FIFTEENTH ANNUAL REPORT 2017-18

FACOR ALLOYS LIMITED

CORPORATE INFORMATION

Board of Directors

R.K. Saraf
Chairman & Managing Director

Ashim Saraf
Joint Managing Director

Anurag Saraf
Joint Managing Director

Rohit Saraf

K. Jayabharat Reddy

A. S. Kapre

K. L. Mehrotra

Mrs. Urmila Gupta

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

Executives

M.D. Saraf
President

M.S.S. Sarma
Chief Executive

O.P. Saraswat
Dy. Chief Financial Officer

Bankers

Bank of India
Central Bank of India
State Bank of India
Syndicate Bank
Indian Overseas Bank

Solicitors

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

Auditors

K K Mankeshwar & Co.
Chartered Accountants

Internal Auditors

Rao & Kumar
Chartered Accountants

Registrars & Share Transfer Agents

(for Both Physical & Electronic)

MAS Services Limited,
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110020
Phone No.+91-11-26387281-83
Fax No.+91-11-26387384
E-Mail : info@masserv.com

Contents:

NOTICE

Notice is hereby given that the **FIFTEENTH 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 Monday, the 17th September, 2018 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, 2018 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, 2018.

2. To appoint a Director in the place of Mr. Rohit Saraf (DIN 00003994), who retires from office by rotation and, being eligible, offers himself for re-appointment.

As Special Business:

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

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for the financial year ended 31st March 2019.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

4. To re-appoint Mr. K Jayabharat Reddy as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K Jayabharat Reddy (DIN: 00038342), who was appointed as an Independent Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 09th September, 2019 to 08th September, 2024 on the Board of the Company.

   RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded for continuation of directorship of Mr. K Jayabharat Reddy as an Independent Director, who is age of 75 (seventy five) years and above, till the expiry of his present term i.e. upto 08th September, 2019, as approved by the Shareholders vide their ordinary resolution in their 12th Annual General Meeting held on 22nd September, 2015.

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

5. To re-appoint Mr. A. S. Kapre as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. A. S. Kapre (DIN: 00019530), who was appointed as an Independent Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 09th September, 2019 to 08th September, 2024 on the Board of the Company."

6. To re-appoint Mr. K. L. Mehrotra as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K. L. Mehrotra (DIN: 00062172), who was appointed as an Independent Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 09th September, 2019 to 08th September, 2024 on the Board of the Company."

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

   "RESOLVED THAT pursuant to provisions of Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') read with rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for continuation of directorship of Mrs Urmila Gupta (DIN 00637110) as an Independent Director, who is age of 75 (seventy five) years and above, till the expiry of her present term i.e. upto 12th February, 2020, as approved by the Shareholders vide their ordinary resolution in their 12th Annual General Meeting held on 22nd September, 2015.

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

8. To re-appoint Mr. R. K. Saraf as Managing Director and in this regard, to pass, the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such further approvals, if any, as may be necessary, the Company hereby approves of the re-appointment and terms of remuneration of Mr. R. K. Saraf (DIN: 00006102) as the Managing Director of the Company for a period of 5 years with effect from 01.04.2019 upon the terms and conditions as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialled by the Secretary for the purpose of identification and which draft agreement, the broad details of which (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) are given in the Explanatory Statement in respect of this item of the Notice, is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between the Board of Directors and Mr. R. K. Saraf in the best interest of the Company, within the limitations in that behalf as contained in Schedule V to the Act or any amendments thereof or otherwise as may be permissible at law and that the Agreement when finalized be executed by the Company in accordance with the relevant provisions contained in the Articles of Association of the Company.

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

9. To re-appoint Mr. Ashim Saraf as Joint Managing Director and in this regard, to pass, the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such further approvals, if any, as may be necessary, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Ashim Saraf (DIN: 00009581) as the Joint Managing Director of the Company for a period of 5 years with effect from 01.04.2019 upon the terms and conditions as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialled by the Secretary for the purpose of identification and which draft agreement, the broad details of which (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) are given in the Explanatory Statement in respect of this item of the Notice, is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between the Board of Directors and Mr. Ashim Saraf in the best interest of the Company, within the limitations in that behalf as contained in Schedule V to the Act or any amendments thereof or otherwise as may be permissible at law and that the Agreement when finalized be executed by the Company in accordance with the relevant provisions contained in the Articles of Association of the Company.

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

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 3 to 9 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment under Item Nos. 4-6 & 8-9 pursuant to relevant regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.

2. A route map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the AGM notice.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO

ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 11th September, 2018 to Monday, the 17th September, 2018, both days inclusive.

5. Pursuant to section 124 (5) of the Companies Act, 2013, unclaimed dividend alongwith shares is to be transferred to the "Investor Education and Protection Fund" established by the Central Government in terms of section 125 of the Companies Act, 2013 after a period of seven years from the date of transfer to unpaid dividends A/c. Shareholders who have not en-cashed or misplaced the dividend warrants for the year 2010-11 are requested to write to M/s. MAS Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 for claiming unpaid dividend. Due date for transfer of the unclaimed dividend for the year 2010-11 to the said fund is 15th October, 2018.

   Also, pursuant to Section 124 (2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amount lying with the Company in respect of dividend for the year 2010-11, on the website of the Company.

6. Voting through electronic means:

   In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management And Administration) Amendment Rules, 2016 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 15th 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 15th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 14th September, 2018 at 10.00 a.m. (IST) and ends on 16th September, 2018 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 10th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated 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. • 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 directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.

III. Mr. P.S. Rathi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

IV. The scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman.

V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.facoralloys.com and on the website of CDSL and communicated to the Stock Exchange, where the shares are listed.

7. Members can also download the notice of Annual General Meeting from the website of the company i.e. www.facoralloys.com.

8. Copies of Annual Report 2017-18 and the Notice of 15^{th} 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 2017-18 and Notice of 15^{th} Annual General Meeting are being sent by the permitted mode.

9. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., M/s. MAS Services Ltd, T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 in respect of their physical share holding, if any. While intimating change of address to Depositories and Registrar and Share Transfer Agents please indicate your client ID No. / Folio No., as may be applicable. The address should be complete with Pin Code No.

10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form duly filled in and signed to the above Registrar & Transfer Agent. The Form can be had from the Share Department at the Registered Office of the Company at Shreeramnagar-535101 Dist. Vizianagaram, Andhra Pradesh.

11. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (ten) days in advance of the Annual General Meeting.

12. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

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

By order of the Board,

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

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

Dated: 11th August, 2018

ANNEXURE TO THE NOTICE

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

ITEM NO.3

The Company is directed, under Section 148 of the Act to have the audit of its cost 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, 2019, at a remuneration of ₹ 50,000/- plus taxes and out-of-pocket expenses.

Mr. Prakash Uppalapati has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. Mr. Prakash Uppalapati has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past six/seven years.

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

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.3 of the Notice.

ITEM NOS.4-6

Mr. K Jayabharat Reddy (DIN: 00038342), Mr. A. S. Kapre (DIN: 00019530) and Mr. K. L. Mehrotra (DIN: 00062172) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange. They hold office as Independent Directors of the Company up to the conclusion/ date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149 (10) and 149 (11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149 (6) of the Act.

Section 149 (10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149 (11) provides that an independent director may hold office for up to two consecutive terms.

Further Mr. K Jayabharat Reddy the Independent Director of the Company, who is the age of 75 years or more on 01-04-2019 can't continue as non-executive director from 1st April, 2019 unless a special resolution has been passed by the shareholders in this regard. The justification pursuant to amended Regulation 17 of SEBI (LODR), 2015 in respect of re-appointment/continuation of Mr. K Jayabharat Reddy is as under :-

Mr. K. Jayabharat Reddy aged 81 years is a Post Graduate in Economics Statistics from Delhi School of Economics and post Graduate in Economics from Madras University, Visiting Fellow Oxford University, U.K. He is a retired IAS and having over four decades rich experience to his credit as a senior government officer in the area of General and Public Administration and industrial management, policy formation. He is also holding directorship in Taj GVK Hotels & Resorts Ltd. a listed public company and NCL Alltek Seccolor Ltd. another unlisted public company for the last no. of years. He has been a Non-Executive Director of the Company since 01st September, 2004 besides holding Chairmanship of Audit Committee. Mr. Reddy actively participated in the meetings and had been making very valuable contribution during discussions at the Board Meetings. He was generally regular and on time for the Meetings of the Board.

Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4, 5 and 6, are provided in the Corporate Governance Report pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letters of appointment of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective re-appointments.

The relatives of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the members.

ITEM NO.7

Members at their 12th Annual General Meeting held on 22nd September, 2015 had appointed Mrs Urmila Gupta (DIN 00637110) as an Independent woman Director to hold office from 13th February, 2015 to 12th February, 2020.

Members may note that SEBI vide its notification dated 9th May, 2018 amended Regulation 17 of SEBI (LODR), 2015 effective from 1st April, 2019, which is read as under-

"No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person."

In view of the above, Mrs Urmila Gupta the Independent woman Director of the Company, who will be attaining the age of 75 years on 11-01-2019 can't continue as non-executive director from 1st April, 2019 unless a special resolution has been passed by the shareholders in this regard.

The Company has also received declaration from Mrs Urmila Gupta that she meets the criteria of Independence as prescribed under sub section (6) of Section 149 of Companies Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, in the best interest of the Company, the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 18th May, 2018 approved the continuance of Directorship of Mrs Urmila Gupta as an Independent Director from 01st April, 2019 till her present term expiring on 12th February, 2020. The Nomination and Remuneration Committee and Board of Directors appreciated the contribution and expressed its deep satisfaction over the performance of Mrs Urmila Gupta as an Independent Director of the Company. The justification for her continuation till her present term is as under :

Mrs. Urmila Gupta, aged 74 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. She is also the Chairman of

Sexual Harassment of Women at working place Committee of the Company. Mrs. Urmila Gupta actively participated in the meetings and had been making very valuable contribution during discussions at the Board Meetings. She was generally regular and on time for the Meetings of the Board.

ITEM NO.8

Mr. R.K. Saraf is the promoter Director of Ferro Alloys Corporation Ltd (FACOR). He has been associated with the said Company since its inception and as Executive Director from April, 1975 and as Joint Managing Director from December, 1986. He was looking after the Ferro Alloys Division of FACOR. Upon trifurcation of FACOR, this Company was formed to take over the said Division of FACOR. He was then appointed as Managing Director of this Company. Under his stewardship the Company is doing well. It is therefore considered desirable that the Company should continue to avail the benefit of his vast and varied experience in the Ferro Alloys industry and able guidance.

The Board of Directors of the Company therefore re-appointed Mr. R.K. Saraf as Managing Director of the Company for a period of 5 years w.e.f. 01.04.2019 subject to your approval.

The material terms & conditions of his appointment and remuneration which are in conformity with the Schedule V to the Act are as contained in the draft Agreement and as given in the attached Annexure “A” forming part of the Explanatory Statement.

Accordingly, the resolution in item no. 8 of this Notice is commended for your approval.

Mr. R. K. Saraf is interested in this resolution relating to him. Mr. Ashim Saraf, Director of the Company, is related to Mr. R. K. Saraf and hence he is also interested in this resolution.

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

ITEM NO. 9

Mr. Ashim Saraf is M.Sc (Tech) S.T.D. from the Birla Institute of Tech. & Science, Pilani. He has several years experience in business and administration to his credit. Under his guidance the Company is doing well. Hence, it is desirable that he should continue as Joint Managing Director of the Company.

Accordingly, the Board of Directors of the Company re-appointed Mr. Ashim Saraf as Joint Managing Director for a period of 5 years w.e.f. 01.04.2019 subject to your approval.

The material terms & conditions of his appointment and remuneration which are in conformity with the Schedule V to the Act, are as contained in the draft Agreement and as given in the attached Annexure “A” forming part of the Explanatory Statement.

Accordingly, the resolution in item no. 9 of this Notice is commended for your approval.

Mr. Ashim Saraf is interested in this resolution relating to him. Mr. R. K. Saraf, Director of the Company, is related to Mr. Ashim Saraf and hence he is also interested in this resolution.

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

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

By order of the Board,

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

Dated: 11th August, 2018

ANNEXURE A FORMING PART OF EXPLANATORY STATEMENT ANNEXED TO THE NOTICE MATERIAL TERMS AND CONDITIONS OF THE APPOINTMENT OF MANAGING DIRECTOR / JOINT MANAGING DIRECTOR

The material terms and conditions of the re-appointment of Managing Director/Joint Managing Director and their remuneration by way of salary, dearness allowance, perquisites and benefits (which are in conformity with the schedule V to the Companies Act, 2013) and as contained in the draft Agreement, are as under:

1. Term of Office:
   a) Mr. R. K. Saraf, Managing Director : 5 years with effect from 01.04.2019
   b) Mr. Ashim Saraf, Joint Managing Director : 5 years with effect from 01.04.2019
2. Remuneration for each of them:
   a) Basic Salary: ₹105000 per month in scale of ₹100000-5000-150000/-
   b) Perquisites and allowances:

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

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

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

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

The remuneration payable to each of the Managing Director and Joint Managing Director by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of Rs. 18,00,000/- per annum or Rs. 1,50,000/- per month for each of them.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites payable to the Managing Director and Joint Managing Director of the Company at any time, such that the overall remuneration shall not exceed the aggregate limit of ₹ 18,00,000/- per annum or ₹ 1,50,000/- per month for each of them as specified above.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Managing Director and Joint Managing Director, the company has no profits or its profits are inadequate, then also they shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if any, required.

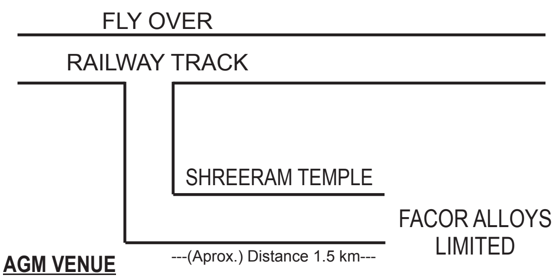
Registered Office:
Administrative Building,
Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram,
Andhra Pradesh
CIN L27101AP2004PLC043252
Tel. No. 08952-282029
Fax No. 08952-282188
E-Mail facoralloys@facorgroup.in
Website www.facoralloys.com

By order of the Board,

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

Dated: 11th August, 2018

ROUTE MAP



AGM VENUE
FACOR ALLOYS LIMITED
ADMINISTRATIVE BUILDING
SHREERAMNAGAR-535101
GARIVIDI DIST. VIZIANAGARAM (A.P.)

DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **FIFTEENTH ANNUAL REPORT** on the business and operations of the Company and the Audited Statements of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

	For the year ended 31-3-2018 (₹ in Lacs)	For the year ended 31-3-2017 (₹ in Lacs)
Revenue from operations	**31319.97**	13439.36
Profit before tax (after exceptional item)	**(12.83)**	35.07
Tax Expenses (including Deferred Tax)	**(302.86)**	(39.07)
Profit After tax	**290.03**	74.14

OVERALL PERFORMANCE

During the year under consideration, Company achieved the highest ever production of 73,600 M.T. as against 24,260 M.T. in the previous year recording a surge of 203%. However last year due to closure of the plant, there was working of 5 months only hence it is not comparable. Further Company during the year is covered under Ind AS and accordingly has prepared its account as per requirement of Ind AS.

The demand for ferro alloys principally is determined by developments within the Stainless Steel industry. Currently Stainless Steel industry is stable and performing well which is good for the ferro alloys industry. Apart from the domestic industry the Stainless Steel industry in south and far east Asia which is the major export market for the Indian ferro alloys industry, is performing well.

Exports are ₹111.01 crores as against ₹ 77.87 crores in the previous year and during the year under review foreign currency earnings in rupee terms was ₹ 29.80 crores. The Company derived 35.78% of its total sales from exports.

On account of above and other factors including lower sales realisation, the profit before tax and exceptional item was at ₹ 1.00 crore as compared to ₹ 0.20 crore in the previous year.

DIVIDEND

In view of the insignificant profit during the year, the Directors regret their inability to recommend any dividend for the financial year ended 31st March 2018 on Equity Shares of the company.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 is ₹ 19.55 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31st March, 2018 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 2017-18 viz. on 13th May 2017, 11th August 2017, 14th September 2017, 14th November 2017 and 12th February 2018. The maximum interval between any two meetings did not exceed 120 days.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standards ('IND-AS') under Companies Act, 2013 on accounting and disclosure requirements, and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited Consolidated Financial Statements are provided in this Annual Report.

SUBSIDIARIES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards read with requirements set out under schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

(ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year under consideration;

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2018 on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

The Auditors' Report to the Shareholders on the Standalone Audited Financial Results for the year under review contains the following qualification :-

The Company has defaulted in repayment of ₹ 3605.74 lacs (as on 31st March, 2018) to the Bank of India against devolvement of SBLC amounting to ₹ 6089.76 lacs on 3rd August 2015, provided by the bank for the term loan by the overseas lender to one of the overseas subsidiary of the Company. The company's request for restructuring of this liability is under consideration of the bank.

Management Note :

On the request of Company, Bank of India, Visakhapatnam had issued a SBLC for 10 Million USD in favour of Bank of India, Jersy for sanctioning a loan of 10 Million USD to Facor Minerals (Netherlands) B.V., one of the oversea subsidiary of the Company.

Further SBLC was devolved/invoked due to non re-payment of loan amount to Bank of India by oversea subsidiary due to non operation of the project and the total amount of SBLC was debited to Company's bank A/c by Bank of India, Vizag. Company could not repay the total amount debited to the bank A/c by Bank of India, Vizag and the default continues till date.

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

A Corporate Guarantee for a sum of 1.6 Million USD was provided to Bank of India, London as a collateral security to the term loan sanctioned to Cati Madencilic Ithalat Ve Ihracat A.S., a tier II subsidiary of the Company.

The Corporate Guarantee was devolved/invoked due to non re-payment of loan amount to Bank of India by oversea subsidiary because of non operation of the project. As a result, a sum of ₹ 9.61 crores was debited to overseas subsidiary's A/c under Ind AS as a loan.

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

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate and commensurate with the size and scale of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the internal auditors and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status of the Company and its business operations in future.

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

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

RISK MANAGEMENT POLICY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

ANNUAL BOARD EVALUATION

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

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

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

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

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven (7) consecutive years or more, shall be transferred to an Investor Education and Protection Fund ('IEPF') suspense account (in the name of the Company) with one of the Depository Participants as may be identified by the IEPF Authority, within thirty (30) days of such shares becoming due to be transferred to the IEPF.

The process of transfer of the shares to the said Suspense Account upto financial year 2009-10 is completed. The Company has initiated the process for transfer of the shares for the financial year 2010-11 and individual notice, to the shareholders holding equity shares, who have not claimed their dividends for the financial year 2010-11, is attached with the Annual Report.

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

FINANCE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review there were no employees receiving remuneration of or in excess of ₹ 102,00,000/- per annum or ₹ 8,50,000/- per month requiring disclosure.

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year Mr. P V R K Prasad ceased as a director on the Board due to untimely death. The Board places on record its appreciation for the contributions made by him during his tenure of office till 20th August, 2017.

The term of both Mr. R. K. Saraf and Mr. Ashim Saraf as Managing Director/Joint Managing Director is up to 31st March, 2019. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has re-appointed both Mr. R. K. Saraf and Mr. Ashim Saraf as Managing Director/Joint Managing Director respectively of the Company for a period of 5 (five) years with effect from 01st April, 2019 subject to approval of shareholders.

The first term of office of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra as Independent Directors, expires at the ensuing Annual General Meeting.

The Board has recommended re-appointment of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra as Independent Directors of the Company for a second term of 5 (five) consecutive years.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

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

SECRETARIAL AUDIT REPORT

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

CORPORATE GOVERNANCE

Management Discussion and Analysis, Corporate Governance Report and Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

AUDIT COMMITTEE

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

AUDITORS

At the 14th AGM held on 20th September, 2017, M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration no.106009W) were appointed as Statutory Auditors of the Company to hold office till the conclusion of 19th AGM to be held in 2022.

The requirement relating to ratification of Auditors by the members of the Company at every AGM has been dispensed with by the Companies Amendment Act, 2017 vide Notification No. S.O. 1833 (E) dated May 07, 2018. Pursuant to the said amendment, during the five year term of appointment/ re-appointment of Statutory Auditors, ratification of the appointment / re-appointment by the members in the Annual General Meeting is not required. Accordingly, business item of ratification of re-appointment of Statutory Auditors is not included in the Notice dated 11th August, 2018, calling 15th Annual General Meeting of the Company.

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

COST AUDITOR

Mr. Prakash Uppalapati, Cost Accountant has been appointed by the Board as Cost Auditor of the Company to conduct audit of cost records of the Company for the year ended 31st March 2019. 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 2016-17 was 30th September, 2017. The Company has filed the Report with the Ministry of Corporate Affairs on 09-09-2017.

