Section 148 of the Companies Act, 2013 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.
- vii) (a) According to the information and explanations given to us, "The Group" and its associate is regular, wherever required, in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) The Holding 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 Hon'ble AP High Court.
- (c) According to the information and explanations given to us no amount was required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder by "The Group" and its associate.
- (viii) The Holding Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and it has incurred cash losses in the financial year and in the immediately preceding financial year. Its subsidiary company "Best Minerals Ltd." has accumulated losses which are not less than fifty percent of its net worth and also it has incurred cash losses during the current financial year as well as its immediately preceding financial year.
- (ix) "The Group" and its associate have not defaulted in repayment of dues to financial institution or bank or debenture-holders.
- (x) "The Group" has not given any guarantee for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of "The Group".
- (xi) The term loans raised by "The Group" have been applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by "The Group" and its associate has been noticed or reported during the year.

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

C. A. S. D. PARANJPE
Partner
Membership No.41472

Place : Noida, UP
Date : 30th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	<u>Note Nos</u>	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
(` in lacs)			
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,955.48	1,955.48
Reserves and Surplus	3	<u>9,258.48</u>	<u>10,568.43</u>
		11,213.96	12,523.91
		(123.91)	476.52
Minority Interest			
Non-Current Liabilities			
Long-Term Borrowings	4	7,077.08	5,845.22
Deferred Tax Liabilities (Net)	14	-	402.77
Long-Term Provisions	5	<u>1,150.03</u>	<u>1,165.25</u>
		8,227.11	7,413.24
Current Liabilities			
Short-Term Borrowings	6	1,128.67	1,102.58
Trade Payables	7	694.90	1,747.32
Other Current Liabilities	8	3,075.80	1,849.17
Short-Term Provisions	9	<u>62.93</u>	73.96
		4,962.30	4,773.03
TOTAL		<u>24,279.46</u>	<u>25,186.70</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	2,789.26	2,343.54
Intangible Assets	10	8,639.76	8,160.46
Capital Work-in-Progress	10	<u>828.13</u>	<u>272.54</u>
		12,257.15	10,776.54
Non-Current Investments	11	3,832.00	3,827.21
Long-Term Loans and Advances	12	802.41	1,165.32
Other Non-Current Assets	13	1,363.70	1,362.45
Deferred Tax Assets (Net)	14	<u>794.94</u>	-
		19,050.20	17,131.52
Current Assets			
Inventories	15	1,473.92	1,852.80
Trade Receivables	16	328.54	387.21
Cash and Cash Equivalents	17	1,231.64	1,753.28
Short-Term Loans and Advances	18	2,147.83	3,974.62
Other Current Assets	19	<u>47.33</u>	87.27
		5,229.26	8,055.18
TOTAL		<u>24,279.46</u>	<u>25,186.70</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date attached,

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

C.A. S.D. PARANJPE
Partner
Membership No. 41472
Noida, UP : 30th May, 2015

O.P. SARASWAT
Dy. Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 30th May, 2015

For and on behalf of the Board,

R.K. SARAF
Chairman & Managing Director

ASHIM SARAF
Joint Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(` in lacs)

	<u>Note Nos</u>	<u>Year Ended 31st March, 2015</u>	<u>Year Ended 31st March, 2014</u>
INCOME			
Revenue from Operations	20	398.83	24,561.94
Other Income	21	1,519.66	423.10
Total Revenue		1,918.49	24,985.04
EXPENSES			
Cost of Materials Consumed	22	-	11,174.45
Changes in Inventories of Finished Goods and Stock-in-Process	23	8.16	903.01
Employee Benefits Expense	24	1,202.60	2,461.43
Finance Costs	25	738.29	531.99
Depreciation and Amortisation Expense	26	982.82	951.33
Other Expenses	27	2,734.30	11,859.35
Total Expenses		5,666.17	27,881.56
Profit/(Loss) Before exceptional items and Tax		(3,747.68)	(2,896.52)
Exceptional items		-	(0.18)
Profit/(Loss) Before Tax		(3,747.68)	(2,896.70)
Tax Expenses			
Current Tax		-	-
Tax for Earlier Years		(24.78)	0.26
Deferred Tax		(1,198.66)	(70.56)
		(1,223.44)	(70.30)
Profit/(Loss) after Tax but before share of Profit / Loss from Associate & Minority Interest		(2,524.24)	(2,826.40)
Share of Profit/(Loss) from Associate After Tax		4.30	(18.12)
Minority Interest		(382.25)	67.31
Profit/ (Loss) for the year		(2,137.69)	(2,777.21)
Earning per equity share of face value of ` 1/- each			
Basic and Diluted (in `)	28	(1.09)	(1.42)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy. Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. S.D. PARANJPE
Partner
Membership No. 41472
Noida, UP : 30th May, 2015

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 30th May, 2015

ASHIM SARAF
Joint Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-15	2013-14
		(` in lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	(3,747.68)	(2,896.70)
Add : Income from associate after Tax	4.30	(18.12)
Adjustment for:		
Depreciation	982.88	951.39
Exchange difference on translation (Net)	(0.03)	40.99
Interest and Dividend Income	(207.72)	(340.80)
Finance Costs	738.29	531.99
Profit/Loss on Sale of Fixed Assets (Net)	(1,291.69)	(70.89)
	<u>221.73</u>	<u>1,112.68</u>
Operating Profit before Working Capital Changes	(3,521.65)	(1,802.14)
Adjustment for:		
Trade and Other Receivables	2,466.10	1,824.35
Inventories	378.88	1,853.94
Trade Payables	147.96	304.07
Others	(325.61)	(32.94)
	<u>2,667.33</u>	<u>3,949.42</u>
Cash Generated from Operations	(854.32)	2,147.28
Direct Taxes Paid/Adjusted	(192.99)	(30.80)
	<u>(192.99)</u>	<u>(30.80)</u>
Net Cash Flow from Operating Activities	(1,047.31)	2,116.48
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,399.50)	(478.21)
Addition to Intangibles	(1,126.01)	(1,176.37)
Sale of Fixed Assets	1,353.74	72.32
Purchase/Sale of Investments	(4.79)	18.12
Interest and Dividend Income	247.66	289.14
Net Cash Flow (used in) /from Investing Activities	(928.90)	(1,275.00)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long and Short Term Borrowings	1,257.95	(3,025.34)
Other Non current assets	(1.25)	(164.11)
Finance Costs Paid	(732.07)	(525.32)
	<u>524.63</u>	<u>(3,714.77)</u>
Adjustment to net worth on consolidation:		
i) Foreign Currency Translation Reserve	49.79	(597.28)
ii) Adjustment to minority interest	(336.04)	504.16
iii) Addition to Capital Reserves	(20.13)	5.32
iv) Adjustment on account of consolidation	910.71	1,167.74
	<u>604.33</u>	<u>1,079.94</u>
Net Cash Flow (used in)/from Financing Activities	1,128.96	(2,634.83)
Net Increase/(Decrease) in Cash and Cash Equivalents	(847.25)	(1,793.35)
Opening Balance of Cash and Cash Equivalents	1,147.42	2,940.77
Closing Balance of Cash and Cash Equivalents	300.17	1,147.42
Net Increase/(Decrease) in Cash and Cash Equivalents	(847.25)	(1,793.35)