ACKNOWLEDGEMENT AND APPRECIATION

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

On behalf of Board of Directors,

Place : Noida (U.P.) **R.K. SARAF**
Dated : 11th August, 2018 Chairman & Managing Director

ANNEXURE-1

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl 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%	2(87)
2	Facor Electric Limited	U40106AP2010PLC086208	Subsidiary	100.00%	2(87)
3	FAL Power Ventures Private Limited	U04010CT2004PTC017193	Subsidiary	100.00%	2(87)
4	Facor Minerals Pte. Ltd., Singapore		Subsidiary	100.00%	2(87)
5	Facor Minerals (Netherlands) B.V.		Subsidiary	93.48%	2(87)
6	Facor Turkkrom Mining (Netherlands) B.V. (FTM)		Subsidiary of FMN	51.00%	2(87)
7	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)		Subsidiary of FTM	51.00%	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 1st April, 2017				No. of Shares held at the end of the year 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & promoter group									
(1) Indian									
a) Individual/ HUF	23934976	Nil	23934976	12.24	23934976	Nil	23934976	12.24	0
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Bodies Corp.	62620240	Nil	62620240	32.02	62620240	0	62620240	32.02	0
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Any Other....	1000	Nil	1000	Nil	1000	Nil	1000	Nil	0
- Trust	52512	Nil	52512	0.02	52512	Nil	52512	0.02	0
Sub-total (A) (1):-	**86608728**	**0**	**86608728**	**44.28**	**86608728**	**0**	**86608728**	**44.28**	**0**
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	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):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**86608728**	**0**	**86608728**	**44.28**	**86608728**	**0**	**86608728**	**44.28**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1780	Nil	1780	0.00	1780	Nil	1780	Nil	0
b) Banks / FI	35656	7426	43082	0.02	35656	4238	39894	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
g) FIIs	Nil	120	120	0.00	Nil	0	0	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):-	**39056**	**14146**	**53202**	**0.02**	**39056**	**10838**	**49894**	**0.02**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	15517242	9506	15526748	7.95	6044235	4819	6049054	3.09	(4.86)
ii) Overseas	4492654	Nil	4492654	2.30	4492654	Nil	4492654	2.30	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	71918997	650546	72569543	37.11	76852048	381286	77233334	39.50	2.39
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	9230063	-	9230063	4.72	10602435	-	10602435	5.42	0.70
c) NBFCs registered with RBI	Nil	Nil	Nil	Nil	66755	-	66755	0.03	0.03
d) Others (specify)									
(1) Trust	58	0	58	Nil	58	0	58	Nil	Nil
(2) Foreign Nationals									
(3) Non Resident Indians	2192785	42442	2235227	1.14	2015942	15764	2031706	1.04	(0.10)
(4) Clearing Members	394577	0	394577	0.20	2663764	0	2663764	1.36	1.16
(5) IEPF	Nil	Nil	Nil	Nil	1002644	0	1002644	0.51	0.51
(6) HUF	4436555	-	4436555	2.27	4746329	-	4746329	2.43	0.16
Sub-total (B)(2):-	**108182931**	**702494**	**108885425**	**55.69**	**108486864**	**401869**	**108888733**	**55.69**	**0.00**
Total Public Shareholding (B)=(B) (1)+(B)(2)	**108221987**	**716640**	**108938627**	**55.72**	**108525920**	**412707**	**108938627**	**55.72**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**194830715**	**716640**	**195547355**	**100**	**195134648**	**412707**	**195547355**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2017			Shareholding at the end of the year 31st March, 2018			% 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 Durgaprasadji 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	4800	0.00	0	4800	0.00	0	0
25	Payal Murlidhar Saraf	72651	0.04	0	72651	0.04	0	0
26	Vibhav Vineetkumar Saraf	64451	0.03	0	64451	0.03	0	0
27	FAL Employees Welfare Trust	27576	0.01	0	27576	0.01	0	0
28	FACOR Employees Welfare Trust	22424	0.01	0	22424	0.01	0	0
29	Ashim Saraf	17008	0.01	0	17008	0.01	0	0
30	Yogeshkumar Umashankar Saraf	12288	0.01	0	12288	0.01	0	0
31	Preetidevi Rohitkumar Saraf	12600	0.01	0	12600	0.01	0	0
32	Aisha Ashishkumar Saraf	11500	0.01	0	11500	0.01	0	0
33	Madhuri Manojkumar Saraf	7948	0.00	0	7948	0.00	0	0
34	Sidharath Vineet Kumar Saraf	7348	0.00	0	7348	0.00	0	0
35	Gaurav Vinodkumar Saraf	5156	0.00	0	5156	0.00	0	0
36	Sakhi Sanjeevkumar Saraf	5128	0.00	0	5128	0.00	0	0
37	Raghavendra Manojkumar Saraf	4800	0.00	0	4800	0.00	0	0
38	Yogeshkumar Umashankar Saraf	4100	0.00	0	4100	0.00	0	0
39	Vinodkumar Vithaldas Saraf	3560	0.00	0	3560	0.00	0	0
40	Sunandadevi Yogeshkumar Saraf	3267	0.00	0	3267	0.00	0	0
41	Ramkisan Saraf	2256	0.00	0	2256	0.00	0	0

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2017			Shareholding at the end of the year 31st March, 2018			% 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	
42	Narayandas Durgaprasadji Saraf	1704	0.00	0	1704	0.00	0	0
43	Narayandas Durgaprasad Saraf	1472	0.00	0	1472	0.00	0	0
44	Sunandadevi Saraf	79915	0.04	0	79915	0.04	0	0
45	Amla Saraf	74797	0.04	0	74797	0.04	0	0
46	Shreeram Co. Empls. Welfare Trust	2512	0.00	0	2512	0.00	0	0
47	Premier Commercial Corporation	1000	0.00	0	1000	0.00	0	0
48	R B Shreeram & Company Pvt. Ltd.	61055682	31.22	0	61055682	31.22	0	0
49	Saraf Bandhu Pvt. Ltd.	826200	0.42	0	826200	0.42	0	0
50	Ferro Alloys Corporation Limited	500000	0.26	0	500000	0.26	0	0
51	GDP Infrastructure Pvt. Ltd.	214440	0.11	0	214440	0.11	0	0
52	Vidarbha Iron & Steel Corpn. Ltd.	18144	0.01	0	18144	0.01	0	0
53	Suchitra Investments & Leasing Ltd.	5774	0.00	0	5774	0.00	0	0
54	Sanjiv Saraf	239387	0.12	0	239387	0.12	0	0
	Total	**86608728**	**44.28**	**0**	**86608728**	**44.28**	**0**	**0**

(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	86608728	44.28	86608728	44.28
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):	No change during the year			
At the End of the year	86608728	44.28	86608728	44.28

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	GLOBALSCALE INVESTMENTS LIMITED	44,92,654	2.30					44,92,654	2.30
				31.03.2018	At the end of the year	-	-	44,92,654	2.30
2	LINCOLN P COELHO	15,00,000	0.77					15,00,000	0.77
				31.10.2017	Purchase of shares	5,00,000	0.26	20,00,000	1.03
				31.03.2018	At the end of the year	-	-	20,00,000	1.03

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	SHRI PARASRAM HOLDINGS PVT. LTD.	1,55,434	0.08					1,55,434	0.08
				07.04.2017	Sale of shares	7,940	0.00	1,47,494	0.08
				14.04.2017	Purchase of shares	14,550	0.00	1,62,044	0.08
				21.04.2017	Purchase of shares	13,400	0.01	1,75,444	0.09
				05.05.2017	Sale of shares	900	0.00	1,74,544	0.09
				12.05.2017	Purchase of shares	50,069	0.02	2,24,613	0.11
				19.05.2017	Sale of shares	600	0.00	2,24,013	0.11
				26.05.2017	Sale of shares	3,550	0.00	2,20,463	0.11
				02.06.2017	Sale of shares	9,800	0.00	2,10,663	0.11
				09.06.2017	Sale of shares	250	0.00	2,10,413	0.11
				16.06.2017	Sale of shares	400	0.00	2,10,013	0.11
				23.06.2017	Purchase of shares	4,300	0.00	2,14,313	0.11
				30.06.2017	Sale of shares	15,850	0.01	1,98,463	0.10
				07.07.2017	Purchase of shares	1,601	0.00	2,00,064	0.10
				14.07.2017	Sale of shares	1	0.00	2,00,063	0.10
				21.07.2017	Sale of shares	1,030	0.00	1,99,033	0.10
				28.07.2017	Sale of shares	4,995	0.00	1,94,038	0.10
				08.09.2017	Sale of shares	3,675	0.00	1,90,363	0.10
				13.09.2017	Sale of shares	10,200	0.01	1,80,163	0.09
				15.09.2017	Purchase of shares	3,401	0.00	1,83,564	0.09
				22.09.2017	Purchase of shares	5,998	0.00	1,89,562	0.09
				30.09.2017	Sale of shares	2,299	0.00	1,87,263	0.09
				13.10.2017	Purchase of shares	10,000	0.01	1,97,263	0.10
				20.10.2017	Sale of shares	6,100	0.00	1,91,163	0.10
				27.10.2017	Sale of shares	4,769	0.00	1,86,394	0.10
				31.10.2017	Sale of shares	15,000	0.01	1,71,394	0.09
				10.11.2017	Sale of shares	1,200	0.00	1,70,194	0.09
				17.11.2017	Purchase of shares	9,595	0.00	1,79,789	0.09
				24.11.2017	Sale of shares	5,595	0.00	1,74,194	0.09
				08.12.2017	Purchase of shares	2,000	0.00	1,76,194	0.09
				15.12.2017	Purchase of shares	500	0.00	1,76,694	0.09
				29.12.2017	Purchase of shares	5,000	0.00	1,81,694	0.09
				12.01.2018	Purchase of shares	66,776	0.03	2,48,470	0.12
				19.01.2018	Purchase of shares	5,18,424	0.27	7,66,894	0.39
				26.01.2018	Sale of shares	8,000	0.00	7,58,894	0.39
				02.02.2018	Purchase of shares	7,56,500	0.38	15,15,394	0.77
				16.03.2018	Purchase of shares	7,000	0.00	15,22,394	0.77
				23.03.2018	Sale of shares	53,800	0.02	14,68,594	0.75
				30.03.2018	Sale of shares	1,48,200	0.07	13,20,394	0.68
				31.03.2018	At the end of the year	-	-	13,20,394	0.68
4	MILLENNIUM STOCK BROKING PVT. LTD.	3,05,000	0.15					3,05,000	0.15
				03.11.2017	Sale of shares	1,05,000	0.05	2,00,000	0.10
				10.11.2017	Sale of shares	25,480	0.01	1,74,520	0.09
				24.11.2017	Purchase of shares	40,000	0.02	2,14,520	0.11
				01.12.2017	Sale of shares	5,520	0.00	2,09,000	0.11
				15.12.2017	Purchase of shares	16,000	0.01	2,25,000	0.12
				22.12.2017	Purchase of shares	1,55,000	0.08	3,80,000	0.20
				29.12.2017	Purchase of shares	2,20,000	0.11	6,00,000	0.31
				12.01.2018	Sale of shares	1,50,000	0.08	4,50,000	0.23
				19.01.2018	Purchase of shares	1,80,000	0.09	6,30,000	0.32
				23.02.2018	Sale of shares	2,572	0.00	6,27,428	0.32
				02.03.2018	Purchase of shares	2,572	0.00	6,30,000	0.32
				31.03.2018	At the end of the year	-	-	6,30,000	0.32

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	MIRA SENGAR	5,01,500	0.26					5,01,500	0.26
				22.12.2017	Purchase of shares	500	0.00	5,02,000	0.26
				31.03.2018	At the end of the year	-	-	5,02,000	0.26
6	KIRAN SUZANNE COELHO	4,41,895	0.23					4,41,895	0.23
				12.05.2017	Purchase of shares	58,105	0.03	5,00,000	0.26
				31.03.2018	At the end of the year	-	-	5,00,000	0.26
7	SADHU RAM GUPTA	90,000	0.05					90,000	0.05
				06.10.2017	Purchase of shares	60,000	0.03	1,50,000	0.08
				13.10.2017	Purchase of shares	50,000	0.03	2,00,000	0.11
				10.11.2017	Purchase of shares	1,10,000	0.05	3,10,000	0.16
				17.11.2017	Purchase of shares	55,884	0.03	3,65,884	0.19
				24.11.2017	Purchase of shares	1,34,116	0.07	5,00,000	0.26
				31.03.2018	At the end of the year	-	-	5,00,000	0.26
8	LATIN MANHARLAL SECURITIES PVT. LTD.	1,00,000	0.05					1,00,000	0.05
				06.10.2017	Purchase of shares	4,04,000	0.21	5,04,000	0.26
				27.10.2017	Purchase of shares	1,48,773	0.07	6,52,773	0.33
				03.11.2017	Sale of shares	1,02,773	0.05	5,50,000	0.28
				10.11.2017	Sale of shares	1,00,000	0.05	4,50,000	0.23
				05.01.2018	Purchase of shares	1,62,400	0.08	6,12,400	0.31
				26.01.2018	Sale of shares	1,11,400	0.06	5,01,000	0.25
				02.02.2018	Sale of shares	27,247	0.01	4,73,753	0.24
				31.03.2018	At the end of the year	-	-	4,73,753	0.24
9	SARAVANAN SIVARAMALINGAM	87,000	0.04					87,000	0.04
				07.07.2017	Purchase of shares	41,000	0.02	1,28,000	0.06
				14.07.2017	Purchase of shares	28,008	0.01	1,56,008	0.07
				21.07.2017	Purchase of shares	23,992	0.01	1,80,000	0.08
				30.03.2018	Purchase of shares	2,86,570	0.16	4,66,570	0.24
				31.03.2018	At the end of the year	-	-	4,66,570	0.24
10	KIRTIKA PRAFUL JAVERI	4,53,739	0.23					4,53,739	0.23
				31.03.2018	At the end of the year	-	-	4,53,739	0.23
11	SHYAMADEVI OMPRAKASH AGRAWAL	8,89,224	0.45					8,89,224	0.45
				08.09.2017	Sale of shares	4,56,309	0.23	4,32,915	0.22
				14.09.2017	Sale of shares	20,000	0.01	4,12,915	0.21
				20.10.2017	Sale of shares	2,05,500	0.10	2,07,415	0.11
				01.12.2017	Sale of shares	1,14,815	0.06	92,600	0.05
				31.03.2018	At the end of the year	-	-	92,600	0.05

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
12	PRATIBHUTI VINIHIT LIMITED	4,95,000	0.25					4,95,000	0.25
				06.10.2017	Sale of shares	1,08,566	0.05	3,86,434	0.20
				13.10.2017	Sale of shares	3,03,503	0.16	82,931	0.04
				10.11.2017	Sale of shares	27,921	0.01	55,010	0.03
				31.03.2018	At the end of the year	-	-	55,010	0.03
13	BMA WEALTH CREATORS LTD	11,01,354	0.56					11,01,354	0.56
				14.04.2017	Purchase of shares	1,000	0.00	11,02,354	0.56
				21.04.2017	Purchase of shares	1,10,943	0.06	12,13,297	0.62
				19.05.2017	Sale of shares	5,77,743	0.30	6,35,554	0.32
				26.05.2017	Sale of shares	23,257	0.01	6,12,297	0.31
				02.06.2017	Purchase of shares	1,000	0.00	6,13,297	0.31
				09.06.2017	Sale of shares	1,000	0.00	6,12,297	0.31
				23.06.2017	Purchase of shares	1,050	0.00	6,13,347	0.31
				14.07.2017	Purchase of shares	1,500	0.00	6,14,847	0.31
				28.07.2017	Sale of shares	2,03,902	0.10	4,10,945	0.21
				04.08.2017	Sale of shares	1,550	0.00	4,09,395	0.21
				01.09.2017	Sale of shares	3,00,556	0.15	1,08,839	0.06
				08.09.2017	Sale of shares	500	0.00	1,08,339	0.06
				15.09.2017	Sale of shares	1,00,000	0.05	8,339	0.01
				22.09.2017	Purchase of shares	24,996	0.01	33,335	0.02
				30.09.2017	Purchase of shares	10,000	0.00	43,335	0.02
				13.10.2017	Purchase of shares	1,000	0.00	44,335	0.02
				27.10.2017	Sale of shares	2,000	0.00	42,335	0.02
				03.11.2017	Purchase of shares	7,500	0.00	49,835	0.02
				22.12.2017	Purchase of shares	2,000	0.00	51,835	0.02
				12.01.2018	Purchase of shares	2,52,020	0.13	3,03,855	0.15
				19.01.2018	Sale of shares	1,000	0.00	3,02,855	0.15
				26.01.2018	Sale of shares	10,000	0.00	2,92,855	0.15
				02.02.2018	Sale of shares	2,51,020	0.13	41,835	0.02
				31.03.2018	At the end of the year	-	-	41,835	0.02
14	AROMA PLANTATION PVT LTD	55,73,614	2.85					55,73,614	2.85
				17.11.2017	Sale of shares	20,00,000	1.02	35,73,614	1.83
				08.12.2017	Sale of shares	20,00,000	1.02	15,73,614	0.81
				22.12.2017	Sale of shares	15,73,614	0.81	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
15	SARANG SECURITIES LIMITED	20,70,000	1.06					20,70,000	1.06
				13.10.2017	Sale of shares	20,70,000	1.06	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
16	ARYAVRAT SAVINGS UNITS LTD.	6,00,000	0.30					6,00,000	0.30
				12.05.2017	Sale of shares	4,00,000	0.20	2,00,000	0.10
				09.06.2017	Sale of shares	2,00,000	0.10	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
17	CUTTING EDGE VENTURE PVT. LTD.	6,00,000	0.30					6,00,000	0.30
				04.08.2017	Sale of shares	6,00,000	0.30	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
18	ANIL KUMAR SINGHANIA	4,65,144	0.24					4,65,144	0.24
				16.06.2017	Sale of shares	62,225	0.03	4,02,919	0.21
				23.06.2017	Sale of shares	90,010	0.05	3,12,909	0.16
				30.06.2017	Sale of shares	2,70,183	0.14	42,726	0.02
				07.07.2017	Sale of shares	42,726	0.02	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00

(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	NIL	NIL	2256	0.00
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				
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	NIL	NIL	17008	0.01
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				
At the End of the year	17008	0.01	17008	0.01

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

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

Rohit Saraf				
At the beginning of the year	872669	0.45	872669	0.45
Date wise Increase/ Decrease in Share holding	NIL	NIL	872669	0.45
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the End of the year	872669	0.45	872669	0.45

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

V. Indebtedness

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6939.60	1800.00	0	8739.60
ii) Interest due but not paid	0	3.91	0	3.91
iii) Interest accrued but not due	1706.77	0	0	1706.77
Total (i+ii+iii)	**8646.37**	**1803.91**	**0**	**10450.28**
Change in Indebtedness during the financial year				
(i) Addition	0	0	2020.55	2020.55
(ii) Reduction	1099.65	1803.91	0	2903.56
Net Change	**-1099.65**	**-1803.91**	**2020.55**	**-883.01**
Indebtedness at the end of the financial year				
i) Principal Amount	4851.32	0	1994.88	6846.20
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2695.40	0	25.67	2721.07
Total (i+ii+iii)	**7546.72**	**0**	**2020.55**	**9567.27**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		R K Saraf	Ashim Saraf	Anurag Saraf	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.55	15.55	14.95	46.05
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	1.70	2.32	4.02
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961				
2	Stock Option	-	-	--	-
3	Sweat Equity	-	-	--	-
4	Commission - as % of profit	-	-	--	-
	- others, specify...	-	-		
5	Others, please specify	-	-	-	-
	Total (A)	**15.55**	**17.25**	**17.27**	**50.07**
	Ceiling as per the Act				

B. Remuneration to other directors: (in ₹)

Sl No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr Rohit Saraf	Mr A S Kapre	Mr K J Reddy	Mr PVRK Prasad	Mrs Urmila Gupta	Mr K L Mehrotra	
	Independent Directors							
	Fee for attending Board/ Committee meetings	NIL	60000	30000	20000	40000	75000	225000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total(1)	NIL	60000	30000	20000	40000	75000	225000
	Other Non-Executive Directors							
	Fee for attending Board/ Committee meetings	20000	NIL	NIL	NIL	NIL	NIL	20000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total(2)	20000	NIL	NIL	NIL	NIL	NIL	20000
	Total (B) = (1+2)	20000	60000	30000	20000	40000	75000	245000
	Total Managerial Remuneration							245000
	Overall Ceiling as per the Act							

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

Sl 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	31.76	31.76
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3.96	3.96
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	**35.72**	**35.72**

VII. **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

(₹ in Lacs)

1	Sl. No.	1	2	3	4	5	6	7
2	**Name of subsidiary**	**Best Minerals Ltd.**	**FAL Power Ventures Pvt. Ltd.**	**Facor Electric Ltd.**	**Facor Minerals Pte. Ltd.**	**Facor Minerals (Netherlands) B.V.**	**Facor Turkkrom Mining (Netherlands) B.V**	**Cati Madencilik Ithalat Ve Ihracat A.S**
3	The date since when subsidiary was acquired	01.04.03	05.04.11	26.08.10	13.10.11	29.06.12	01.03.13	01.03.13
					Refer below Note No. 2			
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US$ 65.01	US$ 65.01	US$ 65.01	US$ 65.01
6	Share Capital	5.00	1.00	5.00	352.99	1496.22	1430.22	609.12
7	Reserves & Surplus	(10.84)	(1158.29)	(311.40)	8.14	(8610.03)	(138.32)	(1433.72)
8	Total Assets	0.27	47.04	1.97	379.34	1328.37	1349.32	1328.59
9	Total Liabilities	0.27	47.04	1.97	379.34	1328.37	1349.32	1328.59
10	Investments	0.01	-	-	-	-	1310.16	-
11	Turnover	-	-	-	-	-	-	-
12	Profit before taxation	(0.18)	(0.18)	(0.19)	(6.84)	(248.48)	(20.79)	(197.60)
13	Provision for taxation	-	-	-	1.82	2.00	-	-
14	Profit after taxation	(0.18)	(0.18)	(0.19)	(8.66)	(250.49)	(20.79)	(197.60)
15	Proposed Dividend	-	-	-	-	-	-	-
16	% of shareholding	100%	100%	100%	100%	93.48%	51%	51%

1. 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 Madencilik Ithalat Ve Ihracat A.S. (wholly owned subsidiary of Facor Turkkrom Mining (Netherlands) B.V.)
2. Financial information is based on unaudited results.
3. Names of subsidiaries which have been liquidated or sold during the year N.A.

ANNEXURE-3
NOMINATION AND REMUNERATION POLICY

Effective from 1st April, 2014

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the 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. K.L. Mehrotra	Chairman
2.	Mr. A. S. Kapre	Member

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

IV Definitions

a) Board means Board of Directors of the Company.

b) Directors mean Directors of the Company.

c) Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

d) Company means Facor Alloys Limited.

e) Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.

f) Key Managerial Personnel (KMP) means-

(i) Chairman and Managing Director

(ii) Managing Director;

(iii) Joint Managing Director;

(iv) Director (Finance) cum Chief Financial Officer;

(v) Company Secretary;

g) Senior Management personnel means personnel of the Company occupying the position of Chief Executive (CE) of any unit / division of the Company.

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

V Applicability

The Policy is applicable to

a) Directors (Executive and Non Executive)

b) Key Managerial Personnel

c) Senior Management Personnel

VI General

a) This Policy is divided in three parts viz.,

Part – A covers the matters to be dealt with and recommended by the Committee to the Board,

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

b) The key features of this Company's policy shall be included in the Board's Report.

PART – A

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

The Committee shall:

i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.

ii) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

iii) Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

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

i) Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Company shall not appoint of any person as Whole-time Director who has attained the age seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement to be annexed to the notice for such motion indicating the justification for appointment, extension of appointment beyond seventy years.

ii) Term / Tenure:

a) Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

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

c) Evaluation:

The Committee shall 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	: LED lighting was replaced in phased manner in some part of the plant
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	: NIL
b.	Benefits derived as a result of above R & D	: NIL
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 foreign travelling to be in constant touch with the overseas market.
2)	Total Foreign Exchange used and earned (2017-2018)	: **(₹ in Lacs)**
i)	CIF value of imports	: **-**
ii)	Expenditure in Foreign Currency	: **69.21**
iii)	Foreign Exchange earned	: **2980.17**

On behalf of Board of Directors,

Place : Noida (U.P.)
Dated : 11th August, 2018

R. K. SARAF
Chairman & Managing Director

ANNEXURE-5

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

To,

The Members,
Facor Alloys Limited,

CIN L27101AP2004PLC043252
Shreeramnagar, P.O. Garividi,
Vizianagaram - 535101

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws specifically applicable to the Company namely:

  a. Mines Act, 1952

  b. Mines Rules, 1955

  c. Mines and Minerals (Development & Regulation) Act, 1957

  d. A.P. Minerals (Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007

  e. Metalliferous Mines Regulations, 1961

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

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

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

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

I further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

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

Umesh Chand Sharma
(Proprietor)
ACS No. 8522; C.P No. 2386

Place: New Delhi
Date: 26-07-2018

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

'ANNEXURE A'

To,

The Members,
Facor Alloys Limited,
Shreeramnagar, P.O. Garividi,
Vizianagaram - 535101
My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Umesh Chand Sharma
(Proprietor)
ACS No. 8522; C.P No. 2386

Place: New Delhi
Date: 26-07-2018

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro chrome is an alloy of chrome and iron with 50% to 68% chrome content primarily used in manufacturing stainless steel. Ferro chrome strengthens and offers corrosion resistance to stainless steel, thereby making it a unique product with multiple applications. Most of the world's ferro chrome is produced in China, South Africa, Kazakhstan and India. Given its dominant position in stainless steel, China also added significant ferro chrome production capacity and surpassed South Africa to become the world's largest producer Global ferro chrome production grew at a CAGR of 5.61%, from 6.37 MT in 2006 to 12.27 MT in 2017. According to Mining Bulletin, ferro chrome production is likely to increase at a CAGR of 5% during 2017-2021 due to the expanding global stainless steel market. The global ferro chrome market is largely controlled by South Africa. Ferro chrome producers in India do not have the same scale or pricing power, those with backward integration enjoy a niche positioning and the proximity to China is an added factor. India ranks fourth in global ferro chrome production. Over the past 4–5 years, production has been at 1.0 – 1.1mn tonnes. India consumes 15-30% of its production and exports the rest to countries like China, South Korea and Japan.