As per our report of even date attached,

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

C.A. S.D. PARANJPE
Partner
Membership No. 41472
Noida, UP : 30th May, 2015

O.P. SARASWAT
Dy. Chief Financial Officer

S.S. SHARMA
General Manager (Legal)
& Company Secretary
Noida, UP : 30th May, 2015

For and on behalf of the Board,

R.K. SARAF
Chairman & Managing Director

ASHIM SARAF
Joint Managing Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation of Consolidated Financial Statements

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

(B) Principles of Consolidation

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

Subsidiary Companies

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

Associate Company:

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

- b) The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and any unrealized profits.
- c) The consolidated financial statements have been prepared using accounting policies for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.
- d) The financial statements of FML have been prepared in accordance with Singapore Generally Accepted Accounting Principles. This subsidiary is not significant as compared to the Company's consolidated operations and hence, the impact thereof, if any, on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material.
- e) The financial statements of FMN and fellow subsidiary FTM have been prepared in accordance with Netherland Generally Accepted Accounting Principles. The impact on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material in view of Company's consolidated operations.
- f) The financial statements of fellow subsidiary Cati have been prepared in accordance with IFRS. The impact on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material in view of Company's consolidated operations.
- g) In translating the financial statements of the non-integral foreign subsidiary for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expenses items are translated at average exchange rate; and all resulting exchange differences are accumulated in foreign currency translation reserve.
- h) The difference between the 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, 2015

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

2. SHARE CAPITAL

(` in lacs)

	As at 31st March, 2015	As at 31st March, 2014
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, 2015		As at 31st March, 2014	
	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, 2015	As at 31st March, 2014
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	195,547,355	195,547,355
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	195,547,355	195,547,355

2.3 Terms/rights attached to Equity Shares:

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

3. RESERVES AND SURPLUS

(` in lacs)

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Capital Reserve		
Balance as at the beginning of the year	8,707.27	8,701.95
Add : Addition during the year	<u>(20.13)</u>	<u>5.32</u>
Balance as at the end of the year	8,687.14	8,707.27
Securities Premium Reserve		
Balance as at the beginning and end of the year	2,667.52	2,667.52
Foregin Currency Translation Reserve		
Balance as at the beginning of the year	5.21	13.57
Add: Movement during the year	<u>(180.70)</u>	<u>(8.36)</u>
Balance as at the end of the year	(175.49)	5.21
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	(1,061.57)	547.90
Add: Profit/(Loss) for the year	(2,137.69)	(2,777.21)
Less: Transferred to Goodwill on Consolidation	910.71	1,167.74
Share of Minority interest	<u>117.86</u>	<u>-</u>
	(1,109.12)	(1,609.47)
Balance as at the end of the year	<u>(2,170.69)</u>	<u>(1,061.57)</u>
TOTAL	<u>9,258.48</u>	<u>10,568.43</u>

4. LONG-TERM BORROWINGS

(Secured)		
Term Loan from Bank (Refer note 4.1)	5,758.05	5,731.11
Loan from Others (Refer note 4.2)	1,000.00	-
(Unsecured)		
Loan from Others	312.94	75.41
Deferred payment liabilities (Refer note 4.3)	6.09	38.70
TOTAL	<u>7,077.08</u>	<u>5,845.22</u>

4.1 Collateraly secured by SBLC issued By Bank of India, Visakhapatnam ` 5,007.00 lacs (Previous year ` 5,731.11 lacs)

Terms of repayment : Payable in 20 equal quarterly instalments.

Secured by pledge of Fixed Assets of Cati Madencilik Ithalat ve Ihracat A.S. and collateraly secured by corporate guarantee of Facor Alloys Ltd. ` 751.05 lacs (Previous year ` NIL): Payable in 20 equal quarterly instalments.

4.2 Secured by way of pledge of 17,42,700 Equity shares of Pioneer Facor IT Infradevelopers Pvt. Limited. The loan is repayable over a period of 2 Years.

4.3 Payable in equal quarterly installments.

5. LONG TERM PROVISIONS

Provision for Employee Benefits:		
P.L. Encashment (Unfunded)	129.50	144.72
Others	1,020.53	1,020.53
TOTAL	<u>1,150.03</u>	<u>1,165.25</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

6. SHORT-TERM BORROWINGS

(` in lacs)

	As at 31 st March, 2015	As at 31 st March, 2014
From Banks (Secured) :		
Cash Credit Accounts	1,128.67	1,102.58
TOTAL	1,128.67	1,102.58

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.