RISKS AND CONCERNS /OPPORTUNITIES AND THREATS / OUTLOOK

Ferro alloy industry is mainly driven by demand from the steel industry. The global ferro chrome industry is largely dependent on Chinese demand and the stainless steel cycle. China's consumption is met through a combination of domestic production and substantial imports from countries including South Africa, India and Zimbabwe. Other leading importers of ferro chrome are the US, South Korea and the European Union (EU) although the EU and US have witnessed a steady decline in their dependence on imports for ferro chrome in the last decade.

The Indian ferro chrome industry is on the cusp of significant consolidation. The fragmented nature of the industry which has been an impediment in the past is thus on the verge of major change. According to figures released by the International Stainless Steel Forum (ISSF), in 2017 global crude stainless steel production was at 48.08 MT. This was up by 5.79% from the revised figure of 45.45 MT produced in 2016. This market expanded at a 5.7% CAGR during 2005 – 2017. Meanwhile, higher growth from India and Indonesia is likely to help maintain the demand for stainless steel at a 5% CAGR over FY17-22E.

Further Company had entered into a Conversion Agreement with M/s. Tata Steel Limited (TSL) for conversion of Chrome Ore into Ferro Chrome. The Agreement is extendable on mutually agreed terms and conditions. This has led to reasonable stability in the business of the Company.

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under consideration, Company achieved the highest ever production of 73,600 M.T. as against 24,260 M.T. in the previous year recording a surge of 203%. However last year due to closure of the plant, there was working of 5 months only hence it is not comparable. Further Company during the year is covered under Ind AS and accordingly has prepared its account as per requirement of Ind AS.

Exports are ₹111.01 crores as against ₹ 77.87 crores in the previous year and during the year under review foreign currency earnings in rupee terms was ₹ 29.80 crores. The Company derived 35.78% of its total sales from exports.

On account of above and other factors including lower sales realisation, the profit before tax was at ₹ 1.00 crore as compared to ₹ 0.20 crore in the previous year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING PEOPLE EMPLOYED

Employees participation schemes such as Central Safety Committee, Quality Circles, Intra department level reviews have been adopted to ensure transparency and open communication at all levels. In house training to employees was imparted focusing on safety, productivity and skills improvement inputs. Multi skills improvement program has been implemented encouraging the trade workmen to learn additional skills. Executives were nominated to various seminars and programs for exposure to the best business practices. Adequate cost consciousness in the minds of all employees has been inculcated to attain the ultimate goal of cost reduction. The overall manpower consisting of workmen, supervisors and managers etc. worked out to 367 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 31.03.2018	No. of Membership/ Chairmanship of Board Committee of other public limited companies as on 31.03.2018	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director	Executive*	1	1	5	Yes
Mr. Ashim Saraf Joint Managing Director	Executive*	4**	Nil	3	Yes
Mr. Anurag Saraf Joint Managing Director	Executive*	4	2	2	No
Mr. Rohit Saraf	Non-Independent Non-Executive*	2**	1	2	No
Mr. K. Jayabharat Reddy	Independent Non-Executive	2	2	2	No
Mr. A.S. Kapre	Independent Non-Executive	3	4	4	No
Mr. K. L. Mehrotra	Independent Non-Executive	Nil	Nil	5	No
Mrs. Urmila Gupta	Independent Non-Executive	4	4	4	No

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

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

Mr Rohit Saraf & Mr A S Kapre, Non-Executive Directors are holding 8,72,669 & 1,50,000 equity shares of the company.

The details of familiarization programme imparted to Independent Directors are disclosed in the Website of the company www.facoralloys.com.

During the Financial Year April 2017 to March 2018, 5 Board Meetings were held on 13/05/2017, 11/08/2017, 14/09/2017, 14/11/2017 and 12/02/2018.

3. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company met on 12th February, 2018 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors, as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

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

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

Mr. K.L. Mehrotra is B.Tech, FIE, MIIM, MII. CHEME and has over 4 decades experience mainly in dealing with technical & commercial matters of Government Organisations in senior level.

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

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

b) No. of meetings and attendance:

There were four meetings during the year 2017-18 on 13/05/2017, 14/09/2017, 14/11/2017 & 12/02/2018. All four meetings were attended by all members, except Mr K. Jayabharat Reddy, Mr A S Kapre and Mr K L Mehrotra. Mr K. Jayabharat Reddy attended two and both Mr A S Kapre and Mr K L Mehrotra attended three meetings each.

c) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 177 of the Companies Act, 2013, the rules made there under and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. NOMINATION AND REMUNERATION COMMITTEE:

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, the composition, name of members and Chairman of "Nomination and Remuneration Committee" is as follows:

a) The Committee presently consists of 2 Members viz. 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) No. of meetings and attendance:

There was one meeting during the year 2017-18 on 13/05/2017. The meeting was attended by all members.

d) Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Details of remuneration payable to Managerial Personnel for the year 2017-18:

Name of Directors		Total Remuneration including perquisites in cash	Estimated value of other perquisites in kind	Period of Agreement
1.	Mr. R.K. Saraf, CMD	₹17,61,728/-	--	5 years from 01/04/14
2.	Mr. Ashim Saraf, JMD	₹ 19,97,220/-	₹ 1,57,314/-	5 years from 01/04/14
3.	Mr. Anurag Saraf, JMD	₹ 18,49,530/-	₹ 2,97,108/-	5 years from 01/02/18

f) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2017-18, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid	No. of equity shares of Re.1/- each held
1.	Mr. A. S. Kapre	₹ 60,000/-*	1,50,000
2.	Mr. K. Jaybharat Reddy	₹ 30,000/-*	-
3.	Mr. P. V. R. K. Prasad (upto 20-08-2017)	₹ 20,000/-*	-
4.	Mrs. Urmila Gupta	₹ 40,000/-	-
5.	Mr. K. L. Mehrotra	₹ 75,000/-*	-
6.	Mr. Rohit Saraf	₹ 20,000/-	8,72,669
TOTAL		₹ 2,45,000/-	

* Includes sitting fees paid for attending Committee Meetings.

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee presently consists of 3 Members viz., Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. K.L. Mehrotra. The Chairman of the Committee is Mr. K.L. Mehrotra. One meeting of the Committee was held during the year on 12th February, 2018.

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 1-4-2017 to 31-3-2018 — 2

c) No. of complaints not solved to the satisfaction of the Shareholders — Nil

d) Number of pending complaints as on 31-3-2018 — Nil

D. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

The Committee presently consists of 3 Members viz., Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. K.L. Mehrotra. The Chairman of the Committee is Mr. K.L. Mehrotra.

Policy for Determining Material Subsidiaries

In terms of Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website www.facoralloys.com.

Vigil Mechanism

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

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

5. GENERAL BODY MEETINGS

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

AGM held	Day, date & time	Venue
12th AGM	Tuesday, 22nd September, 2015 at 11.30 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
13th AGM	Thursday, 29th September, 2016 at 03.30 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
14th AGM	Wednesday, 20th September, 2017 at 11.00 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)

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

22nd September, 2015	I) Keeping the register of members with Registrar and Transfer Agent of the company u/s 94 of the Companies Act, 2013. II) Approval for transactions to be entered into by the company with the related parties during the F.Y. 2014-15 & every year thereafter u/s 188 of the Companies Act, 2013. III) To make investments, give loans/guarantee or provide security pursuant to Section 186 of the Companies Act, 2013 beyond the prescribed limits (voted through Postal Ballot). IV) Adoption of new Articles of Association of the Company containing Regulations in conformity with the provisions of Section 14 of Companies Act, 2013.
29th September, 2016	No special resolution was passed in the Thirteenth Annual General Meeting.
20th September, 2017	I) Keeping the Register of Members with Registrar And Share Transfer Agent of the company u/s 94 of the Companies Act, 2013. II) Re-appointment & Payment of remuneration of Mr Anurag Saraf as Joint Managing Director of the Company III) Issue of 0.01% Redeemable Cumulative Non Convertible Preference Shares on private placement basis

c) Whether any special Resolutions passed last year through postal ballot : Yes

Details of Special Resolution passed through postal ballot during FY 2017-18 and the voting pattern is as under:

a) Item no. 1 of the Postal Ballot Notice dated 29th November, 2017:

Re: Approval/ratification of payment of one time medical expenses of ₹12.00 lacs to Mr. M. D. Saraf, President holding office or place of profit over and above his annual ceiling limit of ₹18.00 lacs sanctioned by the shareholders under section 188 of the Companies Act, 2013.

Voting Pattern :

Voting Particulars	No. of Votes			% of total valid Votes	% to total paid up equity capital
	Postal Ballot	E- Voting	Total		
Votes cast in favour	-	78408313	78408313	99.86	40.10
Votes cast against	-	109808	109808	0.14	0.06
Total valid votes	-	78518121	78518121	100.00	40.16
Total invalid votes	25,68,658	-	25,68,658		

b) Person who conducted the postal ballot exercise : Mr Prem Shankar Rathi, Practising Chartered Accountant

c) Whether any special Resolution is proposed to be conducted through postal ballot this year : No

d) Procedure for postal ballot : The procedure will be as laid down in Section 110 of the Companies Act, 2013 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001

6. **DISCLOSURES**

a) All transactions entered into with related parties as defined under the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year were on an arm's length price basis and in the ordinary course of business and with requisite approvals as required. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.facoralloys.com. There were no materially significant related-party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

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

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

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

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

I) PROMOTERS

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

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

III) Group / Associated Entities:

(1) Aone Technet Private Limited;
(2) ARK Mercantile Private Limited;
(3) Arka Resources Private Limited;
(4) Asim Minerals Private Limited;
(5) Bankey Bihari Footwears Private Limited;
(6) Best Minerals Limited;

(7) Bita Infosystem Private Limited;
(8) Boula Platinum Mining Private Limited;
(9) Vanita Enterprises Private Limited;
(10) CatiMadencilikIthalatveIhracat 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) YMR Enterprise Private Limited;
(34) Godawari devi Saraf and Sons;
(35) Mezeron Enterprises Private Limited;
(36) NDS Minerals Private Limited;
(37) Pioneer Facor IT Infradevelopers Pvt. Limited;
(38) Vakrangee Press Limited;
(39) Premier Commercial Corporation;
(40) Raghavendra Sarkar Ventures Private Limited;
(41) Rai Bahadur Shreeram And Company Private Limited;
(42) Saraf Bandhu Private Limited;
(43) Shree Ram Durga Prasad Ores Private Limited;
(44) Shreeram Shipping Services Pvt. Limited;
(45) SRX Global Private Limited;
(46) Suchitra Investments & Leasing Limited;
(47) Trusta Resources S.L.;
(48) Tusta Trading Company Inc.;
(49) UMT International Limited;
(50) V&G Commercial Private Limited;
(51) Vidarbha Iron & Steel Corporation Limited.

7. **MEANS OF COMMUNICATION**

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

8. **GENERAL SHAREHOLDER INFORMATION**

i) AGM-Date, Time and Venue:

Date	Time	Venue
17th September, 2018	11:30 A.M.	Administrative Building, Shreeramnagar-535 101, Garividi; Dist: Vizianagaram, Andhra Pradesh.

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

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	List of Other Public Limited Companies in which Directorship held as on 31-3-2018	Chairman/ Member of the committee of Board of other public Limited Companies on which he/she was a Director as on 31-3-2018	No. of Shares held
1) Mr. Rohit Saraf	16th Dec, 1966	12th Aug, 2016	Mining Operations & Administration	B.Com.	Ferro Alloys Corporation Ltd., Vidarbha Iron & Steel Corporation Limited.	1	872669

2) Mr. K Jayabharath Reddy (IAS Retd.)	12th Apr, 1937	01st Sep, 2004	General and Public Administration& Industrial Management, Policy Formulation.	Post Graduate in Economics Statistics from Delhi School of Economics and Post-Graduate in Economics from Madras University, Visiting Fellow Oxford University, U.K.	Taj GVK Hotels & Resorts Ltd. NCL Alltek & Seccolor Ltd.	2	NIL
3) Mr. A S Kapre	01st May, 1949	27th Oct, 2007	Having over Three decades experience mainly in Project and Corporate Lending, Rehabilitation, Finance & Risk Management.	B.Tech., LLB.	Ferro Alloys Corporation Ltd. Facor Steels Ltd. QVC Realty Co. Ltd.	4	150000
4) Mr. K L Mehrotra	09th Oct, 1948	18th Sep, 2010	Having over Four decades rich & versatile experience in Senior Level dealing with Technical and Commercial matters of Government Organisations.	B.Tech., FIE, MIIM, MII. CHEME	NIL	NIL	NIL
5) Mr. R K Saraf	4th July, 1942	01st Aug, 2004	Business Admn., Factory Admn., Mining, Export Trade, Shipping, Sales, Labour Welfare & Management and Banking.	Studied upto B.Sc.	Ferro Alloys Corporation Ltd.	1	2256
6) Mr. Ashim Saraf	27th Sep, 1967	01st Aug, 2004	Business Administration	M.Sc. (Tech) S.T.D.	Vidarbha Iron & Steel Corporation Limited. Facor Electric Limited Facor Solar Limited Vakrangee Press Ltd.	NIL	17008

iii) Financial Year : 1st April to 31st March

iv) Date of Book closure from : Tuesday, 11th September, 2018 to Monday, 17th September, 2018 (both days inclusive)

v) Dividend payment date : Not Applicable

vi) Listing on Stock Exchange and stock code : The Bombay Stock Exchange Ltd., 532656
The company has paid the listing fees for the F.Y. 2017-18 to BSE

vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2017-18 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 2017	4.94	3.70	56,74,541	30,184.22	29,241.48
May 2017	5.02	3.80	71,75,925	31,255.28	29,804.12
June 2017	4.94	3.60	63,38,562	31,522.87	30,680.66
July 2017	4.51	3.68	49,83,796	32,672.66	31,017.11
August 2017	4.56	3.20	55,55,152	32,686.48	31,128.02
September 2017	5.40	3.73	98,19,838	32,524.11	31,081.83
October 2017	6.24	4.14	1,31,62,900	33,340.17	31,440.48
November 2017	5.97	3.80	69,16,920	33,865.95	32,683.59
December 2017	4.00	2.95	76,34,504	34,137.97	32,565.16
January 2018	4.49	3.60	84,17,570	36,443.98	33,703.37
February 2018	3.94	2.99	30,10,771	36,256.83	33,482.81
March 2018	3.15	2.26	36,49,388	34,278.63	32,483.84

viii) Registrar & Transfer Agent (RTA):

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

ix) Share Transfer System:

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

x) a) Distribution of shareholding as on 31.03.2018:

No. of equity shares held	**No. of shareholders**	**No. of shares held**	**% of issued share Capital**
1 to 500	26733	3344734	1.71
501 to 1000	4984	4599822	2.35
1001 to 2000	2976	5098751	2.61
2001 to 3000	1355	3682256	1.88
3001 to 4000	658	2450728	1.25
4001 to 5000	1007	4920647	2.52
5001 to 10000	1457	11495522	5.88
10001 and above	1616	159954895	81.80
Total	40786	195547355	100.00
Physical Mode		412707	0.21
Electronic Mode		195134648	99.79

b) Categories of shareholders as on 31.03.2018:

S. No.	**Categories**	**No. of shares held**	**Percentage**
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Financial Institutions	42240	0.02
c.	State Government Company/State Financial Corporation	4046	-
d.	Nationalised Banks	1716	-
e.	Bodies Corporate	6049054	3.09
f.	Others	102841571	52.60
	Total:	195547355	100.00

xi) Dematerialization of shares and liquidity:

99.79 % of the share capital has been dematerialized as on 31st March, 2018.

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

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

xiv) Address for correspondence:

a) For matters relating to Company's shares:

M/s MAS Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020

b) For other matters:

FACOR Alloys Ltd

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

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

xvi) Commodity price risk or foreign exchange risk & hedging activities :

The company is resorting to natural hedges across transactions, i.e., netting off of inflows and outflows and hedging the net flows will not be resorted to.

xvii) Compliance with Discretionary Requirements :

a. The Board has duly reviewed the Statutory Auditors' Reports on the Standalone / Consolidated accounts for the year ended 31st March, 2018 and has noted that the same do not have any qualifications except qualification on default in repayment of the devolved SBLC amount to the Bank of India in Standalone accounts as mentioned in the Directors' Report.

b. The company has appointed a third party firm as the Internal Auditors which carry out the audit and the report is presented to the Audit Committee for review and further directions.

9. COMPLIANCE:

a) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s), back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

b) Accounting treatment in preparation of financial statements:

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

10. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

a) Regulation 39 (4) of the SEBI Listing Regulations 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 Rs.10/- each of FACOR were issued and these share certificates were forwarded to the eligible shareholders under cover of Registered Letter dated 31-08-2004. Certain letters in sizeable numbers were returned back undelivered to the company due to non-updation of latest Postal Addresses by the respective shareholders in the records of the company. Not only this but all subsequent correspondences addressed to these shareholders by the company such as Annual Report, Postal Ballot & Dividend Warrants etc. were also returned back undelivered due to the said reason.

Regulation 39 (4) of the SEBI (LODR) Regulation, 2015 which provides that company shall transfer all these unclaimed shares into one Folio in the name of "Unclaimed Suspense Account" and these shares can be dematerialized and kept with one of the Depository Participants and all corporate benefits in terms of securities accruing on such shares viz. Bonus shares, Split etc. shall also be credited to such Unclaimed Suspense Account. In compliance of the cited Regulation, this Annual Report should be construed as a ninth 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 in the past besides uploading the message on company's website.

b) Transfer of unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ("IEPF Rules"), the details of unclaimed dividend and corresponding equity shares transferred to IEPF account during FY 2017-18, has been provided in the Board's Report.

Separate letter to the Members who are yet to encash dividend for the financial year 2010-2011, indicating that the unclaimed amount will be transferred to IEPF, alongwith the corresponding Equity Shares, if not claimed by the Members before the due date of transfer, is attached separately. Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents Mas Services Limited at their communication address for encashing the unclaimed dividends. Members are further requested to note that no claims shall lie against the Company with respect to the unclaimed dividend and share(s) transferred to the IEPF pursuant to the IEPF rules.

The last date of claiming dividend is 14th September, 2018. Further, the said dividend will be transferred to IEPF on 15th October, 2018.

c) Registration of Email Addresses:

Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and

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

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agent, M/s MAS Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

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

d) **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.

Attention of the shareholders is also drawn to the SEBI's circular no. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 wherein it is mentioned that request for effecting transfer of securities (Equity Shares) shall not be processed unless securities are held in dematerialized form with a depository. This amendment shall come into force on the one hundred and eightieth day from the date of its publication in official gazette. Accordingly it shall be mandatory to convert physical holding into electronic mode i.e. in demat, for transferring shares to another person(s)/entity(s).

e) **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.

f) **Updation of Address / Bank Details /PAN no. etc.** :

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details/PAN no. with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

g) **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.

h) **Compliances of mandatory requirements and adoption of the non mandatory requirements**

The Company has complied with all the mandatory requirements and the following non-mandatory requirement:

The statutory financial statements both Standalone/Consolidated of the Company are unqualified except qualification on default in repayment of the devolved SBLC amount to the Bank of India in Standalone accounts as mentioned in the Directors' Report.

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

None

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

I. **Disclosure on website in terms of Listing Regulations**

Item	**Compliance status (Yes/No/NA)**
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	Yes
Criteria of making payments to non-executive directors	Yes

Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	NA

II. Annual Affirmations

Particulars	**Regulation Number**	**Compliance status (Yes/No/NA)**
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	No
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2),(3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance requirements	27	Yes

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct for the year ended 31st March, 2018.

Place: Noida, U.P.
Date : 11th August, 2018

R.K. Saraf
Chairman & Managing Director

CERTIFICATION BY CMD AND DY CFO

To the Board of Directors
Facor Alloys Limited

We have reviewed the financial statements and the cash flow statement of Facor Alloys Ltd. for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

[a] [i] These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

[ii] These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

[b] There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

[c] We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

[d] We have indicated to the Auditors and the Audit Committee that :

[i] There have been no significant changes in internal control over financial reporting during the year;

[ii] There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

[iii] There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

R. K. Saraf
Chairman & Managing Director

O. P. Saraswat
Dy CFO

Place: Noida, U.P.
Date : 14th May, 2018

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Facor Alloys Limited

I have examined the compliance of the conditions of Corporate Governance by Facor Alloys Limited ("the Company") for the year ended on 31 March 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations for the year ended on 31 March 2018.

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

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

Umesh Chand Sharma
(Proprietor)
ACS No. 8522, C.P. No. 2386

Place : New Delhi
Date : 26-07-2018

INDEPENDENT AUDITOR'S 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 March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

We believe that the audit evidence obtained by us 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, including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. There are no material foreseeable losses, on long-term contracts including derivative contracts.

iii. There have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company;

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Abhay Upadhye
Partner
Membership No. 049354
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

Place : Noida
Date : 18th May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Facor Alloys Limited of even date)

We report that,

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of fixed assets. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its asset.

(c) The title deeds of immovable properties are held in the name of the erstwhile pre-demerged company. The immovable properties are transferred by virtue of BIFR Order No.314/98 dated 13th April, 2004. The immovable properties acquired subsequent to de-merger are held in the name of the Company.

ii. Physical verification of Inventory has been conducted at reasonable intervals by the Management. No material discrepancies were noticed.

iii. According to the information and explanations given to us, the Company has granted unsecured loans to bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and found that repayments or receipts of principal amounts and interest have been regular as per stipulations.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company and we are of the opinion that prima facie such accounts and records have been made and maintained.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Nature of dues	Rs. in Lakhs (Net of payment)	Forums where the dispute is pending	Period
Income Tax	149.12	Commissioner of Income Tax (Appeals), Visakhapatnam	2009-10, 2010-11, 2012-13, 2013-14
Sales Tax	21.27 8.51	A.P. High Court, Hyderabad APSTAT, Visakhapatnam	2009-2010 2010-11, 2011-12, 2012-13
Custom Duty	158.34	A.P. High Court, Hyderabad	1988-89
Service Tax	48.95 28.37	CESTAT, Hyderabad. Commissioner (Appeals), Visakhapatnam	2012-13, 2013-14, 2015-16 2009-10, 2015-16

viii. **The Company has defaulted in repayment of Rs. 3605.74 lakhs (as on 31st March 2018) to the Bank of India against devolvement of SBLC amounting to ₹ 6089.76 lakhs on 3rd August 2015, provided by the bank for the term loan by the overseas lender to one of the overseas subsidiary of the Company. The company's request for restructuring of this liability is under consideration of the bank.**

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Abhay Upadhye
Partner
Membership No. 049354
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

Place : Noida
Date : 18th May, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of FACOR ALLOYS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of FACOR ALLOYS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Abhay Upadhye
Partner
Membership No. 049354
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

Place : Noida
Date : 18th May, 2018

BALANCE SHEET AS AT 31 MARCH 2018

(₹ in Lacs)

	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	**16,766.73**	16,993.99	17,118.22
Investments in Subsidiaries and Associates	4	**-**	1,855.64	1,855.64
Financial Assets				
(i) Investments	5	**809.27**	2.05	3.05
(ii) Loans	6	**-**	6.51	-
(iii) Other Non-Current Financial Assets	7	**1,130.41**	702.56	43.72
Deferred Tax Asset (Net)	8	**1,924.24**	1,637.03	1,634.60
Total Non-Current Assets		**20,630.65**	21,197.78	20,655.23
Current Assets				
Inventories	9	**2,142.11**	1,812.39	1,372.69
Financial Assets				
(i) Trade Receivables	10	**1,840.67**	1,377.51	284.60
(ii) Cash and Cash Equivalents	11	**139.51**	949.00	69.17
(iii) Other Bank Balances	12	**6.38**	10.45	10.56
(iv) Other Current Financial Assets	13	**1,078.27**	923.16	70.02
Current Tax Assets (Net)	14	**473.02**	229.74	138.20
Other Current Assets	15	**655.59**	1,583.31	1,330.33
Total Current Assets		**6,335.55**	6,885.56	3,275.57
Total Assets		**26,966.20**	28,083.34	23,930.80
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	**1,955.48**	1,955.48	1,955.48
Other Equity	17	**10,703.71**	10,384.09	10,336.16
Total Equity		**12,659.19**	12,339.57	12,291.64
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	18	**1,994.88**	1,696.50	-
Provisions	19	**166.63**	140.03	115.29
Total Non-Current Liabilities		**2,161.51**	1,836.53	115.29
Current Liabilities				
Financial Liabilities				
(i) Borrowings	20	**4,851.32**	7,804.47	8,699.74
(ii) Trade Payables	21	**2,467.28**	2,106.93	711.23
(iii) Other Financial Liabilities	22	**2,907.82**	2,318.72	514.57
Other Current Liabilities	23	**732.81**	362.03	298.27
Provisions	24	**1,186.27**	1,315.09	1,300.06
Total Current Liabilities		**12,145.50**	13,907.24	11,523.87
Total Liabilities		**14,307.01**	15,743.77	11,639.16
Total Equity and Liabilities		**26,966.20**	28,083.34	23,930.80
Notes to Financial Statements	1 to 44			

The notes referred to above from an integral part of the Balance sheet.
As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 18th May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from Operations	25	**31,319.97**	13,439.56
Other Income	26	**359.99**	343.23
Total Income		**31,679.96**	13,782.79
Expenses			
Cost of Materials Consumed	27	**11,512.61**	6,313.81
Change in Inventory of Finished Goods and Work in Progress	28	**(962.48)**	(344.55)
Excise Duty Expenses		**169.77**	160.81
Employee Benefits Expense	29	**2,022.59**	1,341.70
Finance Costs	30	**1,664.36**	1,641.24
Depreciation and Amortisation Expense	31	**246.94**	258.24
Other Expenses	32	**16,926.49**	4,391.83
Total Expenses		**31,580.28**	13,763.08
Profit/ (Loss) Before Tax and Exceptional Items		**99.68**	19.71
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		**(548.44)**	-
B) Profit / (Loss) on Sale/Discard of Fixed Asset		**435.93**	15.36
Profit/ (Loss) Before Tax		**(12.83)**	35.07
Tax Expense:			
Current Tax	33	**-**	(50.51)
Deferred Tax		**(302.86)**	11.44
Profit/ (Loss) for the Period (A)		**290.03**	74.14
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of defined benefit plans		**23.35**	(43.64)
Deferred Tax relating to remeasurement of defined benefit plans		**8.08**	(15.10)
Total Other Comprehensive Income for the Period (B)		**15.27**	(28.54)
Total Comprehensive Income for the Period (A + B)		**305.30**	45.60
Earnings per Equity Share	34		
Basic		**0.15**	0.04
Diluted		**0.15**	0.04
Notes on Financial Statements	1 to 44		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
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S.S. Sharma
General Manager (Legal)
& Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 18th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

(a) Equity Share Capital

	No. of Shares	Amount
Balance at the 01.04.2016	19,55,47,355	1,955.48
Changes in Equity Share Capital during the year	-	-
Balance at the 31.03.2017	**19,55,47,355**	**1,955.48**
Balance at the 01.04.2017	19,55,47,355	1,955.48
Balance at the end of the Reporting Period	-	-
Balance at the 31.03.2018	**19,55,47,355**	**1,955.48**

(b) Other Equity

	Reserves & Surplus					OCI	
	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Equity Portion of Borrowings	Remeasurement of Defined Benefit Plans	Total
Balance at 1 April 2016	**2,667.52**	**250.00**	**8,700.51**	**(2,880.34)**	**-**	**-**	**8,737.69**
Impacts due to Ind AS Adjustments	-	-		1,598.47	-	-	1,598.47
Restated Balance at the Beginning of the Reporting Period	**2,667.52**	**250.00**	**8,700.51**	**(1,281.87)**	**-**	**-**	**10,336.16**
Profit for the year	-	-	-	74.14	2.32	(28.54)	47.92
Other comprehensive Income/ (Loss) for the year	-	-	-	-		-	-
Total Comprehensive Income for the year	**-**	**-**	**-**	**74.14**	**2.32**	**(28.54)**	**47.92**
Balance at 31 March 2017	**2,667.52**	**250.00**	**8,700.51**	**(1,207.73)**	**2.32**	**(28.54)**	**10,384.08**
Changes in Accounting Policy / Prior Period Errors	-	-	-	-		-	-
Restated Balance at the Beginning of the Reporting Period	**2,667.52**	**250.00**	**8,700.51**	**(1,207.73)**	**2.32**	**(28.54)**	**10,384.08**
Profit for the year	-	-	-	290.03		-	290.03
Other Comprehensive Income for the year	-	-	-	-	14.32	15.27	29.59
Total Comprehensive Income for the year	**-**	**-**	**-**	**290.03**	**14.32**	**15.27**	**319.62**
Balance at 31 March 2018	**2,667.52**	**250.00**	**8,700.51**	**(917.70)**	**16.64**	**(13.27)**	**10,703.70**

As per our report of even date.

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

Place: Noida, U.P.
Date: 18th May, 2018

O.P. Saraswat
Dy. Chief Financial Officer

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

For and on behalf of the Board of Directors

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		For the year ended 31 March 2018	For the year ended 31st March 2017
A	**Cash flows from Operating Activities**		
	Net Profit/ (Loss) after Prior Period Items and Before Tax	**(12.83)**	35.07
	Adjustments For:		
	a) Interest Income	**(133.39)**	(168.53)
	b) Depreciation	**246.94**	258.24
	c) Gain on Sale of Fixed Assets	**(435.93)**	(15.36)
	d) Interest Expense	**1,664.36**	1,641.24
	Operating Cash Profit before Working Capital Changes	**1,329.15**	1,750.66
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	**360.35**	1,395.70
	b) Increase/(Decrease) in Other Current Liabilities	**370.78**	63.76
	c) Increase/(Decrease) in Other Current Financial Liabilities	**589.10**	1,804.15
	d) (Increase)/Decrease in Other Non Current Financial Assets	**(421.34)**	(665.35)
	e) (Increase)/Decrease in Provisions	**(78.87)**	(3.87)
	f) (Increase)/Decrease in Other Current Financial Assets	**(151.01)**	(853.11)
	g) (Increase)/Decrease in Inventories	**(329.72)**	(439.70)
	h) (Increase)/Decrease in Trade Receivables	**(463.16)**	(1,092.91)
	i) (Increase)/Decrease in Other Current Assets	**927.72**	(252.98)
	Cash Generated from/ (used in) Operations	**2,133.00**	1,706.35
	Less: Income Tax Paid (Net of Refunds)	**(243.28)**	(41.03)
	Net Cash Generated from/ (used in) Operating Activities before Extraordinary Item	**1,889.72**	1,665.32
	Outflow for Extraordinary Item	**548.44**	-
	Net Cash Generated from/ (used in) Operating Activities(A)	**2,438.16**	1,665.32
B	**Cash Flow from Investing Activities:**		
	(Purchase) of Property, Plant and Equipment and Capital Work in Progress	**(22.47)**	(140.70)
	Net Proceeds of Property, Plant and Equipment and Capital Work in Progress	**438.72**	22.05
	Interest Received	**133.36**	168.61
	Net movement in Investments	**499.98**	1.00
	Net Cash Generated from/ (Used in) Investing Activities (B)	**1,049.59**	50.96
C	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	**(2,632.87)**	804.78
	Interest Expense Paid	**(1,664.36)**	(1,641.24)
	Issue of Shares	**-**	-
	Net Cash generated from/ (used in) Financing Activities (C)	**(4,297.23)**	(836.46)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(809.48)**	879.82
	Cash and Cash Equivalents at the Beginning of the year	**948.99**	69.17
	Cash and Cash Equivalents at the End of the year	**139.50**	948.99

Reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities

Particulars	Long Term Borrowings	Short Term Borrowings	Total
Opening Balance as on 1 April 2017	1,700.40	9,511.24	**11,211.64**
Financing Cash Flows	320.00	(2,953.15)	**(2,633.15)**
Non-Cash Changes			
Interest Accrued	(0.54)	1,010.94	**1,010.40**
Fair Value Changes	(21.62)		**(21.62)**
Closing Balance as at 31 March 2018	**1,998.24**	**7,569.03**	**9,567.27**

As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
Place: Noida, U.P.
Date: 18th May, 2018

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. **Reporting Entity**

Facor Alloys Limited referred to as "FAL" or "the Company" is domiciled in India. The Company's registered office is at Vizianagaram, Andhra Pradesh.

The Company is listed at Bombay Stock Exchange. At one point of time FAL was one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel. FAL was incorporated in 2004 under the Companies Act, 1956.

2. **Significant Accounting Policies**

a) Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

The financial statement up to year ended 31 March, 2017 were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2014 issued by the Central Government and as per relevant provisions of the Companies Act, 2013 read together with Paragraph 7 of The Companies (Accounts) Rules, 2014.

The financial statements for the year ended 31 March, 2018 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in the notes.

b) Basis of measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Property, plant and equipment at fair value;
- Certain financial assets and liabilities (including derivative instruments) measured at fair value
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation

The standalone financial statements have been prepared on the following basis:

Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amounts of equity accounted investments are tested for impairment in accordance with thepolicy.

c) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Rupees, unless otherwise indicated.

d) Use of judgements and estimates

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

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

A. Judgements

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31 March 2018 is included below:

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

e) Property, plant and equipment:

Recognition and measurement

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate item (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and its cost can be measured reliably.

Depreciation

The charge in respect of depreciation on tangible assets acquired prior to 01.04.2014 is provided on different fixed assets on the basis of ‘straight line method’ and ‘written down value method’ over the useful life of assets after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life as evaluated by external valuers and further reviewed by the technical Management based on historical experience. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

Cost of leasehold land is amortized over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

f) Intangible assets

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

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

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortized cost or fair value through comprehensive income or fair value through profit and loss account depending on the company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

h) Inventories

Raw material, stores and spares, work in progress and finished goods are valued at lower of cost or net realizable value.

i) Revenue Recognition

(a) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis.

(b) Interest income is recognized using the Effective Interest Rate (‘EIR’) method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

(c) Dividend income is recognised, when the right to receive the dividend is established.

j) Foreign currency transactions

(a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

(c) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

(d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

k) Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident Fund

b) Superannuation Fund

iii. Defined benefit plans

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

a) Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

l) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i. Current tax

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

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

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Facor alloys Limited has been identified as being the chief operating decision maker by the Management of the company. Refer **note 37** for segment information presented.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31 March 2017	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2018	As at 31 March 2017	Impact of Ind AS Transition	For the year	Adjustments/ Deductions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Tangible Assets												
Freehold Land	14,000.85		-	0.15	14,000.70	-		-	-	-	14,000.70	14,000.85
Mines and Quarries Freehold	1,380.14		-		1,380.14	-		-	-	-	1,380.14	1,380.14
Buildings	220.99		3.90	2.12	222.77	21.52		17.30	0.18	38.64	184.14	199.48
Railway Sidings	12.03		-	-	12.03	1.62		1.40	-	3.02	9.01	10.41
Plant and Machinery	1,342.19		4.09	0.26	1,346.02	169.49		174.71	0.04	344.16	1,001.86	1,172.70
Office Equipments	92.77		14.49	0.40	106.86	15.73		17.68	0.03	33.38	73.48	77.04
Furniture & Fixtures	122.64		-	0.01	122.63	30.03		22.54	0.00	52.57	70.06	92.61
Vehicles	80.62		-	0.11	80.51	19.84		13.32	0.00	33.15	47.35	60.77
Total	**17,252.23**	**-**	**22.47**	**3.04**	**17,271.66**	**258.24**	**-**	**246.94**	**0.25**	**504.92**	**16,766.73**	**16,993.99**

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2016	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	Impact of Ind AS Adjustment	For the year	Adjustments/ Deductions	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Tangible Assets												
Freehold Land	61.84	13,939.01	-	0.00	14,000.85		-	-	-	-	14,000.85	14,000.85
Mines and Quarries Freehold	0.98	1,379.16	-	-	1,380.14		-	-		-	1,380.14	1,380.14
Buildings	220.99	-	-	-	220.99		-	21.52		21.52	199.48	220.99
Railway Sidings	12.03	-	-	-	12.03		-	1.62		1.62	10.41	12.03
Plant and Machinery	1,209.34	-	137.14	4.29	1,342.19		-	169.49		169.49	1,172.70	1,209.34
Office Equipments	90.17	-	3.50	0.89	92.77		-	15.73	-	15.73	77.04	90.17
Furniture & Fixtures	122.64	-	0.06	0.07	122.64		-	30.03		30.03	92.61	122.64
Vehicles	82.06	-	-	1.44	80.62		-	19.84		19.84	60.77	82.06
Total	**1,800.05**	**15,318.17**	**140.70**	**6.69**	**17,252.23**	**-**	**-**	**258.24**	**-**	**258.24**	**16,993.99**	**17,118.22**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
4	**Investment in Subsidiary and Associates**			
	Investment Measured at Fair Value			
a	**Investment in Subsidiary Company -Equity instruments (fully paid-up) (Unquoted)**			
	5,000 (Previous Year - 5,000) Best Minerals Limited of ₹ 100 each	**5.00**	5.00	5.00
	Less: Impairment Provision	**(5.00)**	(5.00)	(5.00)
		-	-	-
	10,000 (Previous Year - 10,000) FAL Power Ventures Pvt. Limited of ₹ 10 each	**1,583.75**	1,583.75	1,583.75
	Less: Impairment Provision	**(1,583.75)**	(1,583.75)	(1,583.75)
		-	-	-
	50,000 (Previous Year - 50,000) Facor Electric Limited of ₹ 10 each	**5.01**	5.01	5.01
	Less: Impairment Provision	**(5.01)**	(5.01)	(5.01)
		-	-	-
	5,43,000 (Previous Year - 5,43,000) Facor Minerals Pte Limited of USD 1 each	**281.52**	281.52	281.52
	Less: Impairment Provision	**(281.52)**	(281.52)	(281.52)
		-	-	-
	21,51,605 (Previous Year - 21,51,605) Facor Minerals Netherlands BV of USD 1 each	**1,216.15**	1,216.15	1,216.15
	Less: Impairment Provision	**(1,216.15)**	(1,216.15)	(1,216.15)
		-	-	-
b	**Investment in Associate Company -Equity instruments (fully paid-up) (Unquoted)**			
	NIL (Previous Year- 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1 each	**-**	1,855.64	1,855.64
		-	1,855.64	1,855.64
	Aggregate book value of quoted investments	**NIL**	NIL	NIL
	Aggregate book value of un-quoted investments	**-**	1,855.64	1,855.64
5	**Investment Others**			
	Investment Measured at fair value through OCI			
a	**Others - In Equity Shares -unquoted, fully paid up**			
	(i) 1,36,663 (Previous Year-1,36,663) Vidarbha Iron & Steel Corporation Limited of ₹ 10 each	**-**	-	-
	(ii) 2,00,00,000 (Previous Year- 2,00,00,000) Facor Power Limited of ₹ 10 each	**-**	-	-
	(iii) 30 Shares (Previous Year-Nil) DNS BANK LTD MUMBAI of ₹ 50/- each	**0.02**	-	-
	(iv) 7,33,818 Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1 each	**807.20**	-	-
	Investment Measured at amortised cost	**-**	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
b	**In Government Securities : Unquoted**	**-**	-	-
	6 Years National Savings Certificates	**2.05**	2.05	3.05
	Total	**809.27**	2.05	3.05
	Aggregate book value of quoted investments	**NIL**	NIL	NIL
	Aggregate book value of un-quoted investments	**809.27**	2.05	3.05
6	**Loans and Advances**			
	Unsecured, considered good			
	Other Loans	**-**	6.51	-
	Total	**-**	6.51	-
7	**Other Non-Current Financial Assets**			
	Unsecured, considered good			
	Security deposits			
	- Others	**1,129.91**	702.56	43.72
	Balanace in Term Deposits (Maturity more than 12 months)	**0.50**	-	-
	Total	**1,130.41**	702.56	43.72
8	**Deferred Tax Liabilities/ Assets (Net)**			
	Deferred Tax Liability:			
	Difference between Book and Income Tax depreciation	**276.87**	326.36	374.07
	Others	**8.69**	1.21	-
	Deferred Tax Assets:			
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	**1,880.58**	773.11	140.48
	Unabsorbed Depreciation and Unabsorbed Business loss	**329.22**	1,191.49	1,868.19
	Total	**1,924.24**	1,637.03	1,634.60

Reconciliation of Deferred Tax Assets/(Liabilities)

Particulars	As at 31 March 2018	As at 31 March 2017
Opening Balance as on 1st April	**1,637.03**	1,634.60
Deferred tax income/ (expense) during the period recognised in profit & loss	**302.86**	(11.44)
Deferred tax income/ (expense) during the period recognised in Other Equity	**(7.58)**	(1.23)
Deferred tax income/ (expense) during the period recognised in OCI	**(8.08)**	15.10
Closing Balance	**1,924.23**	1,637.03

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9	**Inventories**			
	(At cost or NRV whichever is lower)			
	Raw Materials (including meterial in transit)	**731.16**	1,299.43	1,285.33
	Work-in-Progress	**137.75**	158.53	-
	Finished Products	**1,169.93**	186.67	0.65
	Stores and Spares	**89.41**	152.67	70.58
	Loose Tools	**13.86**	15.09	16.13
	Total	**2,142.11**	1,812.39	1,372.69

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
10	**Trade Receivables**			
	Unsecured and considered good			
	-from related parties	**-**	-	-
	-from others	**1,840.67**	1,377.51	284.60
	Total	**1,840.67**	1,377.51	284.60
11	**Cash and Cash Equivalents**			
	Balance with banks:			
	- In Current Account	**136.56**	939.84	18.02
	- In Cash Credit Accounts	**1.13**	5.49	0.04
	- In Term Deposits	**-**	-	50.00
	Cash in hand	**1.82**	3.67	1.11
	Total	**139.51**	949.00	69.17
12	**Other Bank Balances**			
	In earmarked accounts			
	- Unclaimed dividend account	**6.38**	10.45	10.56
	Total	**6.38**	10.45	10.56
13	**Other Current Financial Assets**			
	Loans and advances to related parties	**9,694.30**	9,537.76	8,684.54
	Less: Allowance for credit Loss	**(8,616.06)**	(8,614.60)	(8,614.60)
		1,078.24	923.16	69.94
	Interest Accrued	**0.03**	-	0.08
	Total	**1,078.27**	923.16	70.02
14	**Current Tax Assets (Net)**			
	Advance tax (Net of provision for income tax)	**473.02**	229.74	138.20
	Total	**473.02**	229.74	138.20
15	**Other Current Assets**			
	Advances to vendors	**234.43**	902.58	165.29
	Taxes and duties recoverable	**379.14**	635.83	388.65
	Prepaid expenses	**16.56**	18.40	-
	Claims recoverable	**25.46**	25.46	25.46
	Others	**-**	1.04	750.93
	Total	**655.59**	1,583.31	1,330.33
16	**Share Capital**			
	Authorised:			
	36,00,00,000 (31 March 2017 - 36,00,00,000) equity shares of ₹1/- each	**3,600.00**	3,600.00	3,600.00
	39,00,000 (31 March 2017 - 39,00,000) preference shares of ₹100/- each	**3,900.00**	3,900.00	3,900.00
	Issued, subscribed & fully paid up:			
	19,55,47,355 (31 March 2017 - 19,55,47,355) equity shares of ₹1/- each	**1,955.48**	1,955.48	1,955.48
	Total	**1,955.48**	1,955.48	1,955.48

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

a. **Terms and rights attached to Equity Shares**

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

b. **Reconciliation of Number of Equity Shares outstanding at the beginning and end of the year :**

	Number of Shares	(₹ in Lacs)
Outstanding at the 1 April 2016	19,55,47,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	19,55,47,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2018	19,55,47,355	1,955.48

c. **Shareholders holding more than 5% of the Equity shares in the company**

Name of the Shareholders	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
R.B.Shreeram & Co. Pvt. Ltd.	6,10,55,682	31.22%	6,10,55,682	31.22%	6,10,55,682	31.22%

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
17	**Other Equity**			
a.	**Securities premium account**			
	Balance at the beginning of the year	**2,667.52**	2,667.52	2,667.52
	Addition during the year	**-**	-	-
	Balance at the end of the year	**2,667.52**	2,667.52	2,667.52
b.	**Capital Reserves**			
	Balance at the beginning of the year	**8,700.51**	8,700.51	8,700.51
	Addition during the year	**-**	-	-
	Balance at the end of the year	**8,700.51**	8,700.51	8,700.51
c.	**General reserve**			
	Balance at the beginning of the year	**250.00**	250.00	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	**-**	-	-
	Balance at the end of the year	**250.00**	250.00	250.00
d.	**Retained earnings**			
	Balance at the beginning of the year	**(1,207.72)**	(1,281.86)	(2,880.34)
	Ind AS Adjustments	**-**	-	1,598.47
	Add: Profit for the year after taxation as per statement of Profit and Loss	**290.03**	74.14	-
		(917.69)	(1,207.72)	(1,281.87)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
e.	**Equity Component of Loan**			
	Balance at the beginning of the year	**2.32**	-	-
	Add: Profit for the year after taxation as per statement of Profit and Loss	**14.32**	2.32	-
		16.64	2.32	-
f.	**Other Comprehensive Income**			
	Balance at the beginning of the year	**(28.54)**	-	-
	Addition during the year	**15.27**	(28.54)	-
	Balance at the end of the year	**(13.27)**	(28.54)	-
	Total Equity (a+b+c+d+e+f)	**10,703.71**	10,384.09	10,336.16

Nature and purpose of other reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

18	**Borrowings (Unsecured)**			
	Loans			
	- From related parties	**327.07**	126.50	-
	- Others	**1,667.81**	1,570.00	-
	Total	**1,994.88**	1,696.50	-

Entire Loan is repayable on 31 March, 2020

Promoters of the company have given security by way of pledge of equity shares numbering 6 crores (Previous year 7 crores) against the loan amounting to ₹15 crores obtained by the company from M/s Shree Yash Stainless Pvt. Ltd.