7. TRADE PAYABLES

Trade Payables	694.90	1,747.32
TOTAL	694.90	1,747.32

8. OTHER CURRENT LIABILITIES

Unpaid dividends	17.86	17.86
Other Payables *	3,057.94	1,831.31
TOTAL	3,075.80	1,849.17

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

9. SHORT-TERM PROVISIONS

Provision for Employee Benefits:		
P.L. Encashment (Unfunded)	62.93	73.96
TOTAL	62.93	73.96

10. FIXED ASSETS

(` in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2014	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2015	Upto 1.04.2014	For the Year	Deductions/ Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets:										
Land Freehold	124.90	-	5.98	118.92	-	-	-	-	118.92	124.90
Mines and Quarries Freehold	1.14	-	-	1.14	-	-	-	-	1.14	1.14
Buildings	914.27	30.22	63.59	880.90	636.13	21.60	41.15	616.58	264.32	278.14
Railway Siding	53.99	-	-	53.99	37.88	2.19	-	40.07	13.92	16.11
Plant and Machinery	4,692.42	660.08	14.34	5,338.16	3,107.00	236.72	-	3,343.72	1,994.44	1,585.42
Office and Other Equipments	396.76	4.36	2.65	398.47	268.33	23.14	1.37	290.10	108.37	128.43
Furniture and Fixtures	190.59	149.26	0.43	339.42	154.02	13.72	0.44	167.30	172.12	36.57
Vehicles	633.55	-	18.01	615.54	460.72	38.79	-	499.51	116.03	172.83
TOTAL	7,007.62	843.91	105.00	7,746.54	4,664.08	336.16	42.95	4,957.28	2,789.26	2,343.54
Previous Year	6,805.11	205.66	3.15	7,007.62	4,319.36	346.44	1.72	4,664.08	2,343.54	-
Intangible Assets:										
Mining Concession Licence	66.89	226.48	11.18	282.19	2.09	2.19	-	4.28	277.92	64.81
Goodwill	8,743.35	910.71	-	9,654.06	647.69	644.53	-	1,292.22	8,361.84	8,095.65
TOTAL	8,810.24	1,137.19	11.18	9,936.25	649.78	646.72	-	1,296.50	8,639.76	8,160.46
Previous Year	7,044.95	1,765.29	-	8,810.24	44.83	604.95	-	649.78	8,160.46	-
Capital Work- in- Progress									828.13	272.54

Pursuant to the requirement of Schedule II to the Companies Act, 2013, the Company has revised the remaining useful lives of the assets acquired upto 31st March, 2014 on the basis of the assessment by independent consultant which is different from those mentioned in Schedule II of the Companies Act, 2013. In respect of assets acquired on or after 1st April, 2014, useful lives are considered as mentioned in Schedule II of the Companies Act, 2013. As a result of this change, the depreciation charged for the year ended 31st March, 2015, is higher by ` 2.40 lacs.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

11. NON-CURRENT INVESTMENTS

(` in lacs)

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
Trade Investments : (At Cost)		
In Equity Shares of Associate Company - Unquoted, fully paid up		
17,42,700 (Previous Year -17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ` 1/- each (at cost) (refer note 11.4)	1,855.63	1,855.63
Add: Share of Profit / (Loss) net	(40.56)	(44.86)
	1,815.07	1,810.77
Others - In Equity Shares -Quoted, fully paid up		
6,600 (Previous Year - 6,600) Sunil Healthcare Limited of ` 10/- each	0.20	0.20
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 - 2,00,00,000) Facor Power Limited of ` 10/- each	2,000.00	2,000.00
Nil (Previous Year - 20) Anand Udyog Premises Co-operative Society Limited of ` 50/- each	-	0.01
	2,013.67	2,013.68
In Government Securities : Unquoted		
6 Years National Savings Certificates	3.05	2.55
12 Years National Plan Saving Certificates	0.01	0.01
TOTAL	3,832.00	3,827.21
11.1 Aggregate cost of Quoted Investments	0.20	0.20
11.2 Market value of Quoted Investment	2.50	1.29
11.3 Aggregate amount of Unquoted Investments	3,831.80	3,827.01
11.4 Goodwill arising at acquisition ` 1,500.22 lacs (Previous year ` 1,500.22 lacs)		
12. LONG-TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Other Loans	750.00	-
Security Deposits	52.41	1,165.32
TOTAL	802.41	1,165.32
13. OTHER NON CURRENT ASSETS		
Unamortised Expenditures	1,363.70	1,362.45
TOTAL	1,363.70	1,362.45
14. DEFERRED TAX ASSETS/LIABILITIES (NET)		
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	436.41	474.85
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 and Others to be allowed on payment basis	115.12	72.08
Unabsorbed Depreciation & Unabsorbed business loss	1,116.23	-
	1,231.35	72.08
Net Deferred Tax Assets /(Liabilities)	794.94	(402.77)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

15. INVENTORIES

(` in lacs)

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
(As per Inventory taken, valued and as certified by the Management) (At Cost unless otherwise stated)		
Raw Materials	1,365.18	1,348.73
Stock-in-Process (At Cost or Net realisable value whichever is lower)	15.69	387.78
Finished Goods (At Cost or Net realisable value whichever is lower)	5.36	13.52
Stores and Spare Parts	70.71	85.22
Loose Tools	16.98	17.55
TOTAL	<u>1,473.92</u>	<u>1,852.80</u>

16. TRADE RECEIVABLES

(Unsecured and Considered Good)

Over six months	327.20	82.67
Others	1.34	304.54
TOTAL	<u>328.54</u>	<u>387.21</u>

17. CASH AND CASH EQUIVALENTS

Cash in hand	13.21	12.12
With Scheduled Banks:		
In Current Accounts	276.79	74.38
In Current Accounts- For Unpaid Dividend	17.86	17.86
	<u>294.65</u>	<u>92.24</u>
In Fixed Deposit Accounts:		
With original maturity upto three months	10.17	1,060.92
With original maturity of more than twelve months	913.61	588.00
	<u>1,218.43</u>	<u>1,741.16</u>
TOTAL	<u>1,231.64</u>	<u>1,753.28</u>

Fixed Deposit Receipts lodged with Banks as security deposit for Letters of Credit/Guarantees /Collateral security ` 913.61 lacs (Previous Year ` 588.00 lacs)

18. SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Loans and Advances to Related Parties	1,214.92	2,571.40
Others:		
Balance with Government authorities	206.78	130.49
Prepaid expenses	2.12	23.42
Others	724.01	1,249.31
TOTAL	<u>2,147.83</u>	<u>3,974.62</u>

19. OTHER CURRENT ASSETS

Interest accrued on Fixed Deposits	21.87	61.81
Claims Recoverable	25.46	25.46
TOTAL	<u>47.33</u>	<u>87.27</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

20. REVENUE FROM OPERATIONS

(` in lacs)

	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Sale of products, less returns	203.95	23,773.47
Sale of Services	196.16	1,632.12
	400.11	25,405.59
Less: Excise Duty	1.66	1,394.84
	398.45	24,010.75
Add: Export Incentives	0.38	551.19
TOTAL	398.83	24,561.94