19	**Provisions**			
	Provision for employee benefits			
	- Compensated Absences	**166.63**	140.03	115.29
	Total	**166.63**	140.03	115.29
20	**Borrowings**			
	(a) From Banks (Secured) :			
	From Banks (Ref. Note 20.1)	**3,890.13**	6,935.70	7,699.74
	(b) From Other (Secured) (Ref. Note 20.2)	**-**	-	1,000.00
	(C) Liability Against financial guarantees (Ref. Note 20.3)	**961.19**	868.77	-
	Total	**4,851.32**	7,804.47	8,699.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

20.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts and other receivables and by way of second charge on fixed assets of the Company in respect of immovable properties and guaranteed by two Directors. It also includes ₹ 3605.74 lacs (Previous Year ₹ 6089.76 lacs) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's Account. The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

20.2 Secured by way of pledge of 17,42,700 equity shares in Pioneer facor IT Infradevelopers Pvt. Ltd.

20.3 The company has received demand notice dated 20th February 2017 from the lender of Cati Madencilik Ithalat *Ve* Ihracat A.S. (Tier II subsidiary) against the corporate guarantee given by Facor Alloys Limited towards its borrowing amount USD 1.5 million. The amount of USD 1.48 Million (Previous Year USD 1.34 Million) has been included in the above liability.

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
21	**Trade Payables**			
	Micro Small and Medium Enterprises	**-**	-	-
	Others	**2,467.28**	2,106.93	711.23
	Total	**2,467.28**	2,106.93	711.23
22	**Other Financial Liabilities**			
	Current maturities of long-term debt			
	- from related parties	**-**	100.00	-
	Unpaid dividend	**6.38**	10.44	10.56
	Interest accrued and due	**2,721.07**	1,710.67	-
	Other payables for:			
	- Managerial Remuneration	**70.07**	93.90	73.59
	- Employee Benefits Payable	**96.95**	397.00	421.32
	- Security deposits / Retention money	**13.35**	6.71	9.10
	Total	**2,907.82**	2,318.72	514.57
23	**Other Current Liabilities**			
	Statutory dues	**263.29**	87.46	24.95
	Revenue received in advance			
	- Others	**14.99**	56.27	22.99
	Other payables	**454.53**	218.30	250.33
	Total	**732.81**	362.03	298.27
24	**Provisions**			
	Provision for employee benefits			
	- Gratuity	**155.22**	256.39	219.54
	- Compensated Absences	**10.52**	38.17	59.99
	Others	**1,020.53**	1,020.53	1,020.53
	Total	**1,186.27**	1,315.09	1,300.06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		Year ended 31 March 2018	Year ended 31 March 2017
25	**Revenue from Operations**		
	Sale of goods		
	- High Carbon Ferro Chrome- Export - Direct	**2,980.18**	2,900.08
	- Export - Deemed	**8,121.26**	4,887.03
	- Indegenous	**3,891.41**	1,278.41
	Subtotal	**14,992.85**	9,065.53
	Off Grade/By-products	**3.18**	7.38
	Sale of goods	**15,165.80**	9,233.72
	Sale of service- HCF conversion	**16,033.02**	4,187.47
		31,198.82	13,421.19
	Export Incentives	**121.15**	18.37
	Grand Total	**31,319.97**	13,439.56
26	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	**0.03**	0.08
	- Others	**133.36**	168.45
	Miscellaneous Receipts	**120.02**	77.37
	Fair Value adjustment of below market interest rate loan	**9.40**	-
	Car Lease Rental Received	**19.20**	19.20
	Rent Received	**77.98**	78.13
	Total	**359.99**	343.23
27	**Cost of Materials Consumed**		
	Opening Stock of Raw Material	**1,299.43**	1,285.33
	Add: Purchases	**10,935.54**	6,327.90
	Less: Closing Stock of Raw Material	**731.16**	1,299.43
	Total	**11,512.61**	6,313.81
28	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Closing Stock		
	- Finished Goods	**1,169.93**	186.67
	- Work-in-Progress	**137.75**	158.53
		1,307.68	345.20
	Opening Stock		
	- Finished Goods	**186.67**	0.65
	- Work-in-Progress	**158.53**	-
		345.20	0.65
	Decrease / (Increase) in Inventories	**(962.48)**	(344.55)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		Year ended 31 March 2018	Year ended 31 March 2017
29	**Employee Benefits Expense**		
	Salaries and wages	**1,392.83**	965.37
	Contribution to provident and other funds	**147.15**	93.21
	Staff Gratuity and Superannuation	**46.15**	49.53
	Staff welfare expenses	**380.37**	177.90
	Directors' Remuneration	**56.09**	55.69
	Total	**2,022.59**	1,341.70
30	**Finance Cost**		
	Interest on long term loans	**591.45**	308.04
	Interest on other loans	**1,064.23**	1,326.67
	Other borrowing costs	**7.32**	5.59
	Bank Charges on bill discounting	**1.36**	0.94
	Total	**1,664.36**	1,641.24
31	**Depreciation and Amortisation Expense**		
	Depreciation on Tangible Assets	**246.94**	258.24
	Total	**246.94**	258.24
32	**Other Expenses**		
	Mining Handling & Other Production Expenses	**606.34**	231.91
	Power and Fuel	**13,653.46**	3,014.29
	Repairs and Maintenance:		
	- Buildings	**271.23**	152.18
	- Plant and Machinery	**1,239.96**	295.09
	Freight, Shipment & Sales Expenses	**190.55**	95.15
	Stores & Spares	**268.49**	94.55
	Works Expenses	**382.78**	244.44
	Transport Expenses	**140.97**	52.91
	Rent	**27.45**	72.29
	Insurance	**8.46**	8.00
	Rates and Taxes	**18.91**	9.49
	Provision for Doubtful Advances	**1.47**	-
	Commission and Brokerage on Sales	**17.21**	36.08
	Donation	**0.10**	-
	Payment to Auditors	**4.68**	3.38
	Directors' Sitting Fees	**2.45**	2.15
	Miscelaneous Expenses	**82.53**	62.25
	Foreign Exchange Fluctuations	**9.45**	17.67
	Total	**16,926.49**	4,391.83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		Year ended 31 March 2018	Year ended 31 March 2017
32.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	**2.75**	2.75
	Tax Audit Fees	**0.15**	0.15
	Certification and Consultation Fees	**0.16**	0.10
	Reimbursement of Expenses	**1.12**	0.18
	(b) Cost Auditor		
	Audit Fees	**0.50**	0.20
	Total	**4.68**	3.38
33	**Income Tax**		
33.1	**Income Tax Expenses**		
	Current Tax Expenses		
	Current year		
	Adjustment for previous Year	**-**	(50.51)
		-	(50.51)
	Deferred Tax Expenses		
	Change in recognised temporary differences	**(302.86)**	11.44
	Total Tax Expenses	**(302.86)**	(39.07)
33.2	**Reconciliation of Effective Tax Rate**		
	Profit/(Loss) before Tax	**(12.83)**	35.07
	Applicable Tax Rate	**34.61%**	34.61%
	Computed Tax Expenses	**(4.44)**	12.14
	Tax Effect of:		
	Mat Credit difference		
	Adjustement of earlier year tax	**-**	(50.51)
	DTA not created	**-**	-
	Deferred Tax on Sale of Investment	**(329.22)**	
	Others Tax Adjustment	**30.80**	(0.69)
	Tax Expenses Recognised in Profit and Loss	**(302.86)**	(39.07)
	Effective Tax Rate	**2360.59%**	-111.40%
34	**Earning Per Share**		
	Profit/ (Loss) for the Period	**290.03**	74.14
	Weighted Average Number of Equity Shares of ₹ 10/- each (In lacs)	**1,955.48**	1,955.48
	EPS - Basic and Diluted	**0.15**	0.04

35 The information related to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of of information available with the Company.

36 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debts, since disputed ₹ 1,533.69 lacs (Previous Year ₹ 1,637.51 lacs). Amounts paid under protest ₹ 291.26 lacs (Previous Year ₹ 142.37 lacs) have been debited to Advance Account.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

b. 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.

B. 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)

37 Segment Information:

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Management Information System of the Company identifies and monitors Ferro Alloys as the business segment. The Company is managed organisationally as a single unit. In the opinion of the management, the Company is primarily engaged in the business of Ferro Alloys. As the basic nature of these activities are governed by the same set of risk and return, these constitute and are grouped as a single segment. Accordingly, there is only one Reportable Segment for the Company which is "Ferro Alloys", hence no specific disclosures have been made.

Entity wise disclosures

A. Information about products and services

During the year, the Group primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about Geographical Areas

The Group derives revenue from following major geographical areas:

(₹ in Lacs)

Area	For the year ended 31 March 2018	For the year ended 31 March 2017
Outside India	11,101.44	7,787.11
Domestic	19,924.43	5,465.89

All the non-current assets of the Group other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

C. Information about Major Customers (from External Customers)

The Company derives revenues from the following customers where each contributes to 10 per cent or more of an entity's revenues:

(₹ in Lacs)

External Customers	For the year ended 31 March 2018	For the year ended 31 March 2017
Tata Steel	16,033.02	4,187.47
Alloys and Metals	988.12	2,480.32
Mortex India Ltd.	5,222.02	843.69
Hangzhou Hanggang Foreign	1,176.87	1,554.05

38 Related Party Disclosure:-

I List of Related Parties:-

A. Name and nature of relationship with the related party where control exists:

Best Minerals Ltd. - Subsidiary Company

Facor Electric Ltd. - Subsidiary Company

FAL Power Ventures Pvt. Ltd. - Subsidiary Company

Facor Minerals Pte. Ltd. - Subsidiary Company

Facor Minerals (Netherlands) B.V. (FMN) - Subsidiary Company

Facor Turkkrom Mining (Netherlands) B.V. (FTM) - Subsidiary of FMN

Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

B. 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 (till 26th July 2017)
2 Facor Steels Limited
3 Rai Bahadur Shreeram and Company Private Limited
4 Godawaridevi Saraf & Sons
5 GDP Infrastructure Private Limited
6 Shreeram Shipping Services Pvt. Ltd
7 Ferro Alloys Corporation Limited
8 Vidarbha Iron & Steel Corporation Limited
9 Facor Power Limited

C. Key Management Personnel

1 R.K. Saraf - Chairman & Managing Director
2 Ashim Saraf - Joint Managing Director
3 Anurag Saraf - Joint Managing Director

D. Relatives of a Key Management Personnel :

1 M.D. Saraf - President

II Transactions with Related Parties during the year ended 31-03-2018 in the ordinary course of business.

(₹ in Lacs)

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
i) Purchase of Goods		-	-	417.95		-
ii) Purchase of Assets		-	-	2.00		-
iii) Rent paid		-	103.53	84.43		-
iv) Rent received		-	96.60	96.60		-
v) Reimbursement of Expenditure Paid (Received) (Net)		-	22.61	20.10		-
vi) Services Received/(Provided) (Net)		-	10.69	18.90		-
vii) Interest Received		-	17.04	45.70		-
viii) Short Term Loans & Advances given (Received)	93.02	869.73	(60.29)	(243.01)		-
ix) Clearing & forwarding and other service charges	-	-	2.40	1.73		-
x) Key Management Personnel and their Relative's Remuneration	-	-		-	92.60	80.26
xi) Sitting Fees	-	-	-	-	2.45	2.15
xii) Balances outstanding at the year end:						
a) Short Term Loans & Advances	1,009.74	918.19	(281.82)	(221.53)	-	-
b) Other Receivables	-	-	23.23	-	-	-
c) Key Management Personnel and their Relative's Remuneration	-	-		-	76.33	86.63
d) Other Payables	-	-	21.88	15.80	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

III. **Disclosure in respect of Related Party Transactions during the year:**

(₹ in Lacs)

S. No.	Particulars		Relationship	2017-18	2016-17
1	**PURCHASE OF GOODS:**		Others	-	417.95
	Ferro Alloys Corporation Ltd.	Total		-	417.95
2	**PURCHASE OF ASSETS:**		Others	-	2.00
	Ferro Alloys Corporation Ltd.	Total		-	2.00
3	**RENT PAID:**				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	**102.21**	37.69
	Pioneer Facor IT Infradevelopers Pvt. Ltd.		Associate	-	45.41
	Godawaridevi Saraf & Sons		Others	**1.32**	1.33
		Total		**103.53**	84.43
4	**RENT RECEIVED:**				
	Ferro Alloys Corporation Ltd.		Others	**79.80**	79.80
	Facor Power Limited		Others	**16.80**	16.80
		Total		**96.60**	96.60
5	**REIMBURSEMENT OF EXPENDITURE:**				
	Paid				
	Pioneer Facor IT Infradevelopers Pvt. Ltd.		Associate	**17.07**	12.69
	Godawaridevi Saraf & Sons		Others	**20.71**	18.69
		Sub-Total		**37.78**	31.38
	Received				
	Ferro Alloys Corporation Ltd.		Others	**11.38**	8.46
	Facor Power Limited		Others	**3.79**	2.82
		Sub-Total		**15.17**	11.28
		Net Expenditure Paid		**22.61**	20.10
6	**SERVICE RECEIVED/(PROVIDED)**				
	Paid				
	Pioneer Facor IT Infradevelopers Pvt. Ltd.		Others	**20.89**	28.26
	Received				
	Ferro Alloys Corporation Ltd.		Others	**(7.65)**	(7.02)
	Facor Power Limited		Others	**(2.55)**	(2.34)
		Sub-Total		**(10.20)**	(9.36)
		Net Services Paid		**10.69**	18.90
7	**INTEREST RECEIVED/(PAID)**				
	Paid				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	**(17.65)**	(16.66)
	Shreeram Durgaprasad Ores (P) Ltd		Others	**(27.81)**	
				(45.46)	(16.66)
	Received				
	Facor Power Limited		Others	**62.50**	62.36
				62.50	62.36
		Total		**17.04**	45.70

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

S. No.	Particulars		Relationship	2017-18	2016-17
8	**SHORT TERM LOANS AND ADVANCES**				
	Loans Received				
	Facor Steels Limited		Others	**-**	(15.29)
	Facor Power Limted		Others	**40.28**	(0.35)
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	**172.87**	(226.50)
	Shreeram Shipping Services Pvt. Ltd.		Others	**-**	(0.87)
	Shreeram Durgaprasad Ores (P) Ltd		Others	**(273.44)**	-
		Sub-Total		**(60.29)**	(243.01)
	Loans Given				
	Best Minerals Limited		Subsidiary	**0.19**	0.26
	Facor Electric Limited		Subsidiary	**0.23**	0.40
	FAL Power Ventures Private Limited		Subsidiary	**0.18**	0.30
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	**92.42**	868.77
		Sub-Total		**93.02**	869.73
		Total		**32.73**	626.72
9	**CLEARING & FORWARDING AND OTHER SERVICE CHARGES**				
	Shreeram Shipping Services Pvt. Ltd.		Others	**2.40**	1.73
		Total		**2.40**	1.73
10	**KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES' REMUNERATION**				
	Shri R.K. Saraf		Key Management Personnel	**17.62**	17.58
	Shri Ashim Saraf		Key Management Personnel	**21.54**	21.20
	Shri Anurag Saraf		Key Management Personnel	**21.47**	21.49
	Shri M.D Saraf		Relative of Key Management Personnel	**31.97**	19.99
		Total		**92.60**	80.26
11	**DIRECTOR'S SITTING FEES**				
	Shri K Jaybharath Reddy		Non Executive Directors	**0.30**	0.15
	Shri P.V.R.K. Prasad		Non Executive Directors	**0.20**	0.70
	Shri A.S.Kapre		Non Executive Directors	**0.60**	0.65
	Shri Kishan Lal Mehrotra		Non Executive Directors	**0.75**	0.25
	Mrs.Urmila Gupta		Non Executive Directors	**0.40**	0.20
	Shri Rohit Saraf		Non Executive Directors	**0.20**	0.20
				2.45	2.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

S. No.	Particulars		Relationship	2017-18	2016-17
12	**BALANCES OUTSTANDING AT THE YEAR END**				
	(A) Short Term Loans & Advances - Given:				
	Best Minerals Limited		Subsidiary	**6.03**	5.85
	Facor Electric Limited		Subsidiary	**308.00**	307.76
	FAL Power Ventures Private Limited		Subsidiary	**1,204.06**	1,203.88
	Facor Minerals (Netherlands) B.V.		Subsidiary	**6,646.52**	6,646.52
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	**961.19**	868.77
		Sub-Total		**9,125.80**	9,032.78
	Facor Power Limited		Others	**545.25**	504.97
	Rai Bahadur Shreeram & Company Pvt Ltd		Others	**(53.63)**	(226.50)
	Shreeram Durgaprasad Ores (P) Ltd		Others	**(273.44)**	-
		Sub-Total		**218.18**	278.47
		Total		**9,343.98**	9,311.25
	Provision made against above				
	Best Minerals Limited		Subsidiary	**5.85**	5.40
	Facor Electric Limited		Subsidiary	**306.40**	305.81
	FAL Power Ventures Private Limited		Subsidiary	**1,157.29**	1,156.86
	Facor Minerals (Netherlands) B.V.		Subsidiary	**6,646.52**	6,646.52
	Facor Power Limited		Others	**500.00**	500.00
		Sub-Total		**8,616.06**	8,614.59
	(B) Other Receivables/Payables				
	Ferro Alloys Corporation Ltd.		Others	**23.23**	-
		Total		**23.23**	-
	(C) Key Management Personnel and their Relatives' Remuneration				
	Shri R.K. Saraf		Key Managerial Personnel	**20.99**	26.07
	Shri Ashim saraf		Key Managerial Personnel	**23.02**	23.86
	Shri Anurag saraf		Key Managerial Personnel	**17.57**	20.16
	Shri M.D. Saraf		Relative of Key Managerial Personnel	**14.75**	16.54
		Total		**76.33**	86.63
	(D) Other Current Liabilities				
	Other Payables:				
	Vidarbha Iron and Steel Company Ltd.		Others	**-**	4.92
	Godawaridevi Saraf and Sons		Others	**0.13**	-
	Pioneer Facor IT Infradevelopers Pvt Ltd		Assoicate	**9.99**	6.54
	Rai Bahadur Shreeram and Company Pvt. Ltd.		Others	**11.76**	4.34
		Total		**21.88**	15.80

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(All amounts are in ₹ Lacs, unless otherwise stated)

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

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

40 Employee Benefits

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

Defined Contribution Plans:

Amount of ₹ 154.65 lacs (Previous Year ₹ 100.64 lacs) is recognised as expenses and included in "Employee Benefits Expense" in Note 29 of the Statement of Profit and Loss.

Defined Benefit Plan :

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2017. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lacs)

		31 March 2018	31 March 2017	31 March 2016
(a)	**Net Defined Benifit Liability**			
	Liability for Gratuity	155.22	256.39	219.54
	Liability for PL Encashment	177.15	178.20	175.28
	Total Employee Benefit Liability	332.37	434.59	394.82
	Non-Current	166.63	140.03	115.29
	Current	165.74	294.56	279.53

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

Particulars	Gratuity		PL Encashment	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Present value of Defined Benefit Obligation at the beginning of the year	959.27	882.77	178.20	175.28
Interest Cost	67.82	70.62	12.60	13.48
Current Service Cost	38.65	42.10	13.84	11.36
Acturial Losses/(Gains)	(35.33)	106.43	(41.19)	(14.69)
Benefits Paid	(199.37)	(142.65)	13.70	(7.23)
Present value of Defined Benefit Obligation at the close of the year	**831.04**	**959.27**	**177.15**	**178.20**

(b) Changes in the Fair Value of Plan Assets and reconciliation thereof (₹ In Lacs)

	Gratuity		PL Encashment	
Particulars	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Fair Value of Plan Assets at the beginning of the year	702.88	663.24	-	-
Adjustments	(0.64)	63.30	-	-
Add : Expected Return on Plan Assets	52.1	61.75	-	-
Add/(Less) : Actuarial Gains/(Losses)	-	(7.75)	-	-
Add : Contributions	120.85	64.99	-	-
Less : Benefits Paid	(199.37)	(142.65)	-	-
Fair Value of Plan Assets at the close of the year	**675.82**	**702.88**	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(c) Amount Recognised in The Balance Sheet (₹ In Lacs)

Particulars	Gratuity			PL Encashment		
	2017-18	**2016-17**	**2015-16**	**2017-18**	**2016-17**	**2015-16**
Present Value of Defined Benefit Obligation	831.04	959.27	882.77	177.15	178.20	175.28
Less : Fair Value of Plan Assets	675.82	702.88	663.23	-	-	-
Present Value of unfunded obligation	**155.22**	**256.39**	**219.54**	**177.15**	**178.20**	**175.28**

(d) Amount Recognised in the Statement of Profit and Loss are as Follows : (₹ In Lacs)

Particulars	Gratuity		PL Encashment	
	2017-18	**2016-17**	**2017-18**	**2016-17**
In Income Statement				
Current Service Cost	38.65	42.10	13.84	42.10
Adjustments	-	-	-	(63.30)
Interest Cost	18.08	8.87	12.6	70.62
Expected return on Plan Asset	**56.73**	**50.97**	**26.44**	**49.42**
In Other Comprehensive Income				
Net acturial loss/(gain)	(37.05)	50.87	13.70	(7.23)
Net periodic cost	**(37.05)**	**50.87**	**13.70**	**(7.23)**

(e) Investment Details:

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

(f) Actuarial Assumptions as at the Balance Sheet date (₹ In Lacs)

Particulars	2017-18	2016-17	2015-16
Discount Rate	8%	7%	8%
Salary Escalation Rate	5%	5%	5%
Expected rate of return on plan assets	7%	8%	8%

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

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

(g) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below.