GROSS SALES

20.1 PARTICULARS OF SALE OF PRODUCTS

Ferro Alloys	10.53	23,635.25
Chrome Ore	188.92	7.89
Off Grade / By-products	4.50	130.33
Services rendered (Conversion Charges)	196.16	1,632.12
TOTAL	400.11	25,405.59

21. OTHER INCOME

INTEREST INCOME:

Interest on Deposits	101.56	91.64
Other Interest	106.16	249.16
	207.72	340.80
Miscellaneous receipts	0.25	11.41
Profit /(Loss) on Fixed Assets Sold/Discarded (Net)	1,291.69	70.89
Foreign exchange gain	20.00	-
TOTAL	1,519.66	423.10

22. COST OF MATERIALS CONSUMED

Opening stock of Materials	1,348.73	2,650.97
Add: Purchases	16.45	9,872.21
	1,365.18	12,523.18
Less: Closing stock of Materials	1,365.18	1,348.73
Cost of Materials Consumed	-	11,174.45

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

(` in lacs)

	<u>Year Ended 31st March, 2015</u>	<u>Year Ended 31st March, 2014</u>
Closing stock:		
Finished Goods	5.36	13.52
Stock-in-Process	-	-
	<u>5.36</u>	<u>13.52</u>
Opening stock:		
Finished Goods	13.52	845.36
Stock-in-Process	-	71.17
	<u>13.52</u>	<u>916.53</u>
Decrease/(Increase) in Inventories	<u>8.16</u>	<u>903.01</u>

24. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus	679.46	1,762.69
Contribution to Provident and Other Funds	185.79	286.24
Welfare Expenses	245.50	317.96
Directors' Remuneration	91.85	94.54
TOTAL	<u>1,202.60</u>	<u>2,461.43</u>

25. FINANCE COSTS

Interest:		
On Fixed Loan	433.19	383.39
On Others	244.84	130.64
	<u>678.03</u>	<u>514.03</u>
Other Borrowing Costs	60.26	17.96
TOTAL	<u>738.29</u>	<u>531.99</u>

26. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation	336.15	346.44
Less: Considered in Pre-operative Expenditure	0.06	0.06
	<u>336.09</u>	<u>346.38</u>
Amortisation	646.73	604.95
TOTAL	<u>982.82</u>	<u>951.33</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

27. OTHER EXPENSES

	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014
		(` in lacs)
Power and Fuel	1,131.30	8,027.90
Mining, Handling and other Production Expenses	654.84	648.21
Freight, Shipment and Sales Expenses	9.99	619.04
Stores and Spares	0.28	157.34
Works Expenses	643.39	786.77
Transport Expenses	3.55	90.83
Repairs and Maintenance to Plant and Machinery	30.19	761.78
Repairs and Maintenance to Buildings	117.53	210.82
Insurance	17.79	18.51
Rent (Net)	32.80	78.42
Rates and Taxes	14.67	13.70
Commission and Brokerage on Sales	-	135.17
Donations	-	4.94
Payments to Auditors	12.81	15.32
Directors' Sitting Fees	3.50	2.70
Foreign Exchange Loss	0.03	192.04
Miscellaneous Expenses	61.63	95.86
TOTAL	2,734.30	11,859.35

28. EARNING PER SHARE (BASIC AND DILUTED)

(i) Net Profit after Tax	(2,137.69)	(2,777.21)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,955.48	1,955.48
(iii) Earning per Share: (` per share)	(1.09)	(1.42)

29. 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 Pioneer Facor IT Infradevelopers Pvt.Limited-Associate	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 Ferro Alloys Corporation Limited	10 Shri R.B. Shreeram Religious & Charitable Trust
11 Vidarbha Iron & Steel Corporation Limited	12 Facor Power Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

B Key Management Personnel :

a) Directors

i) R.K. Saraf	Chairman & Managing Director
ii) M.D. Saraf (upto 25-07-2014)	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

b) Executive Officers

i) M.D. Saraf (w.e.f 01-08-2014)	President
ii) S.S. Sharma	GM (Legal) & Co. Secretary
iii) O.P. Saraswat	Dy. Chief Financial Officer

II Transactions with Related Parties during the year ended 31-03-2015 in the ordinary course of business. (in lacs)

Particulars	With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2014-15	2013-14	2014-15	2013-14
i) Purchase of Goods	-	3,026.12	-	-
ii) Purchase of Assets	236.14	32.02	-	-
iii) Rent Paid	56.76	63.32	-	-
iv) Rent Received	67.20	11.20	-	-
v) Reimbursement of Expenditure Paid/(Received) (Net)	18.70	18.16	-	-
vi) Services Received/(Provided) (Net)	13.05	26.04	-	-
vii) Interest Paid / (Received)	(62.50)	(93.21)	-	-
viii) Donation paid	-	3.00	-	-
ix) Short Term Loans and Advances Given/(Received)	29.91	(780.58)	-	-
x) Clearing & forwarding and other service charges	-	3.95	-	-
xi) Directors' remuneration	-	-	80.08	91.94
xii) Executive Officers' remuneration	-	-	39.59	-
xiii) Balances outstanding at the year end:				
a) Short Term Loans and Advances given	574.18	544.27	-	-
b) Trade Receivables	723.34	2,109.73	-	-
c) Managerial Remuneration Payable	-	-	43.07	7.37
d) Executive Officers' remuneration Payable	-	-	8.12	-
e) Other Payables	21.15	6.94	-	-

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

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
	1	2	3	4	5
	Parent				
	Facor Alloys Limited	138.59	12,116.79	31.98	(807.36)
	Subsidiaries				
	Indian				
1	Best Minerals Ltd.	(0.12)	(10.17)	0.02	(0.41)
2	FAL Power Ventures Pvt. Ltd.	-	-	-	-
3	Facor Electric Ltd.	-	-	-	-
	Foreign				
1	Facor Minerals Pte. Ltd.	(0.09)	(8.14)	(0.35)	8.92
2	Facor Minerals (Netherlands) B.V.	(36.96)	(3,231.48)	68.15	(1,720.38)
	Minority Interest in all Subsidiaries	(1.42)	(123.91)	15.14	(382.25)
	Indian-Associates(Investment as per equity method)				
1	Pioneer Facor IT Infradevelopers Pvt. Limited	(65.71)	1,815.07	0.19	4.30