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	**Decrease**	**Increase**	**Decrease**
Change in discounting rate (delta effect of +/- 0.5%)	(1.53)	1.53	(1.77)	1.77
Change in rate of salary increase (delta effect of +/- 0.5%)	1.04	(1.04)	1.20	(1.20)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

41 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category* (₹ in Lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Amortised Cost	Amortised Cost	Amortised Cost
Financial assets			
Non-Current Investments	809.27	2.05	3.05
Loans	-	6.51	-
Other Non-Current Financial Assets	1,130.41	702.56	43.72
Trade Receivables	1,840.67	1,377.51	284.60
Cash and Cash Equivalents	139.51	949.00	69.17
Bank Balances other than Above	6.38	10.45	10.56
Other Current Financial Assets	1,078.27	923.16	70.02
	5,004.51	**3,971.24**	**481.12**

*Exclude financial instruments measured at cost

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial Liabilities			
Borrowings	6,846.20	9,600.97	8,699.74
Trade Payables	2,467.28	2,106.93	711.23
Other Financial Liabilities	2,907.82	2,218.72	514.57
	12,221.30	**13,926.62**	**9,925.54**

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

(₹ in Lacs)

Particulars	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	809.27	809.27
Other Non-Current Financial Assets	-	-	1,130.41	1,130.41
Trade Receivables	-	-	1,840.67	1,840.67
Cash and Cash Equivalents	-	-	139.51	139.51
Bank Balances Other Than Above	-	-	6.38	6.38
Other Current Financial Assets	-	-	1,078.27	1,078.27
Total financial assets	**-**	**-**	**5,004.51**	**5,004.51**
Financial Liabilities				
Borrowings	-	-	6,846.20	6,846.20
Trade Payables	-	-	2,467.28	2,467.28
Other Financial Liabilities	-	-	2,907.82	2,907.82
Total financial liabilities	**-**	**-**	**12,221.30**	**12,221.30**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

(₹ in Lacs)

Particulars	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	2.05	2.05
Loans			6.51	6.51
Other Non-Current Financial Assets	-	-	702.56	702.56
Trade Receivables	-	-	1,377.51	1,377.51
Cash and Cash Equivalents	-	-	949.00	949.00
Bank Balances other than Above	-	-	10.45	10.45
Other Current Financial Assets	-	-	923.16	923.16
Total Financial Assets	**-**	**-**	**3,971.24**	**3,971.24**
Financial Liabilities				
Borrowings	-	-	9,600.97	9,600.97
Trade Payables	-	-	2,106.93	2,106.93
Other Financial Liabilities	-	-	2,218.72	2,218.72
Total Financial Liabilities	**-**	**-**	**13,926.62**	**13,926.62**

Assets and Liabilities which are Measured at amortised cost for which fair values are disclosed

(₹ in Lacs)

Particulars	As at 1 April 2016			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	3.05	3.05
Loans	-	-	-	-
Other Non-Current Financial Assets	-	-	43.72	43.72
Trade Receivables	-	-	284.60	284.60
Cash and Cash Equivalents	-	-	69.17	69.17
Bank Balances other than Above	-	-	10.56	10.56
Other Current Financial Assets	-	-	70.02	70.02
Total Financial Assets	**-**	**-**	**481.12**	**481.12**
Financial Liabilities				
Borrowings	-	-	8,699.74	8,699.74
Trade Payables	-	-	711.23	711.23
Other Financial Liabilities	-	-	514.57	514.57
Total Financial Liabilities	**-**	**-**	**9,925.54**	**9,925.54**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Non-Current Investments	809.27	809.27	2.05	2.05	3.05	3.05
Loans	-	-	6.51	6.51	-	-
Other Non-Current Financial Assets	1,130.41	1,130.41	702.56	702.56	43.72	43.72
Trade Receivables	1,840.67	1,840.67	1,377.51	1,377.51	284.60	284.60
Cash and Cash Equivalents	139.51	139.51	949.00	949.00	69.17	69.17
Bank Balances other than Above	6.38	6.38	10.45	10.45	10.56	10.56
Other Current Financial Assets	1,078.27	1,078.27	923.16	923.16	70.02	70.02
	5,004.51	**5,004.51**	**3,971.24**	**3,971.24**	**481.12**	**481.12**
Financial liabilities						
Borrowings	6,846.20	6,846.20	9,600.97	9,600.97	8,699.74	8,699.74
Trade Payables	2,467.28	2,467.28	2,106.93	2,106.93	711.23	711.23
Other Financial Liabilities	2,907.82	2,907.82	2,218.72	2,218.72	514.57	514.57
	12,221.30	**12,221.30**	**13,926.62**	**13,926.62**	**9,925.54**	**9,925.54**

II. Financial Risk Management

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

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

Risk Management Framework

A company is exposed to uncertainties owning to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Board of Directors have approved a Risk management policy which shall be reviewed by Board and the management from time to time.

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

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit Risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the loans & advances to related parties and company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is ₹1840.67 lacs (31 March 2017 ₹ 1,377.51 Lacs & 1 April 2016 – ₹ 284.59 Lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2018 amounted to ₹ 9,694.30 lacs (As at 31 March 2017 is ₹ 9,537.76 lacs & 1 April 2016 is ₹ 8,684.54 lacs).

Reconciliation Of Loss Allowance Provision – Loan And Advances To Related Parties (₹ in Lacs)

	31 March 2018	31 March 2017	1 April 2016
Opening balance	8,614.60	8,614.60	-
Changes in loss allowance calculated at life time expected credit losses	1.47	-	8,614.60
Closing balance	**8,616.07**	**8,614.60**	**8,614.60**

ii. Liquidity risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

(a) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period: (₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Floating rate			
Expiring within one year (bank overdraft and other facilities)			
- Fund/ Non fund based (secured)	-	5,986.29	5,849.95
- Fund/ Non fund based (unsecured)	-	-	-
Expiring beyond one year	-	-	-
Total	**-**	**5,986.29**	**5,849.95**

The company do not have undrawn bank overdraft facilities as on 31 March 2018.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

(₹ in Lacs)

Particulars	Carrying Amounts 31 March 2018	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	6,846.20	6,846.20	4,851.32	-	1,994.88	-
Trade payables	2,467.28	2,467.28	2,467.28	-	-	-
Other financial liabilities	2,907.82	2,907.82	2,907.82	-	-	-
Total non-derivative liabilities	**12,221.30**	**12,221.30**	**10,226.42**	**-**	**1,994.88**	**-**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

Particulars	Carrying Amounts 31 March 2017	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	9,600.97	9,600.97	7,904.47	-	1,696.50	-
Trade payables	2,106.93	2,106.93	2,106.93	-	-	-
Other financial liabilities	2,218.72	2,218.72	2,218.72	-	-	-
Total non-derivative liabilities	**13,926.62**	**13,926.62**	**12,230.12**	**-**	**1,696.50**	**-**

(₹ in Lacs)

Particulars	Carrying Amounts 1 April 2016	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	8,699.74	8,699.74	8,699.74	-	-	-
Trade payables	711.23	711.23	711.23	-	-	-
Other financial liabilities	514.57	514.57	514.57	-	-	-
Total non-derivative liabilities	**9,925.54**	**9,925.54**	**9,925.54**	**-**	**-**	**-**

iii. Market risk

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Equity Price risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of the material produced and sold by the company. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the materials. The Company enters into contracts for procurement of materials and most of the transactions are short term fixed price contracts.

b) Currency risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	USD	USD	USD
Financial asset			
Trade receivables	17	46	-
Net exposure to foreign currency risk (assets)	**17**	**46**	**-**
Financial Liabilities			
Trade payables		-	-
Net statement of financial position exposure	**-**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
5% movement				
USD	(1)	1	(1)	1
31 March 2017				
5% movement				
USD	(1)	1	(1)	1
31 March 2016				
5% movement				
USD	-	-	-	-

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lacs)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Fixed Rate Instruments			
Financial Assets	2.05	2.05	53.05
Financial Liabilities	1,994.88	1,796.50	1,000.00
	1,992.83	**1,794.45**	**946.95**
Variable Rate Instruments			
Financial Assets		-	-
Financial Liabilities	3,890.13	6,935.70	7,699.74
	3,890.13	**6,935.70**	**7,699.74**

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2018				
Variable Rate Instruments	(25)	25	(25)	25
Cash flow sensitivity (net)	**(25)**	**25**	**(25)**	**25**
31 March 2017				
Variable Rate Instruments	(45)	45	(45)	45
Cash flow sensitivity (net)	**(45)**	**45**	**(45)**	**45**
31 March 2016				
Variable Rate Instruments	(50)	50	(50)	50
Cash flow sensitivity (net)	**(50)**	**50**	**(50)**	**50**

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

43 The plant was operative in the previous financial year for only 6 months, therefore the figures of the current year's statements of profit & loss is not comparable with the previous year figures.

44 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS statement of financial position at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS Optional Exemptions

(i) Deemed cost of Property, Plant and Equipment:

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1 April, 2016.

(ii) Investments in Subsidiary:

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary as the deemed cost. Accordingly, the Group has opted to measure its investment in subsidiary at deemed cost, i.e. previous GAAP carrying amount.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and Measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of Equity (₹ in Lacs)

Particulars	As at 1 April 2016			As at 31 March 2017		
	Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
ASSETS						
Non-current assets						
Property, Plant and Equipment	1,800.05	15,318.17	17,118.22	1,675.83	15,318.16	16,993.99
Investments in Subsidiary and Associates	4,947.06	(3,091.42)	1,855.64	4,947.06	(3,091.42)	1,855.64
Financial Assets						
(i) Investments	2,016.72	(2,013.67)	3.05	2,015.72	(2,013.67)	2.05
(ii) Loans	-	-	-	6.51	0.00	6.51
(iii) Other Non-Current Financial Assets	43.72	(0.00)	43.72	702.56	0.00	702.56
Deferred Tax Asset (Net)	1,634.60	(0.00)	1,634.60	1,638.24	(1.21)	1,637.03
Current Assets						
Inventories	1,372.69	0.00	1,372.69	1,812.38	0.01	1,812.39
Financial Assets						
(i) Trade Receivables	284.60	0.00	284.60	1,377.51	(1.00)	1,376.51
(ii) Cash and Cash Equivalents	69.17	0.00	69.17	949.00	(0.00)	949.00
(iii) Bank Balances other than (ii) Above	10.56	0.00	10.56	10.44	0.01	10.45
(iv) Other Current Financial Assets	8,684.62	(8,614.60)	70.02	8,669.00	(7,745.84)	923.16
Current Tax Assets (Net)	138.20	0.00	138.20	229.74	(0.00)	229.74
Other Current Assets	1,330.34	(0.01)	1,330.33	1,583.31	0.00	1,583.31
Total Assets	**22,332.31**	**1,599.49**	**23,931.80**	**25,617.30**	**2,466.04**	**28,083.34**
Equity and Liabilities						
Equity						
Equity Share Capital	1,955.47	0.01	1,955.48	1,955.47	0.01	1,955.48
Other Equity	8,737.69	1,598.47	10,336.16	8,783.33	1,600.76	10,384.09
Non-Current Liabilities						
Financial Liabilities						
(i) Borrowings	-	-	-	1,800.00	(103.50)	1,696.50
Long Term Provisions	1,135.82	(1,020.53)	115.29	1,160.56	(1,020.53)	140.03
Current Liabilities						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

Particulars	As at 1 April 2016			As at 31 March 2017		
	Previous GAAP*	Adjust-ments	Ind AS	Previous GAAP*	Adjust-ments	Ind AS
Financial Liabilities						
(i) Borrowings	8,225.34	474.40	8,699.74	6,939.61	865.86	7,805.47
(ii) Trade Payables	711.23	0.00	711.23	2,106.93	(0.00)	2,106.93
(iii) Other Financial Liabilities	1,017.25	(502.68)	514.57	2,214.81	103.91	2,318.72
Other Current Liabilities	489.52	(191.25)	298.27	618.42	(256.39)	362.03
Short-Term Provisions	59.99	1,240.07	1,300.06	38.17	1,276.92	1,315.09
Total Equity and Liabilities	**22,332.31**	**1,598.49**	**23,930.80**	**25,617.30**	**2,467.04**	**28,084.34**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation Of Total Equity As At 31 March 2017 And 1 April 2016 (₹ in Lacs)

Particulars	31 March 2017	1 April 2016
Total Equity (Shareholder's funds) as per previous GAAP	**10,738.80**	**10,693.17**
Adjustments:		
Impact on Account of Fair Valuation of Fixed Assets	-	15,318.17
Impact on Account of Impairment of Investment in Subsidiary and Associates	-	(3,091.43)
Impact on Account of Impairment of Investment in Equity of Other Companies	-	(2,013.67)
Impact of Interest Charged as per EIR Method	(0.05)	-
Impact of Interest Charged as per EIR Method adjusted in Other Equity	2.32	-
Impact on Account of Provision of Loans and Advances	-	(8,614.60)
Tax Effects of Adjustments	0.02	-
Total Adjustments	**2.29**	**1,598.47**
Net Impact Brought Forward from Opening Balance Sheet	1,598.47	-
Total Equity as per Ind AS	**12,339.56**	**12,291.64**

Reconciliation of Total Comprehensive Income for the Year Ended 31 March 2017 (₹ in Lacs)

Particulars	Amount
Profit after tax under Indian GAAP	45.64
Adjustments	
Impact of Interest Charged as per EIR Method	(0.05)
Impact of Provision for Doubtful Advances	-
Acturial Gain/(Loss) on Employee Benefit Recognised in Other Comprehensive Income	43.64
Tax Effects of Adjustments	(15.08)
Total Adjustments	**28.51**
Profit After Tax as per Ind AS	**74.14**
Other Comprehensive Income	
Acturial Gain/(Loss) on Employee Benefit Recognized	(28.54)
Total Comprehensive Income for the year	**45.60**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

D. Notes To First-Time Adoption:

1 Property, Plant and Equipment

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1 April, 2016 and the same had an impact of ₹ 11,671.81 Lacs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

2 Investment in Subsidiaries and Associates

The company had opted to carry its investment in subsidiary and associates at cost in accordance with Ind AS 27. Further, the company had carried out the impairment testing of investment value (at cost) in accordance with the Ind AS 36. The impairment testing has resulted in impairment of investment by ₹ 3,091.42 lacs with resultant impact being accounted for in the reserves on the transition date.

3 Other Investments (other than Subsidiary and Associates)

Under previous GAAP, the Company used to carry the investments in equity instruments of companies(other than subsidiary and associates) at cost. Under Ind AS, the Company elected to fair value the same through the other comprehensive income. As a result, the Company recorded downward fair valuation of ₹ 2,013.66 lacs as on the transition date.

4 Borrowings

Under Ind AS, the financial liability (borrowings) needs to be measured at amortised cost using EIR and for the computation of EIR market rate of interest needs to be considered. The company had obtained certain loans which were at below market interest rate and application of EIR method had resulted in decrease of borrowings by ₹ 6.02 lacs with corresponding increase in reserves (including other equity). The above adjustment had decreased profit by ₹ 0.22 lacs during FY 2016-17.

5 Impairment of Financial Assets - Loans and Advances

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts has been booked by ₹ 8,614.59 Lacs with corresponding decrease in reserves as at 1 April 2016.

6 Remeasurements of Post-Employment Benefit Obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year (net of tax) ended 31 March 2017 increased by ₹ 43.64 lacs (₹ 28.53 lacs). There is no impact on the total equity as at 31 March 2017.

7 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

8 Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the company as a principal unlike other indirect taxes. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by ₹ 160.81 lacs. There is no impact on the total equity and profit.

9 Retained Earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 18th May, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of FACOR ALLOYS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of FACOR ALLOYS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as ''the Group'' comprising of the Consolidated Balance Sheet as at March 31, 2018, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report 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, including Ind AS, of the state of affairs of the Group as at March 31, 2018, and its consolidated profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

Other Matters

The Consolidated Ind AS financial statements include the financial statement of three Indian subsidiaries which have been audited by other Auditor. In respect of these subsidiaries, financial statements have been furnished to us by the management and our opinion on the statement in so far as it relates to these subsidiaries is based on report of auditor of that subsidiaries, whose financial statement reflect total assets of Rs. 49.28 lakhs as on 31st March 2018, total loss of Rs. 0.54 lakhs and net cash inflow of Rs. 0.03 Lakhs for the year ended as considered in the consolidated Ind AS financial statements.

Also, two Foreign subsidiary companies, whose financial statements reflect total assets of Rs. 4868.86 lakhs as at 31st March, 2018, total revenues of Rs. Nil and net cash outflows amounting to Rs.3.31 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on these Consolidated Financial Statements, in as far as it related to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and regulatory requirements below, is not modified in respect of the above and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 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 by the Company so far as it appears from our examination of those books and reports of other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the 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 Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

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

      i. The consolidated financial statements disclose the impact of pending litigations on its financial position of the Group in its associate in its Financial Statements.

      ii. There are no material foreseeable losses, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

ABHAY UPADHYE
Partner
(Membership No. 049354)
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
(Firm’s Registration No. 106009W)

Place : Noida
Date : 18th May, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of FACOR ALLOYS LIMITED (“the holding Company”) as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

ABHAY UPADHYE
Partner
(Membership No. 049354)
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
(Firm's Registration No. 106009W)

Place : Noida
Date : 18th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

(₹ in Lacs)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	**17,875.13**	18,255.97	17,710.32
Intangible	3	**51.41**	55.91	74.13
Capital Work-in-Progress	3		-	1,114.52
Investments in Associates	4	**-**	1,833.76	1,819.67
Financial Assets				
(i) Investments	5	**809.27**	2.06	3.06
(ii) Loans	6	**-**	6.51	-
(iii) Other Non-Current Financial Assets	7	**1,135.41**	707.98	50.82
Deferred Tax Asset (Net)	8	**1,943.35**	1,657.74	1,661.83
Total Non-Current Assets		**21,814.57**	22,519.93	22,434.35
Current Assets				
Inventories	9	**2,152.89**	1,824.06	1,388.03
Financial Assets				
(i) Trade Receivables	10	**1,841.59**	1,378.52	285.91
(ii) Cash and Cash Equivalents	11	**152.97**	965.75	94.68
(iii) Other Bank Balances	12	**6.38**	10.45	10.56
(iv) Other Current Financial Assets	13	**68.52**	4.97	771.67
Current Tax Assets (Net)	14	**473.02**	229.74	138.20
Other Current Assets	15	**825.69**	1,768.06	813.01
Total Current Assets		**5,521.06**	6,181.55	3,502.06
Total Assets		**27,335.63**	28,701.48	25,936.41
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	**1,955.48**	1,955.48	1,955.48
Other Equity	17	**10,681.19**	10,407.28	10,749.98
Non-Controlling Interest		**(929.01)**	(649.05)	(484.71)
Total Equity		**11,707.66**	11,713.71	12,220.75
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	18	**2,384.92**	2,086.08	988.89
Provisions	19	**168.33**	140.45	115.59
Total Non-Current Liabilities		**2,553.25**	2,226.53	1,104.48
Current Liabilities				
Financial Liabilities				
(i) Short Term Borrowings	20	**5,036.47**	8,084.58	8,607.36
(ii) Trade Payables	21	**2,467.49**	2,106.93	711.22
(iii) Other Financial Liabilities	22	**2,907.95**	2,314.80	988.98
Other Current Liabilities	23	**1,476.48**	939.85	1,003.57
Provisions	24	**1,186.32**	1,315.09	1,300.06
Total Current Liabilities		**13,074.71**	14,761.25	12,611.18
Total Liabilities		**15,627.96**	16,987.78	13,715.66
Total Equity and Liabilities		**27,335.63**	28,701.48	25,936.41
Notes to Financial Statements	1 to 44			

The notes referred to above from an integral part of the Balance sheet.
As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye Partner (Membership No. 049354) **For K.K. Mankeshwar & Co.** Chartered Accountants (Firm's Regn. No. 106009W)	**O.P. Saraswat** Dy. Chief Financial Officer	**R.K. Saraf** Chairman & Managing Director (DIN: 00006102)
Place: Noida, U.P. Date: 18th May, 2018	**S.S. Sharma** General Manager (Legal) & Company Secretary	**Ashim Saraf** Joint Managing Director (DIN: 00009581)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from Operations	25	**31,319.97**	13,439.54
Other Income	26	**382.50**	343.96
Total Income		**31,702.47**	13,783.50
Expenses			
Cost of Materials Consumed	27	**11,512.61**	6,313.80
Change in Inventory of Finished Goods and Work in Progress	28	**(962.48)**	(344.55)
Excise Duty Expenses		**169.77**	160.81
Employee Benefits Expense	29	**2,044.87**	1,361.91
Finance Costs	30	**1,793.98**	1,723.80
Depreciation and Amortization Expense	31	**295.39**	280.01
Other Expenses	32	**16,981.19**	4,475.25
Total Expenses		**31,835.33**	13,971.03
Profit/ (Loss) before Tax and Exceptional Items		**(132.86)**	(187.53)
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		**(570.31)**	-
B) Profit / (Loss) on Sale/Discard of Fixed Assets		**435.93**	15.35
Profit/ (Loss) before share of Profit of Associate		**(267.24)**	(172.18)
Share of Profit/ (Loss) from Associate After Tax		**0**	14.09
Profit/ (Loss) Before Tax		**(267.24)**	(158.09)
Tax Expense:			
Current Tax	14	**1.82**	(50.03)
Deferred Tax		**(300.86)**	11.45
Profit/ (Loss) for the Period (A)		**31.80**	(119.50)
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Remeasurement of defined benefit plans		**23.35**	(43.64)
Deferred Tax relating to remeasurement of defined benefit plans		**8.08**	(15.10)
Items that will be reclassified subsequently to statement of Profit or Loss			
Foreign Currency Translation Reserve		**94.21**	(288.31)
Income Tax on Translation Reserve		**-**	-
Total Other Comprehensive Income for the period (B)		**109.48**	(316.85)
Total Comprehensive Income for the period (A) + (B)		**141.28**	(436.35)
Profit attributable to :			
- Shareholders of the Company		**149.20**	(28.49)
- Non-Controlling Interests		**(117.40)**	(91.01)
Other Comprehensive Income attributable to :			
- Shareholders of the Company		**109.48**	(316.85)
- Non-Controlling Interests		**-**	-
Total Comprehensive Income attributable to :			
- Shareholders of the Company		**258.67**	(345.34)
- Non-Controlling Interests		**(117.40)**	(91.01)
Earnings per equity share	33		
Basic		**0.08**	(0.01)
Diluted		**0.08**	(0.01)
Notes on Financial Statements	1 to 44		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 18th May, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

(a) Equity share capital

	No. of Shares	Amount
Balance as at 1 April 2016	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**19,55,47,355**	**1,955.48**
Balance as at 1 April 2017	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**19,55,47,355**	**1,955.48**

(b) Other equity

	Reserves & Surplus					OCI		
	Securities Premium Account	General Reserve	Capital Reserve	Retained earnings	Equity Portion of Borrowings	Foreign Currency Translation Reserve	Remeasurement of defined benefit plans	Total
Balance at 1 April 2016	**2,667.52**	**250.00**	**8,686.31**	**(4,209.48)**	**-**	**145.03**	**-**	**7,539.38**
Impacts due to Ind AS Adjustments	-	-	-	3,210.60	-		-	3,210.60
Restated balance at the beginning of the reporting period	**2,667.52**	**250.00**	**8,686.31**	**(998.88)**	**-**	**145.03**	**-**	**10,749.98**
Profit for the year	-	-	0.32	(28.49)	2.32			(25.85)
Other comprehensive income/ (loss) for the year	-	-	-	-		(288.31)	(28.54)	(316.85)
Total comprehensive income for the year	**-**	**-**	**0.32**	**(28.49)**	**2.32**	**(288.31)**	**(28.54)**	**(342.70)**
Balance at 31 March 2017	**2,667.52**	**250.00**	**8,686.63**	**(1,027.38)**	**2.32**	**(143.28)**	**(28.54)**	**10,407.28**
Changes in accounting policy / prior period errors	-	-	-	-			-	-
Restated balance at the beginning of the reporting period	**2,667.52**	**250.00**	**8,686.63**	**(1,027.38)**	**2.32**	**(143.28)**	**(28.54)**	**10,407.28**
Profit for the year	-	0.00	-	149.20	14.31		-	163.51
Other comprehensive income for the year						95.13	15.27	110.40
Total comprehensive income for the year	**-**	**0.00**	**-**	**149.20**	**14.31**		**15.27**	**273.91**
Balance at 31 March 2018	**2,667.52**	**250.00**	**8,686.63**	**(878.18)**	**16.63**	**(143.28)**	**(13.27)**	**10,681.19**

As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 18th May, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

S. No.	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A	**Cash flows from operating activities**		
	Net Profit/ (Loss) after Prior Period Items and before Tax	**(267.24)**	(158.09)
	Adjustments For:		
	a) Interest Income	**(134.01)**	(169.26)
	b) Depreciation	**295.39**	280.01
	c) Gain on sale of fixed assets	**(435.93)**	(15.35)
	d) Effect of change in foreign currency translation reserve	**94.21**	(288.31)
	e) Interest Expense	**1,793.98**	1,793.98
	Operating Cash Profit before Working Capital Changes	**1,346.4**	1,442.98
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	**360.56**	1,395.71
	b) Increase/(Decrease) in Other Current Liabilities	**536.63**	(63.72)
	c) Increase/(Decrease) in Other Current Financial Liabilities	**(421.16)**	93.47
	d) (Increase)/Decrease in Other Non Current Financial Assets	**(420.92)**	(663.67)
	e) (Increase)/Decrease in Provisions	**(77.54)**	(3.75)
	f) (Increase)/Decrease in Other Current Financial Assets	**(59.45)**	766.73
	g) (Increase)/Decrease in Inventories	**(328.83)**	(436.03)
	h) (Increase)/Decrease in Trade Receivables	**(463.07)**	(1,092.61)
	i) (Increase)/Decrease in Other Current Assets	**942.37**	(955.04)
	Cash Generated From/ (used in) operations	**1,414.99**	484.07
	Less: Income Tax Paid (net of refunds)	**(245.10)**	(41.52)
	Net Cash Generated From/ (used in) Operating Activities before Extraordinary item	**1,169.89**	442.55
	Outflow for extraordinary item	**570.31**	-
	Net Cash Generated From/ (used in) Operating Activities(A)	**1,740.20**	442.55
B	**Cash Flow from Investing Activities:**		
	(Purchase) of property, plant and equipment and capital work in progress	**(22.51)**	125.67
	Net proceeds of property, plant and equipment and capital work in progress	**548.40**	196.76
	Interest received	**133.98**	169.34
	Net movement in Investments	**456.24**	1.00
	Change in Minority interest of Subsidiary company	**(162.55)**	(73.33)
	Net Cash Generated from/ (Used in) Investing Activities (B)	**953.56**	419.44
C.	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	**(2,726.87)**	570.71
	Interest Expense Paid	**(779.67)**	(561.63)
	Issue of Shares	**-**	-
	Net Cash generated from/ (used in) Financing Activities (C)	**(3,506.54)**	9.08
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(812.78)**	**871.07**
	Cash and cash equivalents at the beginning of the year	**965.75**	94.68
	Balance at the end of year	**152.97**	965.75

Reconciliation between the opening and closing balances in balance sheet for liabilities arising from financing activities

Particulars	Long Term Borrowings	Short Term Borrowings	Total
Opening Balance as on 1st April 2017	2,086	9,791	11,877
Financing Cash Flows	303	(3,048)	(2,745)
Non-Cash Changes			
Interest Accrued	(0.54)	1,011	1,010
Fair Value Changes	-		-
Closing Balance as at 31st March 2018	**2,388**	**7,754**	**10,143**

As per our report of even date.
This is the Statement of Cash Flow referred to in our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
Place: Noida, U.P.
Date: 18th May, 2018

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Facor Alloys Limited (referred to as “FAL” or “the Company”) and its subsidiaries (collectively “the Group”). The Company is a public company domiciled in India and is listed at Bombay Stock exchange. The Company’s registered office is located at Shreeramnagar, Garividi, Vizianagaram, Andhra Pradesh.