32. **FORM AOC - 1**
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies

Part "A": Subsidiaries

(₹ in lacs)

1	SI.No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkrom Mining (Netherlands) B.V.	Cati Mandencilik Ithalat ve ihracat A. S.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US\$ 62.59	US\$ 62.59	US\$ 62.59	US\$ 62.59
5	Share Capital	5.00	1.00	5.00	339.85	1,440.52	1,376.93	887.19
6	Reserves & Surplus	(10.17)	-	-	(8.14)	(3,231.48)	(82.52)	(892.84)
7	Total Assets	0.31	1,204.62	312.74	338.92	6,921.57	1,314.35	2,006.69
8	Total Liabilities	0.31	1,204.62	312.74	338.92	6,921.57	1,314.35	2,006.69
9	Investments	0.01	-	-	-	-	1,261.34	-
10	Turnover	-	-	-	-	188.92	-	188.92
11	Profit before taxation	(0.41)	-	-	8.92	(1,720.38)	(28.70)	(556.30)
12	Provision for taxation	-	-	-	-	-	-	-
13	Profit after taxation	(0.41)	-	-	8.92	(1,720.38)	(28.70)	(556.30)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	93.48%	51%	100%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Notes : Following are the names of subsidiaries which are yet to commence operations:

- | | |
|---|---|
| i) FAL Power Ventures Pvt. Ltd. | ii) Facor Electric Limited |
| iii) Facor Minerals Pte. Ltd. | iv) Facor Minerals (Netherlands) B.V. |
| v) Facor Turkkrom Mining (Netherlands) B.V:-
Subsidiary of Facor Minerals (Netherlands) B.V. | vi) Cati Mandencilik Ithalat ve Ihracat A.S :-
Wholly owned subsidiary of Facor Turkkrom Mining (Netherlands) B.V. |

Part “B”: Associates and Joint Ventures

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

Sr. No.	Name of Associates/Joint Ventures	Pioneer Facor IT Infradevelopers Pvt. Ltd.
1	Latest audited Balance Sheet Date	31.03.2015
2	Shares of Associates held by the company on the year end	
	No.	1742700
	Amount of Investment in Associates (` /Lacs)	1815.07
	Extend of Holding %	20.40%
3	Description of how there is significant influence	There is significant influence due to holding of more than 20% Equity Share Capital
4	Reason why the associate/joint venture is not considered	-
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (` /Lacs)	588.83
6	Profit/Loss for the year	
	(i) Considered in Consolidation (` /Lacs)	4.30
	(ii) Not Considered in Consolidation	-

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

As per our report of even date attached,

For and on behalf of the Board,

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

O.P. SARASWAT
Dy.Chief Financial Officer

R.K. SARAF
Chairman & Managing Director

C.A. S.D. PARANJPE
Partner
Membership No. 41472

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

ASHIM SARAF
Joint Managing Director

Noida, UP : 30th May, 2015

Noida, UP : 30th May, 2015

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

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

Name of the Director	Ratio	Name of the Director	Ratio
Mr. R. K. Saraf	27.55:1	Mr. M. D. Saraf	09.29:1
Mr. Ashim Saraf	30.86:1	Mr. Anurag Saraf	30.74:1
Mr. C. N. Harman	18.87:1		

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

Name of the Director	% Increase	Name of the Director	% Increase
Mr. R. K. Saraf	1.16 %	Mr. M. D. Saraf	—
Mr. Ashim Saraf	—	Mr. Anurag Saraf	—
Mr. C. N. Harman	6.49 %	Other KMP	
Mr. O. P. Saraswat, Dy. CFO	-2.88%	Mr. S.S. Sharma, CS	-8.57%

iii) Comparison of the each Remuneration of the Director / KMP against the performance of (PBT) of the Company:-

Name of the Director/KMP	Remuneration %	Company's performance %
Mr. R. K. Saraf	1.16 %	-18.32 %
Mr. M. D. Saraf	-68.26 %	-18.32 %
Mr. Ashim Saraf	-2.83 %	-18.32 %
Mr. Anurag Saraf	-2.05 %	-18.32 %
Mr. C. N. Harman	6.49 %	-18.32 %
Mr. O. P. Saraswat	-2.88 %	-18.32 %
Mr. S.S. Sharma	-8.57%	-18.32 %

iv) the percentage increase in the median remuneration of employees in the financial year 2014-15 -75.82 %

v) the number of permanent employees on the rolls of Company 585

vi) the explanation on the relationship between average increase in remuneration and Company performance (PBT)
 Average increase in remuneration (in %) -53.07 %
 Increase in Company's performance (in %) -18.32 %

vii) comparison of the remuneration of the Key Managerial Personnel against the performance (PBT) of the Company
 Average increase in remuneration (in %) -4.08 %
 Increase in Company's performance (in %) -18.32 %

viii) Market capitalisation as on 31.03.2015 (₹ in Crore) 17.21
 Market capitalisation as on 31.03.2014 (₹ in Crore) 25.42
 Decrease in market capitalization (₹ in Crore) 8.21
 Price earning ratio as at 31.03.2015 (in multiples) -2.15
 Price earning ratio as at 31.03.2014 (in multiples) -1.55

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 - 400 013
 Phone : 91-22-24918155
 Fax : 91-22-24918157
 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 : facorvizag@facorgroup.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
 Phone : +91-120417 1000
 Fax : +91-120425 6700
 E-Mail : facordelhi@facorgroup.in

Shri Ishwar Das

Manager (Administration)

Kolkata:

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

Shri Pratap Lodge

General Manager [East Zone]

Nagpur:

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

Shri H.S. Shah

Dy. General Manager

HEAD OFFICE

Tumsar

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

Chennai:

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

Shri R.G. Chari

General Manager [South Zone]

Bhubaneswar:

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

Shri M.V. Rao

Resident Manager

FACOR ALLOYS LIMITED

CIN L27101AP2004PLC043252

Regd. Office & Works: Shreeramnagar-535 101, Dist. Vizianagaram, A.P., India

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

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

NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Management and Administration) Rules, 2014, (the "Rules") that the Special Resolution appended below is proposed to be passed by the Shareholders by way of Postal Ballot/e-Voting. The explanatory statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed hereto alongwith the Postal Ballot Form (the "Form").