2. Significant Accounting Policies

a) Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

The consolidated financial statement of the Group has been prepared in accordance with India Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements up to year ended 31st March, 2017, the Group prepared its financial statements in accordance with Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended 31 March, 2018 are the Group first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016.

b) Principles of Consolidation

a) The consolidated financial statements present the consolidated accounts of Facor Alloys Limited, its following subsidiaries

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

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 Accounting Standards (Ind AS) 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 Accounting Standards (Ind AS) is not material in view of Company’s consolidated operations.

f) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

c) Basis of measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Property, plant and equipment at fair value;
- Certain financial assets and liabilities (including derivative instruments) measured at fair value
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

d) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Rupees, unless otherwise indicated.

e) Use of judgements and estimates

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

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

A. Judgements

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

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year ended 31 March 2018 is included below:

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

a) Property, plant and equipment:

Recognition and measurement

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate item (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and its cost can be measured reliably.

b) Intangible assets

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

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

c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortized cost or fair value through comprehensive income or fair value through profit and loss account depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVOCI)

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Inventories

Raw material, stores and spares, work in progress and finished goods are valued at lower of cost or net realizable value

e) Revenue Recognition

(a) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis.

(b) Interest income is recognized using the Effective Interest Rate (‘EIR’) method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

(c) Dividend income is recognised, when the right to receive the dividend is established.

f) Foreign currency transactions

(a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(b) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

(c) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

(d) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

g) Employee benefits

i. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. **Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident Fund

b) Superannuation Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

iii. **Defined benefit plans**

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year.. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

a) **Leave encashment**

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

h) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

i) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

i. **Current tax**

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

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

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

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

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

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

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

j) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Facor alloys Limited has been identified as being the chief operating decision maker by the Management of the company. Refer **note 37** for segment information presented.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements which fairly present the needed disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31 March 2017	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2018	As at 31 March 2017	Impact of Ind AS Transition	For the Year	Adjustments/ Deductions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Tangible Assets												
Freehold Land	14,047.67	-	-	0.15	14,047.52	-		-	-	-	14,047.52	14,047.67
Mines and Quarries Freehold	1,380.14	-	-	-	1,380.14	-		-	-	-	1,380.14	1,380.14
Buildings	1,029.83	-	3.90	64.88	968.85	34.51		46.21	0.18	80.54	888.31	995.33
Railway Sidings	12.03	-	-	-	12.03	1.62		1.40	-	3.02	9.01	10.41
Plant and Machinery	1,762.93	-	4.11	41.37	1,725.67	178.00		193.65	0.04	371.61	1,354.07	1,584.93
Office Equipments	92.79	-	14.50	0.40	106.89	15.73		17.68	0.03	33.38	73.51	77.06
Furniture & Fixtures	127.83	-	-	0.62	127.21	30.16		22.82	0.00	52.98	74.23	97.67
Vehicles	82.75	-	-	0.80	81.95	19.98		13.63	0.00	33.61	48.34	62.76
Total	**18,535.97**	**-**	**22.51**	**108.22**	**18,450.26**	**280.01**	**-**	**295.39**	**0.25**	**575.14**	**17,875.13**	**18,255.97**

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2016	Impact of Ind AS Transition*	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	Impact of Ind AS Adjustment	For the Year	Adjustments/ Deductions	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Tangible Assets												
Freehold Land	108.67	13,939.01	-	0.00	14,047.67	-	-	-	-	-	14,047.67	14,047.67
Mines and Quarries Freehold	0.98	1,379.16	-	-	1,380.14	-	-	-	-	-	1,380.14	1,380.14
Buildings	220.99	-	808.84	-	1,029.83	-	-	34.51	-	34.51	995.33	220.99
Railway Sidings	12.03	-	-	-	12.03	-	-	1.62	-	1.62	10.41	12.03
Plant and Machinery	1,742.24	-	176.45	155.76	1,762.93	-	-	178.00	-	178.00	1,584.93	1,742.24
Office Equipments	90.19	-	3.50	0.89	92.79	-	-	15.73	-	15.73	77.06	90.19
Furniture & Fixtures	130.24	-	0.06	2.48	127.83	-	-	30.16	-	30.16	97.67	130.24
Vehicles	86.81	-	-	4.06	82.75	-	-	19.98	-	19.98	62.76	86.81
Total	**2,392.15**	**15,318.17**	**988.85**	**163.19**	**18,535.97**	**-**	**-**	**280.01**	**-**	**280.01**	**18,255.97**	**17,710.32**

*The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2016 and the same had an impact of ₹ 15318.71 Lacs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross Block					Depreciation					Net Block	
	As at 31 March 2017	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2018	As at 31 March 2017	Impact of Ind AS Transition	For the Year	Adjustments/ Deductions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Intangible Assets												
Mining Rights	55.91	-	-	4.50	51.41	-	-	-	-	-	51.41	55.91
Total	**55.91**	**-**	**-**	**4.50**	**51.41**	**-**	**-**	**-**	**-**	**-**	**51.41**	**55.91**

Particulars	Gross Block					Depreciation					Net Block	
	As at 1 April 2016	Impact of Ind AS Transition	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	Impact of Ind AS Adjust-ment	For the Year	Adjustments/ Deductions	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Intangible Assets												
Mining Rights	74.13	-	-	18.22	55.91	-	-	-	-	-	55.91	74.13
Total	**74.13**	**-**	**-**	**18.22**	**55.91**	**-**	**-**	**-**	**-**	**-**	**55.91**	**74.13**

Particulars	Gross Block					Gross Block				
	As at 1 April 2016	Impact of Ind AS Transition	Additions	Deletions/ Capital-ised	As at 31 March 2017	As at 1 April 2017	Impact of Ind AS Transition	Additions	Deletions/ Capitalised	As at 31 March 2018
Capital Work in Progress	1,114.52	-	-	1,114.52	-	-	-	-	-	-
Total	**1,114.52**	**-**	**-**	**1,114.52**	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
4	**Investment in Associates**			
	Investment in Associate Company -Equity Instruments (fully paid-up) (Unquoted)			
	NIL (Previous Year- 17,42,700) Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1 each	-	1,855.63	1,855.63
	Add: Share of profit of prior years	-	(35.96)	(40.56)
	Add: Share of profit of Current years	-	14.09	4.60
	Total	-	1,833.76	1,819.67
	Aggregate book value of quoted investments		NIL	NIL
	Aggregate book value of un-quoted investments		1,833.76	1,819.67
5	**Investment Others**			
	Investment Measured at fair value through OCI			
a	**Others - In Equity Shares -unquoted, fully paid up**			
	(i) 1,36,663 (Previous Year- 1,36,663) Vidarbha Iron & Steel Corporation Limited of ₹ 10 each	-	0.00	0.00
	(ii) 2,00,00,000 (Previous Year- 2,00,00,000) Facor Power Limited of ₹10 each	-	-	-
	(iii) 7,33,818 Pioneer Facor IT Infradevelopers Pvt. Limited of ₹ 1 each	**807.20**		
	(iv) 30 Shares (Previous Year-Nil) DNS BANK LTD MUMBAI of ₹ 50/- each	**0.01**		
	Investment Measured at amortised cost			
b	**In Government Securities : Unquoted**			
	6 Years National Savings Certificates	**2.05**	2.05	3.05
	12 Years National Savings Certificates	**0.01**	0.01	0.01
	Total	**809.27**	2.06	3.06
	Aggregate book value of quoted investments	**NIL**	NIL	NIL
	Aggregate book value of un-quoted investments	**809.27**	2.06	3.06
6	**Loans and Advances**			
	Unsecured, considered good			
	Other Loans	-	6.51	-
	Total	-	6.51	-
7	**Other non-current financial assets**			
	Unsecured, considered good			
	Security deposits			
	- Others	**1,134.91**	707.98	50.82
	- Unamortised Expenditure	-	-	-
	Balance in Term Deposits (Maturity more than 12 months)	**0.50**	-	-
	Total	**1,135.41**	707.98	50.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8	**Deferred Tax Liabilies/ Assets (Net)**			
	Deferred Tax Liability:			
	Difference between Book and Income Tax depreciation	**276.87**	326.36	374.06
	Others	**8.69**	1.21	-
	Deferred Tax Assets:			
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	**1,880.58**	773.11	140.48
	Unabsorbed Depreciation and Unabsorbed Business loss	**348.33**	1,212.20	1,895.41
	Total	**1,943.35**	1,657.74	1,661.83
	Reconciliation of Deferred Tax Assets/(Liabilities)			
	Opening Balance as on 1st April	**1,657.74**	1,661.83	
	Deferred tax income/ (expense) on transition impact recognised in other equity	**14.31**	(1.23)	
	Deferred tax income/ (expense) during the period recognised in profit & loss	**300.86**	(11.45)	
	Deferred tax income/ (expense) during the period recognised in OCI	**8.08**	15.10	
	Other adjustment for Consolidation		(6.52)	
	Closing Balance	**1,980.99**	1,657.73	
9	**Inventories**			
	(At cost or NRV whichever is lower)			
	Raw materials (Including Material in Transit)	**731.16**	1,299.43	1,285.33
	Work-in-Progress	**148.52**	170.21	15.35
	Finished Products	**1,169.93**	186.66	0.64
	Stores and spares	**89.42**	152.67	70.58
	Loose Tools	**13.86**	15.09	16.13
	Total	**2,152.89**	1,824.06	1,388.03
10	**Trade receivables**			
	Unsecured and considered good			
	-from related parties	**-**	-	-
	-from others	**1,841.59**	1,378.52	285.91
	Total	**1,841.59**	1,378.52	285.91
11	**Cash and cash equivalents**			
	Balance with banks:			
	- In current account	**140.37**	945.64	24.12
	- In cash credit account	**1.13**	5.49	0.04
	- In term deposits	**7.33**	8.23	60.13
	Cash in hand	**2.67**	6.39	10.39
	Cheques in hand	**1.47**		
	Total	**152.97**	965.75	94.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12	**Other bank balances**			
	In earmarked accounts			
	- Unclaimed dividend account	**6.38**	10.45	10.56
	Total	**6.38**	10.45	10.56
13	**Other current financial assets**			
	Loans and advances to related parties	**568.49**	504.97	521.48
	Less: allowance for credit loss	**(500.00)**	(500.00)	(499.89)
		68.49	4.97	21.59
	Loans and advances to others	**-**	-	750.00
	Less: provision for impairment	**-**	-	-
		-	-	750.00
	Interest Accrued	**0.03**	-	0.08
	Total	**68.52**	4.97	771.67
14	**Current tax assets (net)**			
	Advance tax (Net of provision for income tax)	**473.02**	229.74	138.20
	Total	**473.02**	229.74	138.20

	Income Tax Expenses	Year ended 31 March 2018	Year ended 31 March 2017
14.1	**Income Tax Expenses**		
	Current Tax Expenses		
	Current year		
	Adjustment for previous Year	**1.82**	(50.03)
	Deferred Tax Expenses	**1.82**	(50.03)
	Change in recognised temporary differences	**(300.86)**	11.45
	Total Tax Expenses	**(299.04)**	(38.58)
14.2	**Reconciliation of effective tax rate**		
	Profit/(loss) before tax	**(267.24)**	(172.18)
	Applicable tax rate	**34.61%**	34.61%
	Computed Tax Expenses	**(92.49)**	(59.59)
	Tax Effect of:		
	MAT Credit difference	**-**	-
	Adjustement of earlier year tax	**-**	(50.03)
	DTA not created on sale of investment	**(322.92)**	-
	Others tax adjustment	**116.37**	71.03
	Tax Expenses recognised in profit and loss	**(299.04)**	(38.58)
	Effective Tax Rate	**111.90%**	22.41%

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
15	**Other current assets**			
	Advances to vendors	**244.49**	902.58	165.28
	Taxes and duties recoverable	**532.72**	817.25	598.91
	Claims Recoverable	**25.46**	25.46	25.46
	Prepaid Expenses	**23.01**	6.49	3.92
	Others	**0.01**	16.28	19.44
	Total	**825.69**	1,768.06	813.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
16	**Share capital**			
	Authorised:			
	36,00,00,000 (31 March 2017 - 36,00,00,000) equity shares of ₹ 1/- each	**3,600.00**	3,600.00	3,600.00
	39,00,000 (31 March 2017 - 39,00,000) preference shares of ₹ 100/- each	**3,900.00**	3,900.00	3,900.00
	Issued, subscribed & fully paid up:			
	19,55,47,355 (31 March 2017 - 19,55,47,355) equity shares of ₹ 1/- each	**1,955.48**	1,955.48	1,955.48
	Total	**1,955.48**	1,955.48	1,955.48

a. **Terms and rights attached to equity shares**

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

b. **Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Number of Shares	Amount
Outstanding at the 1 April 2016	19,55,47,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	19,55,47,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2018	19,55,47,355	1,955.48

c. **Shareholders holding more than 5% shares in the company**

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
R.B.Shreeram & Co. Pvt. Ltd.	6,10,55,682	31.22%	6,10,55,682	31.22%	6,10,55,682	31.22%

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
17	**Other equity**			
a.	**Securities premium account**			
	Balance at the beginning of the year	**2,667.52**	2,667.52	2,667.52
	Addition during the year	**-**	-	-
	Balance at the end of the year	**2,667.52**	2,667.52	2,667.52
b.	**Capital Reserves**			
	Balance at the beginning of the year	**8,686.63**	8,686.31	8,686.31
	Addition during the year	**0.00**	0.32	-
	Balance at the end of the year	**8,686.63**	8,686.63	8,686.31
c.	**General reserve**			
	Balance at the beginning of the year	**250.00**	250.00	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	**-**	-	-
	Balance at the end of the year	**250.00**	250.00	250.00
d	**Retained earnings**			
	Balance at the beginning of the year	**(1,027.38)**	(998.88)	(4,209.48)
	Ind AS Adjustments	**-**	-	3,210.60
	Add: Profit for the year after taxation as per statement of Profit and Loss	**149.20**	(28.49)	-
		(878.18)	(1,027.38)	(998.88)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
e	**Equity Component of Loan**			
	Balance at the beginning of the year			
	Ind AS Adjustments	**2.32**	3.55	-
	Add: Profit for the year after taxation as per statement of Profit and Loss	**14.31**	(1.23)	
		16.63	2.32	-
f	**Other Comprehensive Income**			
	Foreign Currency Translation Reserve			
	Balance at the beginning of the year	**(143.28)**	145.03	145.03
	Addition during the year	**95.13**	(288.31)	-
	Balance at the end of the year	**(48.15)**	(143.28)	145.03
g	**Remeasurement of actuarial gain/ (loss)**			
	Balance at the beginning of the year	**(28.54)**	-	-
	Addition during the year	**15.27**	(28.54)	-
	Balance at the end of the year	**(13.27)**	(28.54)	-
	Total Equity (a+b+c+d+e+f+g)	**10,681.19**	10,407.28	10,749.98

Nature and purpose of other reserves

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

18	**Borrowings**			
	Loan from Bank (Secured)	**-**	-	590.25
	Loans (Unsecured)			
	- From related parties	**717.11**	616.08	398.64
	- Others	**1,667.81**	1,470.00	-
	Total	**2,384.92**	2,086.08	988.89

Entire Loan is repayable on 31 March, 2020

Promoters of the company have given corporate guarantee amounting ₹ 6 crores (Previous year ₹ 7 crores) against the loan amounting ₹ 15 crores obtained by the company from M/s Shree Yash Stainless Ltd.

19	**Provisions**			
	Provision for employee benefits			
	- Compensated Absences	**166.64**	140.03	115.28
	- Others	**1.69**	0.42	0.31
	Total	**168.33**	140.45	115.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20	**Borrowings**			
	From Banks (Secured)			
	-From Banks (Ref. Note No. 20.1)	**4,662.68**	7,711.24	7,225.33
	From Others			
	-From others (Secured) (Ref. Note No. 20.2)			1,000.00
	-From related parties (Unsecured)	**373.79**	373.34	382.03
	Total	**5,036.47**	8,084.58	8,607.36

20.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts and other receivables and by way of second charge on fixed assets of the Company in respect of immovable properties and guaranteed by two Directors. It also includes ₹ 3605.74 lacs (Previous Year ₹ 6089.76 lacs) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's Account. The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

20.2 Secured by way of pledge of 17,42,700 equity shares in Pioneer facor IT Infradevelopers Pvt. Ltd.

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
21	**Trade Payables**			
	Micro Small and Medium Enterprises	**-**	-	-
	Others	**2,467.49**	2,106.93	711.22
	Total	**2,467.49**	2,106.93	711.22
22	**Other Financial Liabilities**			
	Current maturities of long-term debt			
	- From related parties	**-**	100.00	-
	Interest Accrued and Due	**2,721.07**	1,706.76	474.41
	Unpaid dividend	**6.38**	10.45	10.56
	Other payables for:			
	- Managerial Remuneration	**70.07**	93.90	73.59
	- Employee Benefits Payable	**96.95**	396.99	421.32
	- Security deposits / Retention money	**13.48**	6.70	9.11
	Total	**2,907.95**	2,314.80	988.98
23	**Other Current Liabilities**			
	Statutory dues	**263.29**	87.46	24.95
	Revenue received in advance			
	- Others	**14.99**	56.26	22.99
	Other payables	**1,198.20**	796.13	955.63
	Total	**1,476.48**	939.85	1,003.57
24	**Provisions**			
	Provision for employee benefits			
	- Gratuity	**155.22**	256.39	219.54
	- Compensated Absences	**10.52**	38.17	59.99
	Others	**1,020.58**	1,020.53	1,020.53
	Total	**1,186.32**	1,315.09	1,300.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		Year ended 31 March 2018	Year ended 31 March 2017
25	**Revenue from operations**		
	Sale of goods	**15,165.80**	9,233.71
	Sale of service- HCF conversion	**16,033.02**	4,187.47
		31,198.82	13,421.18
	Export Incentives	**121.15**	18.36
	Grand Total	**31,319.97**	13,439.54
26	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	**0.03**	0.08
	- Others	**133.98**	169.18
	Miscellaneous Receipts	**120.04**	77.37
	Fair Value adjustment on Financial Assets/Liabilities (Net)	**31.27**	-
	Car Lease Rental Received	**19.20**	19.20
	Rent Received	**77.98**	78.13
	Total	**382.50**	343.96
27	**Cost of Materials Consumed**		
	Opening Stock of Raw Material	**1,299.43**	1,285.33
	Add: Purchases	**10,935.54**	6,327.90
	Less: Closing Stock of Raw Material	**722.36**	1,299.43
	Total	**11,512.61**	6,313.80
28	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Change in Inventories of Finished Goods & Work-in-Progress		
	Decrease / (Increase) in Stock :		
	(a) Opening Stock		
	- Finished Goods	**186.67**	0.64
	- Work-in-Progress	**158.53**	-
	(b) Less : Closing Stock		
	- Finished Goods	**1,169.93**	186.66
	- Work-in-Progress	**137.75**	158.53
	Total	**(962.48)**	(344.55)
29	**Employee Benefits Expense**		
	Salaries and wages	**1,392.84**	965.37
	Contribution to provident and other funds	**147.15**	93.21
	Staff Gratuity and Superannuation	**46.15**	49.53
	Staff welfare expenses	**380.37**	177.90
	Director's Remuneration	**78.36**	75.90
	Total	**2,044.87**	1,361.91
30	**Finance Costs**		
	Interest on long term loans	**707.38**	386.36
	Interest on Other loans	**1,064.23**	1,326.67
	Other borrowing costs	**21.01**	9.84
	Bank Charges on bills discounting	**1.36**	0.93
	Total	**1,793.98**	1,723.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

		Year ended 31 March 2018	Year ended 31 March 2017
31	**Depreciation and Amortisation Expense**		
	Depreciation on tangible assets	**295.39**	280.01
	Amortisation on intangible assets	**-**	
	Total	**295.39**	280.01
32	**Other Expenses**		
	Mining Handling & Other Production expenses	**656.45**	307.51
	Power and fuel	**13,653.46**	3,014.29
	Repairs and maintenance:		
	- Buildings	**271.23**	152.18
	- Plant and machinery	**1,239.96**	295.08
	Freight, Shipment & Sales Expenses	**190.55**	95.15
	Stores & Spares	**268.49**	94.55
	Works Expenses	**388.36**	251.48
	Transportation expenses	**140.97**	52.91
	Rent	**27.45**	72.29
	Insurance	**8.46**	8.00
	Rates and Taxes	**18.93**	9.51
	Proivision for doubtful debts	**-**	
	Commission and Brokerage on Sales	**17.21**	36.08
	Donation	**0.10**	
	Payment to auditors	**4.73**	3.44
	Directors' sitting fees	**2.45**	2.15
	Miscellaneous Expenses	**83.03**	62.90
	Foreign exchange fluctuations (net)	**9.36**	17.73
	Total	**16,981.19**	4,475.25
32.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	**2.80**	2.81
	Tax Audit Fees	**0.15**	0.15
	Certification and Consultation Fees	**0.16**	0.10
	Reimbursement of Expenses	**1.12**	0.18
	(b) Cost Auditor		
	Audit Fees	**0.50**	0.20
	Total	**4.73**	3.44
33	**Earning per share**		
	Profit/ (Loss) for the period	**149.20**	(28.49)
	Weighted average number of equity shares of ₹ 10/- each (In lacs)	**1,955.48**	1,955.48
	EPS - Basic and Diluted	**0.08**	(0.01)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

34 The information related to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of of information available with the Company.