In compliance with Clause 35B of the Listing Agreement with the Stock Exchange and provisions of Section 110 of the Act, read with the Rules, the Company is pleased to extend e-Voting facility as an alternative, to enable the Shareholders to cast their votes electronically instead of through Form.

Mr. Prem Shankar Rathi, a Practicing Chartered Accountant (FCA No. 207457) has been appointed as the Scrutinizer (the "Scrutinizer") for conducting the Postal Ballot process in a fair and transparent manner.

A member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form (on the self-addressed Business Reply Inland) and send it to the Scrutinizer. No other form or photo copy of the form will be accepted. The members can opt for only one mode of voting i.e. either by remote e-voting or voting by physical mode. If the members are opting to vote by remote e-voting, then they should not opt for physical Postal Ballot and vice versa. In case the members cast their vote both by physical ballot and remote e-voting, then voting done through remote e-voting will prevail and voting done through physical Ballot will be treated as invalid. Postage cover will be borne and paid by the Company. However, Inland postage cover containing Postal Ballot, if sent by Speed Post or Registered Post or Courier at the expense of the registered member will also be accepted. The Inland letter may also be deposited personally at the address given thereon. However the Inland postage cover of the Postal Ballot should reach the Company not later than the close of working hours on Monday, the 28th September, 2015. If the physical ballots are received thereafter they shall be deemed to be not received. The Scrutinizer shall submit his report after completion of the scrutiny of Forms including e-Voting.

The results of voting by Postal Ballot will be declared on Monday, the 28th September, 2015 at 3:30 p.m. and the Resolution will be taken as passed effectively on the date of announcement of the result by the Chairman & Managing Director, if the results of the Postal Ballot indicate that the requisite majority of the members had assented to the Resolution. The date of declaration of result of Postal Ballot shall be deemed to be the date of General Meeting and the date of passing the proposed Resolution. The results shall be communicated to the Stock Exchange and the same alongwith the Scrutinizer's report will be displayed on the Company's website www.facorgroup.in as well as on Central Depository Services (India) Limited's website <https://www.evoting.cdsl.com>.

**PROPOSED RESOLUTION
APPROVAL FOR INVESTMENTS/LOANS/ GUARANTEES/SECURITIES
To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary and provisions of other applicable laws, consent of the

Shareholders be and is hereby accorded and is deemed to have been accorded with effect from 1st April, 2014 to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, whether Indian or overseas, subject to the limits set out below on such terms and conditions as the Board may deem fit and proper, notwithstanding the fact that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate alongwith the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company as set out below exceed the limits specified under Section 186 (2) of the Act :

Sl. No.	Particulars*	Upto a limit outstanding at any point of time
1	Loans to any person(s) (including employees) or bodies corporate	₹ 175 Crores
2	Investments in bodies corporate	₹ 175 Crores
3	Guarantees/securities in connection with loan to any person(s) (including employees) or bodies corporate	₹ 150 Crores
	Total	₹ 500 Crores

*Excluding the loans/ guarantees/ securities given or provided to wholly owned subsidiaries or joint venture companies (as the case may be), whether situated in India or abroad and investments made in wholly owned subsidiaries, whether situated in India or abroad.

RESOLVED FURTHER THAT Mr. R. K. Saraf, Chairman & Managing Director, Mr. Ashim Saraf, Joint Managing Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things including but not limiting to deciding the entity(ies) in which the investment(s) be made and / or loan(s) extended and / or guarantee(s) and security(ies) be provided, amount of investment(s) to be made and / or loan(s) to be extended and / or guarantee(s) and security(ies) to be provided, when such amount be given from time to time, manner and nature of investment(s), the period for which loan(s) be extended, interest and security and other terms for extending loan(s), as the case may be, and such other terms and conditions, and for the purpose to sign agreements, deeds, documents, guarantees, forms, indemnities, registers, letters, declarations, confirmations, undertakings and such other papers as may be necessary, desirable and expedient.

RESOLVED FURTHER THAT all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its directors and/or officers and/or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved."

For Facor Alloys Limited

(S. S. Sharma)

General Manager (Legal) & Company Secretary

Dated : 08th August, 2015

NOTES

1. The Explanatory Statement pursuant to Section 102 and Section 110 of the Companies Act, 2013 read with the Rules made thereunder for the proposed Special Resolution setting out material facts in relation thereto is appended to the Notice.
2. This Postal Ballot Notice is being sent to all the members whose names appear as on the Record Date as on close of working hours on Friday, the 21st August, 2015 in the Register of Members/ Record of Depositories. A person who is not a member as on the Record Date should treat this notice for information purpose only.
3. The voting rights of members shall be in proportion to their share in the paid up equity capital of the Company as on Record Date.
4. The Postal Ballot Notice has been placed on the Company's **website: www.facorgroup.in** and Central Depository Services (India) Ltd.'s **website: www.evotingindia.com** and will remain on such websites until the last date of receipt of Postal Ballot from members.
5. In line with the **"Green initiative in the Corporate Governance"** launched by the Ministry of Corporate Affairs allowing paperless compliances by recognizing e-mails as one of the modes of service of notice / documents on the members, the Company is sending this Notice electronically on the e-mail addresses as provided by the members / as obtained from the Depositories/ other sources to the members. Such members may exercise their voting electronically as per the procedure given below. Members who have not registered their e-mail-IDs with Depositories/ other sources will receive the notice of Postal Ballot alongwith physical form through Registered Post or Courier.
6. The date of completion of despatch of Notice of Postal Ballot / e-mails will be announced through advertisement in Newspapers.
7. In case, shares are jointly held, the Postal Ballot form should be completed and signed (as per the specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member.
8. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot form should be accompanied by a certified copy of the Board Resolution/ Authority letter together with attested specimen signature(s) of the duly authorized signatory /ies, giving requisite authority to the person voting on the Postal Ballot form.
9. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 22 of the Companies (Management & Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members (whether holding shares in physical form or in dematerialized mode) with the facility to exercise their right to vote by electronic means instead of dispatching Postal Ballot form and has engaged the services of Central Depository Services (India) Limited (CDSL) as authorized agency to provide remote e-voting facility.

The procedure and instructions for such remote e-voting are as follows:

- (i) The remote e-voting commences on Saturday the 29th August, 2015 (IST 9.00 A.M) and ends on Monday, the 28th September, 2015 (IST 5.00 P.M). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 21st August, 2015 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should Log on to the e-voting website www.evotingindia.com.
- (iii) Click on "shareholders" tab.
- (iv) Now Enter your applicable User ID, as under:-
 - 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 code as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm /yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 dematholders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended that members should not share their password with any other person and take utmost care to keep their password confidential.
- (x) For members holding shares in physical form, the details can be used only for remote e-voting on the Resolution contained in this Notice.
- (xi) Click on the EVSN-150822042 of "Facor Alloys Limited".
- (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 if a member has decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If a member wishes to confirm his vote, click on "OK", else to change the vote, click on "CANCEL" and accordingly modify his vote.
- (xv) Once a member "CONFIRM" his vote on the Resolution, he will not be allowed to change his vote.
- (xvi) A member can also take out print of the voting done by him by clicking on "Click here to print" option on the Voting page.
- (xvii) If the demat account holder has forgotten the changed password then Enter the User ID and image verification code and click on

- Forgot Password & enter the details as prompted by the system.
- (xviii) For Non-Individual members and Custodians:
- a) Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - b) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to **helpdesk.evoting@cdslindia.com**.
 - c) After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - d) 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.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com under help section or write an email to **helpdesk.evoting@cdslindia.com**.
10. In case, the members who have been sent this Notice electronically and who do not want to avail the remote e-voting facility organised through CDSL or requiring a duplicate Postal Ballot form, such members may send a request to the Company on "**facoralloys@facorgroup.in**" for obtaining the Notice and Postal Ballot Form in physical. On receipt of such requests, the Company will dispatch the same in physical form to enable the members to send back the Postal Ballot by Monday, the 28th September, 2015.
 11. The vote in this Postal Ballot cannot be exercised through proxy.
 12. The Scrutinizers' decision on the validity or otherwise of the Postal Ballot/remote e-voting will be final. The Scrutinizer(s) will submit his report to the Chairman and Managing Director or any person authorized by the Chairman and Managing Director after completion of the Scrutiny of the Postal Ballot (physical and remote e-voting process).
 13. A copy each of the documents referred to in the accompanying Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 2.00 P.M. up to the date of declaration of the results of Postal Ballot.

14. Members voting through Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot form before exercising their vote.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

In terms of Rule (11) of the Companies (Meetings of Board and its Powers) Rules, 2014, the above limits are not applicable in case a company gives loan or guarantee or provides security to its wholly owned subsidiary companies or joint venture companies or makes investment in securities of its wholly owned subsidiary companies.

Aggregate amount of the loans and investments so far made, the amount for which guarantees and securities so far provided by the Company may exceed the limits of 60% of its paid up capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher in the near future.

In view of the above, the Board of Directors in its meeting held on 08th August, 2015 considered to obtain approval of the shareholders by means of special resolution to enable it to give any loan, guarantee or make investment in shares, debentures etc. upto an amount of ` 500.00 Crore over and above the limits as specified in Section 186 (2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/ guarantees/ securities given/ provided to wholly owned subsidiary companies and/or joint venture companies and investments made in wholly owned subsidiary companies, from time to time.

The resolution set out at Item No. 1 is recommended for approval of the members as special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding as Members.

For Facor Alloys Limited

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

Dated : 08th August, 2015

Cut Here

POSTAL BALLOT FORM

1. Name(s) of Shareholder(s) (In block letters)
(Including Joint holders, if any)
2. Registered address of the sole / first named Shareholder
3. Registered Folio No./ DP ID No./Client ID No.**
(Applicable to investors holding shares in dematerialized form)
4. No. of Equity Shares held
5. I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the notice dated 08th August, 2015 of the Company by sending my/our assent or dissent to the said resolution by placing tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Shares held	I/We assent to the Resolution	I/We dissent to the Resolution
1.	Special Resolution under Section 186 of the Companies Act, 2013 for making investments, giving of loans to any person or other bodies corporate and providing guarantee/security in connection with a loan to any other body corporate or person.			

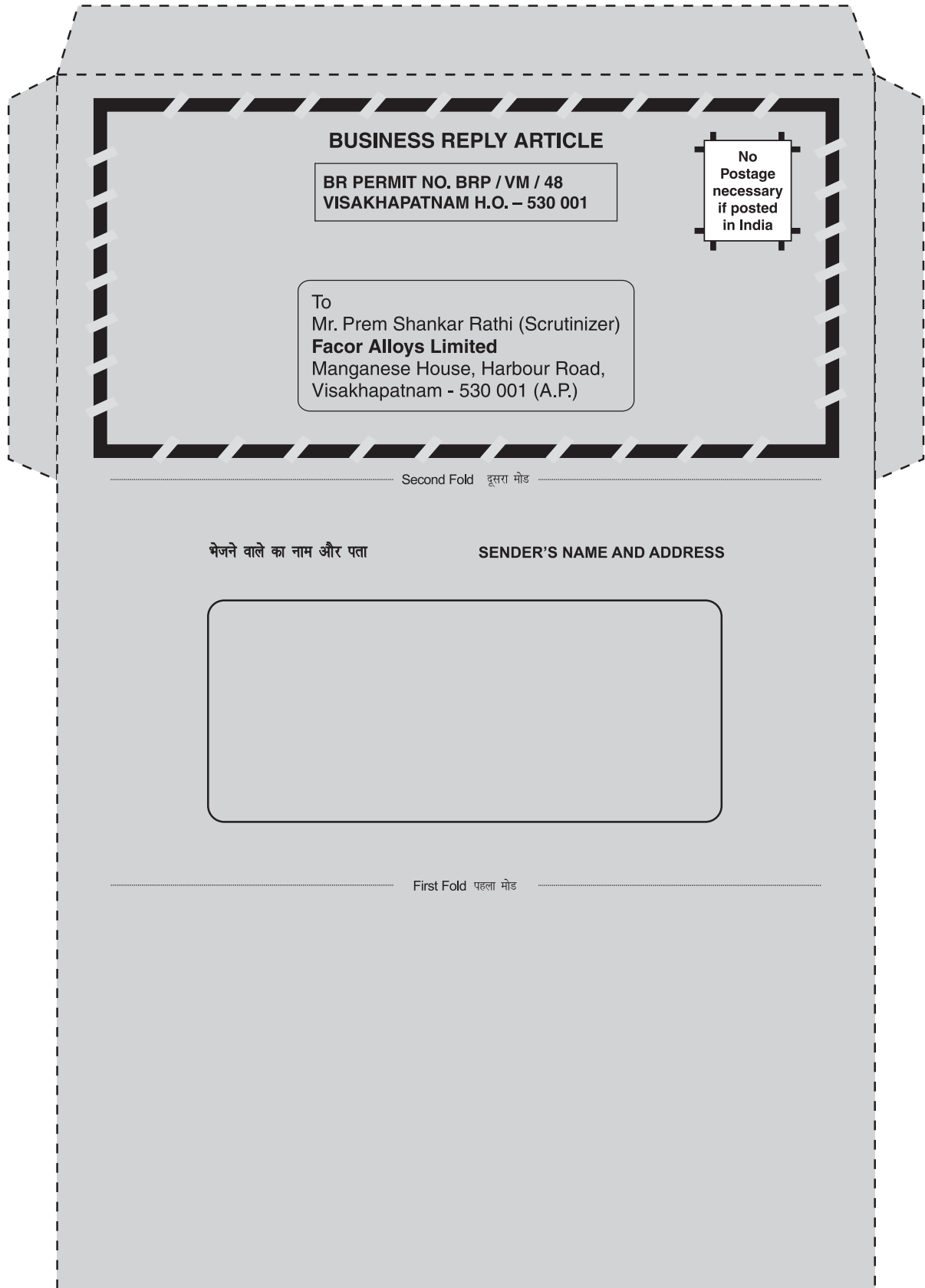
Place :
Date :

.....
Signature of the Member

Note : Please read carefully the instructions printed below before exercising the vote.

Instructions:

1. A Member desirous of exercising vote by Postal Ballot should complete the Postal Ballot Form in all respects and send the self addressed postage pre-paid business reply inland letter after signature to the scrutinizer. However, Postal Ballot, if sent by courier or by registered post at the expense of the Registered Member will also be accepted. The Postal Ballot may also be deposited personally at the address mentioned therein.
2. The self-addressed Inland letter bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this form should be completed and signed by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Members holding shares in dematerialized form are advised, in their own interest, to get their signatures verified by their Banker/Depository Participant (DP). Signatures should be verified by the Manager of the concerned Banker/DP by affixing a rubber stamp/seal mentioning name and address of the Banker/DP and name, stamp and signature of the Manager.
5. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (1730 hrs) on 27th September, 2015. Postal Ballot Form received after this date will be strictly treated as if reply from such member has not been received. Members are requested to send the duly completed Postal Ballot Form well before 21st September, 2015 providing sufficient time for postal transit.
6. The voting shall be reckoned in proportion to a member's share of the paid up equity share capital of the Company as on 21st August, 2015.
7. In case of shares held by Companies, Trusts, Societies etc. the duly completed Postal Ballot Form should be accompanied by certified copy of the Board Resolution / Authority and preferably with attested specimen signature(s) of the duly authorized signatory(s) giving requisite authority to the person voting on the Postal Ballot Form.
8. Members are requested not to send any paper (other than the resolution/authority as mentioned under item no. 1 above) along with the Postal Ballot Form. They are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and putting their signature.
9. Any query in relation to the resolution proposed to be passed by Postal Ballot may be addressed to Mr. S.S. Sharma, Company Secretary, Facor Alloys Ltd., Shreeramnagar- 535 101, Dist. Vizianagaram (A.P.).



FACOR ALLOYS LIMITED

CIN L27101AP2004PLC043252

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

Twelfth Annual General Meeting on 22nd September, 2015

FORM NO. MGT-11

PROXY FORM

**(Pursuant to section 105 (6) of the Companies Act, 2014 and rule 19(3) of the Companies
 (Management and Administration) Rules, 2015)**

CIN : L27101AP2004PLC043252	Registered Office & Works: SHREERAMNAGAR-535 101, Dist. Vizianagaram, A.P., India
Name of the Company	Facor Alloys Limited
Name of the member(s)	
Registered Address	
E-mail Id	
Folio No./DP ID-Client ID No.	

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

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

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Twelfth Annual General Meeting of the Company, to be held on Tuesday, the 22nd September, 2015 at 11.30 a.m. at Administrative Building, Shreeramnagar-535101 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2015
2.	Re-appointment of Mr. Anurag Saraf, Joint Managing Director who retires by rotation
3.	Appoint Auditors and fix their remuneration
Special Business	
4.	Appointment of Mrs. Urmila Gupta (holding DIN:00637110) as Director
5.	Ratification of Cost Auditors' remuneration
6.	Keeping the Register of Members with Registrar And Share Transfer Agents of the Company
7.	Approval for Related Party Transactions pursuant to Section 188 of the Companies Act, 2013
8.	To Make investments, give loans/guarantee or provide security pursuant to Section 186 of the Companies Act, 2013 beyond the prescribed limits (to be voted only by Postal Ballot)
9.	Adoption of new Memorandum and Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

Signed this day of.....2015

Signature of Shareholder(s) :

Signature of Proxy holder(s) :



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

Discharging of Corporate Social Responsibilities – Some Snap Shots of the function organized at Shreeramnagar for distribution of gifts to challenged students on 14th August, 2015



President of Women & Child Welfare Centre Mrs. Promila Saraf explaining the activities of the Centre to Mr. M. M. Nayak, Vizianagaram District Collector & Magistrate, the visiting Chief guest



President of Women & Child Welfare Centre Mrs. Promila Saraf interacting with the children



Mr. Ashim Saraf, Joint Managing Director is felicitated by one of the impaired child



FACOR ALLOYS LIMITED

CIN : L27101AP2004PLC043252

Shreeramnagar-535 101 Garividi, Dist : Vizianagaram [Andhra Pradesh]

Phone : 91-8952-282029 & 282038, Fax : 91-8952-282188

E-mail : facoralloys@facorgroup.in, Website : www.facorgroup.in