35 Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debts, since disputed ₹ 1,533.69 lacs (Previous Year ₹ 1,637.51 lacs). Amounts paid under protest ₹ 291.26 lacs (Previous Year ₹ 142.37 lacs) have been debited to Advance Account.

b. 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.

B. 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 Segment Information:

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

37 Related Party Disclosure:-

Consolidated related party transactions are same as related party transactions of Standalone Facor Alloys Limited except for following transactions which are addittional in consolidated financial statement. Amount received by Cati Medencilik Ithalat Ve Ihracat A.S. for Directors and their Relatives are as under:

(₹ in Lacs)

S. No.	Name of the Related Party	Nature of Relationship	Transactions during the year		Balance at the year end	
			2017-18	2016-17	2017-18	2016-17
1	Huseyin Cevik	Director	73.86	-	73.86	-
2	Gokhan Cevik	Relative of Director	5.51	44.81	142.15	136.47

38 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.

39 FORM AOC - 1

(**Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies

Part "A": Subsidiaries (₹ in Lacs)

1	Sl. No.	1	2	3	4	5	6	7
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals Pte. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Madencilik Ithalat ve Ihracat A.S.
					Refer Below Note No. 2			
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US$ 65.01	US$ 65.01	US$ 65.01	US$ 65.01
5	Share Capital	5.00	1.00	5.00	352.99	1,496.22	1,430.22	609.12
6	Reserves & Surplus	(10.84)	(1,158.29)	(311.40)	8.14	(8,610.03)	(138.32)	(1,433.72)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

1	Sl. No.	1	2	3	4	5	6	7
2	**Name of subsidiary**	**Best Minerals Ltd.**	**FAL Power Ventures Pvt. Ltd.**	**Facor Electric Ltd.**	**Facor Minerals Pte. Ltd.**	**Facor Minerals (Netherlands) B.V.**	**Facor Turkkrom Mining (Netherlands) B.V.**	**Cati Madencilik Ithalat ve Ihracat A.S.**
7	Total Assets	0.27	47.04	1.97	379.34	1,328.37	1,349.32	1,328.59
8	Total Liabilites	0.28	47.04	1.97	379.34	1,328.36	1,349.32	1,328.59
9	Investments	0.01	-	-	-	-	1,310.16	-
10	Turnover	-	-	-	-	-	-	-
11	Profit before taxation	(0.18)	(0.18)	(0.19)	(6.84)	(248.48)	(20.79)	(197.60)
12	Provision for taxation	-	-	-	1.82	2.00	-	-
13	Profit after taxation	(0.18)	(0.18)	(0.19)	(8.66)	(250.49)	(20.79)	(197.60)
14	Proposed Dividend	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	93.48%	51%	100%

Notes:

(1) Following are the names of subsidiaries which are yet to commence operations ;

(i). FAL Power Ventures Pvt. Ltd.

ii). Facor Electric Limited

iii). Facor Minerals Pte. Ltd.

iv). Facor Minerals (Netherlands) B.V.

v). Facor Turkkrom Mining (Netherlands) B. V.:- Subsidiary of Facor Minerals (Netherlands) B.V.

vi). Cati Madencilik Ithalat ve Ihracat A.S.:- Subsidiary of Facor Turkkrom Mining (Netherlands) B.V

(2) Financial information is based on unaudited results.

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

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated total comprehensive income	Amount (₹ in lacs)
	1	2	3	4	5	6	7	8	9
	Parent								
	Facor Alloys Limited	112.82	13,666.52	916.57	291.50	13.95	15.27	217.13	306.77
	Subsidiaries								
	Indian								
1	Best Minerals Ltd.	(0.10)	(11.88)	(0.56)	(0.18)	-	-	(0.13)	(0.18)
2	Facor Electric Ltd.	0.01	1.60	(0.59)	(0.19)	-	-	(0.13)	(0.19)
3	FAL Power Ventures Pvt. Ltd.	0.39	46.77	(0.56)	(0.18)	-	-	(0.13)	(0.18)
	Foreign								
1	Facor Minerals Pte. Ltd.	(0.16)	(19.22)	(27.24)	(8.66)	-	-	(6.13)	(8.66)
2	Facor Minerals (Netherlands) B.V.	(11.24)	(1,361.78)	(787.61)	(250.49)	86.05	94.21	(110.61)	(156.28)
	Minority Interest in all Subisidiaries	(1.72)	(208.39)	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

41 Employee benefits

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

42 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category*

(₹ in Lacs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	Amortised Cost	Amortised Cost	Amortised Cost
Financial assets			
Non-current investments	809.27	2.06	3.06
Loans	-	6.51	-
Other non-current financial assets	1,135.41	707.98	50.82
Trade receivables	1,841.59	1,378.52	285.91
Cash and cash equivalents	152.97	965.75	94.68
Bank balances other than above	6.38	10.45	10.56
Other current financial assets	68.52	4.97	771.67
Total	**4,014.14**	**3,076.24**	**1,216.70**

*Exclude financial instruments measured at cost

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial liabilities			
Borrowings	7,421.39	10,270.66	9,596.25
Trade payables	2,467.49	2,106.93	711.22
Other financial liabilities	2,907.95	2,214.80	988.98
Total	**12,796.83**	**14,592.39**	**11,296.45**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

(₹ in Lacs)

Particulars	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	809.27	809.27
Loans	-	-	-	-
Other non-current financial assets	-	-	1,135.41	1,135.41
Trade receivables	-	-	1,841.59	1,841.59
Cash and cash equivalents	-	-	152.97	152.97
Bank balances other than above	-	-	6.38	6.38
Other current financial assets	-	-	68.52	68.52
Total financial assets	**-**	**-**	**4,014.14**	**4,014.14**
Financial liabilities				
Borrowings	-	-	7,421.39	7,421.39
Trade payables	-	-	2,467.49	2,467.49
Other financial liabilities	-	-	2,907.95	2,907.95
Total financial liabilities	**-**	**-**	**12,796.83**	**12,796.83**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

(₹ in Lacs)

Particulars	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	2.06	2.06
Loans	-	-	6.51	6.51
Other non-current financial assets	-	-	707.98	707.98
Trade receivables	-	-	1,378.52	1,378.52
Cash and cash equivalents	-	-	965.75	965.75
Bank balances other than above	-	-	10.45	10.45
Other current financial assets	-	-	4.97	4.97
Total financial assets	**-**	**-**	**3,076.24**	**3,076.24**
Financial liabilities				
Borrowings	-	-	10,270.66	10,270.66
Trade payables	-	-	2,106.93	2,106.93
Other financial liabilities	-	-	2,214.80	2,214.80
Total financial liabilities	**-**	**-**	**14,592.39**	**14,592.39**

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

(₹ in Lacs)

Particulars	As at 1 April 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current Investments	-	-	3.06	3.06
Loans	-	-	-	-
Other non-current financial assets	-	-	50.82	50.82
Trade receivables	-	-	285.91	285.91
Cash and cash equivalents	-	-	94.68	94.68
Bank balances other than above	-	-	10.56	10.56
Other current financial assets	-	-	771.67	771.67
Total financial assets	**-**	**-**	**1,216.70**	**1,216.70**
Financial liabilities				
Borrowings	-	-	9,596.25	9,596.25
Trade payables	-	-	711.22	711.22
Other financial liabilities	-	-	988.98	988.98
Total financial liabilities	**-**	**-**	**11,296.45**	**11,296.45**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

C. Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Non-current investments	809.27	809.27	2.06	2.06	3.06	3.06
Loans	-	-	6.51	6.51	-	-
Other non-current financial assets	1,135.41	1,135.41	707.98	707.98	50.82	50.82
Trade receivables	1,841.59	1,841.59	1,378.52	1,378.52	285.91	285.91
Cash and cash equivalents	152.97	152.97	965.75	965.75	94.68	94.68
Bank balances other than above	6.38	6.38	10.45	10.45	10.56	10.56
Other current financial assets	68.52	68.52	4.97	4.97	771.67	771.67
Total	**4,014.14**	**4,014.14**	**3,076.24**	**3,076.24**	**1,216.70**	**1,216.70**
Financial liabilities						
Borrowings	7,421.39	7,421.39	10,270.66	10,270.66	9,596.25	9,596.25
Trade payables	2,467.49	2,467.49	2,106.93	2,106.93	711.22	711.22
Other financial liabilities	2,907.95	2,907.95	2,214.80	2,214.80	988.98	988.98
Total	**12,796.83**	**12,796.83**	**14,592.39**	**14,592.39**	**11,296.45**	**11,296.45**

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

Risk management framework

A company is exposed to uncertainties owning to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Board of Directors have approved a Risk Management Policy which shall be reviewed by Board and the management from time to time.

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

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the loans & advances to related parties and company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is ₹ 1841.589 lacs (31 March 2017 ₹ 1,378.52 Lacs & 1 April 2016 – ₹285.91 Lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2018 amounted to ₹ 568.49 lacs (₹ 504.97 lacs as on 31 March 2017 and ₹ 521.48 lacs as on 1 April 2016).

Reconciliation of loss allowance provision – Loan and Advances to Related Parties (₹ in Lacs)

	31 March 2018	31 March 2017	1 April 2016
Opening balance	499.89	499.89	-
Changes in loss allowance calculated at life time expected credit losses	-	-	499.89
Closing balance	**499.89**	**499.89**	**499.89**

ii. Liquidity risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

(a) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Floating rate			
Expiring within one year (bank overdraft and other facilities)			
- Fund/ Non fund based (secured)	-	5,986.29	5,849.95
- Fund/ Non fund based (unsecured)	-	-	-
Expiring beyond one year	-	-	-
Total	**-**	**5,986.29**	**5,849.95**

The company do not have undrawn bank overdraft facilities as on 31 March 2018.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

(₹ in Lacs)

Particulars	Carrying Amounts 31 March 2018	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	7,421.39	7,421.39	5,036.47	-	2,384.92	-
Trade payables	2,467.49	2,467.49	2,467.49	-	-	-
Other financial liabilities	2,907.95	2,907.95	2,907.95	-	-	-
Total non-derivative liabilities	**12,796.83**	**12,796.83**	**10,411.91**	**-**	**2,384.92**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lacs)

Particulars	Carrying Amounts 31 March 2017	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	10,270.66	10,270.66	8,184.58	-	2,086.08	-
Trade payables	2,106.93	2,106.93	2,106.93	-	-	-
Other financial liabilities	2,214.80	2,214.80	2,214.80	-	-	-
Total non-derivative liabilities	**14,592.39**	**14,592.39**	**12,506.31**	**-**	**2,086.08**	**-**

(₹ in Lacs)

Particulars	Carrying Amounts 1 April 2016	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	9,596.25	8,607.36	8,607.36	-	-	-
Trade payables	711.22	711.22	711.22	-	-	-
Other financial liabilities	988.98	988.98	988.98	-	-	-
Total non-derivative liabilities	**11,296.45**	**10,307.56**	**10,307.56**	**-**	**-**	**-**

iii. **Market risk**

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) **Equity Price risk**

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of the material produced and sold by the company. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the materials. The Company enters into contracts for procurement of materials and most of the transactions are short term fixed price contracts.

b) **Currency risk**

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	USD	USD	USD
Financial asset			
Trade receivables	1,727,065	4,572,560	-
Net exposure to foreign currency risk (assets)	**1,727,065**	**4,572,560**	**-**
Financial Liabilities			
Trade payables	-	-	-
Net statement of financial position exposure	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
5% movement				
USD	(56,468)	56,468	(56,468)	56,468
31 March 2017				
5% movement				
USD	(149,504)	149,504	(149,504)	149,504
31 March 2016				
5% movement				
USD	-	-	-	-

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lacs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Fixed Rate Instruments			
Financial Assets	2.06	2.06	63.18
Financial Liabilities	2,385.00	2,186.08	382.03
	2,387.06	**2,188.14**	**445.21**
Variable Rate Instruments			
Financial Assets	-	-	-
Financial Liabilities	4,662.68	7,711.24	7,225.33
	4,662.68	**7,711.24**	**7,225.33**

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2018				
Variable Rate Instruments	(30.49)	30.49	(30.49)	30.49
Cash flow sensitivity (net)	**(30.49)**	**30.49**	**(30.49)**	**30.49**
31 March 2017				
Variable Rate Instruments	(50.43)	50.43	(50.43)	50.43
Cash flow sensitivity (net)	**(50.43)**	**50.43**	**(50.43)**	**50.43**
31 March 2016				
Variable Rate Instruments	(47.25)	47.25	(47.25)	47.25
Cash flow sensitivity (net)	**(47.25)**	**47.25**	**(47.25)**	**47.25**

43 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

44 First Time Adoption of Ind AS

As stated in note 2, these are the Company's first Consolidated financial statements prepared in accordance with Ind AS

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS statement of financial position at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost of Property, plant and equipment:

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1 April, 2016.

(ii) Investments in Subsidiary:

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary as the deemed cost. Accordingly, the Group has opted to measure its investment in subsidiary at deemed cost, i.e. previous GAAP carrying amount.

B. Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity (₹ in Lacs)

Particulars	As at 1 April 2016			As at 31 March 2017		
	Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	2,392.12	15,318.20	17,710.32	2,937.77	15,318.20	18,255.97
Goowill	8,303.74	(8,303.74)	-	7,538.54	(7,538.54)	0.00
Intangibles		74.13	74.13		55.91	55.91
Capital work in Progress	1,114.52	-	1,114.52	-	-	-
Investments in subsidiary and associates	3,836.40	(2,016.73)	1,819.67	3,849.49	(2,015.73)	1,833.76
Financial assets						
(i) Investments		3.06	3.06		2.06	2.06
(ii) Loans		-	-		6.51	6.51
(iii) Other non-current financial assets	50.82	-	50.82	714.49	(6.51)	707.98
Deferred tax Asset (net)	1,661.83	-	1,661.83	1,658.95	(1.21)	1,657.74
Current assets						
Inventories	1,388.03	-	1,388.03	1,824.06	-	1,824.06
Financial assets						
(i) Trade receivables	285.91	-	285.91	1,378.52	(1.00)	1,377.52
(ii) Cash and cash equivalents	105.24	(10.56)	94.68	976.20	(10.45)	965.75
(iii) Bank balances other than (ii) above		10.56	10.56		10.45	10.45
(iv) Other current financial assets	2,197.23	(1,425.56)	771.67	2,477.31	(2,472.34)	4.97
Current tax assets (net)		138.20	138.20		229.74	229.74
Other current assets	25.54	787.47	813.01	25.46	1,742.60	1,768.06
TOTAL ASSETS	**21,361.38**	**4,575.03**	**25,936.41**	**23,380.79**	**5,320.69**	**28,701.48**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	1,955.48	-	1,955.48	1,955.48	-	1,955.48
Other equity	5,690.25	5,059.73	10,749.98	4,433.98	5,973.30	10,407.28
Non-controlling Interest		(484.71)	(484.71)		(649.05)	(649.05)
Non-current liabilities						
Financial liabilities						
(i) Borrowings	988.89	-	988.89	2,189.58	(103.50)	2,086.08
Long Term Provisions	1,136.12	(1,020.53)	115.59	1,160.98	(1,020.53)	140.45
Current liabilities						
Financial liabilities						
(i) Borrowings	8,607.37	(0.01)	8,607.36	8,084.57	0.01	8,084.58
(ii) Trade payables	711.22	-	711.22	2,106.93	-	2,106.93
(iii) Other financial liabilities	2,212.06	(1,223.08)	988.98	3,411.04	(1,096.24)	2,314.80
Other current liabilities		1,003.57	1,003.57		939.85	939.85
Short-term provisions	59.99	1,240.07	1,300.06	38.17	1,276.92	1,315.09
TOTAL EQUITY AND LIABILITIES	**21,361.38**	**4,575.03**	**25,936.41**	**23,380.73**	**5,320.75**	**28,701.48**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Reconciliation of total equity as at 31 March 2017 and 1 April 2016 (₹ in Lacs)

Particulars	31 March 2017	1 April 2016
Total equity (shareholder's funds) as per previous GAAP	**7,754.46**	**9,010.02**
Adjustments:		
Impact on account of fair valuation of fixed assets	-	15,318.17
Impact on account of impairment of Investment in Equity of other companies	-	(2,013.67)
Impact of interest charged as per EIR Method	(0.05)	-
Impact of Imairment of Goodwill	746.98	(8,229.61)
Impact of Pre-operative expenses	(0.76)	(1,364.16)
Impact of interest charged as per EIR Method adjusted in other equity	2.32	-
Impact on account of provision of loans and advances	-	(500.00)
Tax effects of adjustments	0.02	-
Total adjustments	**748.51**	**3,210.73**
Net impact brought forward from Opening balance sheet	3,210.73	-
Total equity as per Ind AS	**11,713.70**	**12,220.75**

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Amount
Profit after tax under India GAAP	**(1,255.88)**
Adjustments	
Impact of interest charged as per EIR Method	-0.05
Pre-operative expenses w.off	-0.76
Reversal of amortisation of Goodwill	643.49
Tax effects of adjustments	0.02
Total adjustments	**642.70**
Profit after tax as per Ind AS	**(613.18)**
Other Comprehensive Income	
Impact of FCTR	176.84
Total Comprehensive income for the year	**(436.34)**

D. Notes to first-time adoption:

1 Property, plant and equipment

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2016 and the same had an impact of ₹ 11,671.81 Lacs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

2 Goodwill

As per requirement of Ind AS 103 "Business combination" , the company have carried out impairment testing for goodwill lying in consolidated financial statment on the date of transition i.e. 01st April, 2016. The amount of impairment is ₹ 8229.61 Lacs and (In FY 2016-17 amortisation on goodwill has reversed of ₹ 746.98 lacs). In accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves.

3 Other Investments (other than subsidiary and associates)

Under previous GAAP, the Company used to carry the investments in equity instruments of companies (other than subsidiary and associates) at cost. Under Ind AS, the Company elected to fair value the same through the other comprehensive income. As a result, the Company recorded downward fair valuation of ₹ 2,013.66 lacs as on the transition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Borrowings

Under Ind AS, the financial liability (borrowings) needs to be measured at amortised cost using EIR and for the computation of EIR market rate of interest needs to be considered. The company had obtained certain loans which were at below market interest rate and application of EIR method had resulted in decrease of borrowings by ₹ 2.32 lacs with corresponding increase in reserves (including other equity). The above adjustment had decreased profit by ₹ 0.05 lacs during FY 2016-17.

5 Un-Amortised expenditure

Under Ind AS 38, Intangibles covered unamortised expenditure. The company has not carried intangible assets if there is no economic benefits flow to entity from such assets. Accordingly company written off all the unamortised expenditure of ₹ 0.65 lacs (1 April 2016 - ₹ 1364.29 Lacs) with the resultant impact being accounted for in the reserves.

6 Impairment of Financial Assets - Loans and Advances

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts has been booked by ₹ 500.00 Lacs with corresponding decrease in reserves as at 1 April 2016.

7 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year (net of tax) ended 31 March 2017 increased by ₹ 114.17 lacs (₹ 74.65 lacs). There is no impact on the total equity as at 31 March 2017.

8 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

9 Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty as the excise duty is collected by the company as a principal unlike other indirect taxes. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by ₹ 160.81 lacs. There is no impact on the total equity and profit.

10 Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 18th May, 2018

RATIO OF REMUNERATION

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

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

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

Name of the Director	Ratio
R.K.Saraf	4.78:1
Ashim Saraf	5.84:1
Anurag Saraf	5.82:1

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

Name of the Director	% increase/(Decrease)
R.K.Saraf	0.21%
Ashim Saraf	1.61%
Anurag Saraf	-0.11%
Other KMP	
Dy.Chief Financial Officer	7.30%
Company Secretary	19.55%

iii) The percentage increase in the median remuneration of the employees in the financial year 2017-18 76.56%

iv) The number of permanent employees on the rolls of the Company 410

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in the salaries of employees other than managerial personnel in the last financial year was 10.17% and percentage increase in the managerial remuneration for the year was 1.66 %.

vi) The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

As per our report of even date.

For and on behalf of the Board of Directors

Abhay Upadhye
Partner
(Membership No. 049354)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
Place: Noida, U.P.
Date: 18th May, 2018

O.P. Saraswat
Dy. Chief Financial Officer

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

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

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Our Principal Addresses:

Registered Office And Works:

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

Corporate Offices:
Noida :
Facor House, A-45-50, Sector-16,
Noida, Dist.Gautam Buddh Nagar,
U.P.-201 301 India
Phones : +91-120417 1000
Fax: +91-120425 6700
E-Mail : facordelhi@facorgroup.in
Shri Ishwar Das
Manager (Administration)

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

Regional Offices:

Mumbai :
A/101, Gokul Arcade,
CTS No.173-A,
Swami Nityanand Marg,
Ville Parle (East),
Mumbai-400 057
Phone: 91-22-26823930-33
Fax : 91-22-26823934
E-Mail:facormumbai@facorgroup.in
Shri Anil Banka
Sr.Manager (Accounts)

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]

Chennai :
37-F, 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]

Other Offices:

Visakhapatnam:
Manganese House
Harbour Approach Road
Visakhapatnam – 530 001
Phone: 91-891-2569011 / 2569013 / 6668003
Gram: FACOR
Fax : 91-891-2564077
E-mail:facorvizag@facorgroup.in
Shri Naresh Kumar
Dy. General Manager [Finance]

Nagpur:
Shreeram Bhawan
Ramdaspeth
Nagpur- 440 010
Phone : 2436920 – 21
Gram: FACOR
Fax :91-712-2432295
Shri H.S.Shah
Dy. General Manager

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

Ref. No. Date:- 02/07/2018

REMINDER

Sub.: **Updation of PAN and Bank Account details in company records**

Ref.: **SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 Dated 20.04.2018**

UNIT: **FACOR ALLOYS LIMITED**

FOLIO NO: ________________________

Dear Sir/Madam,

This has reference to our earlier registered letter dated 16-07-2018 sent pursuant to SEBI circular bearing no SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20/04/2018 wherein a request was made to all the shareholders holding shares in physical form to arrange to get their bank account details and PAN number updated in the records of Company/RTA.

Further to the cited SEBI circular, a subsequent reminder letter is required to be sent to such shareholders requesting again to arrange to get their bank account details and PAN number updated. Accordingly please be informed that details of your bank account and PAN number are not recorded in records of the Company. You are therefore requested to arrange to send the following documents to the Company/ RTA at the earliest on receipt of this letter so as to update your cited details in records of the Company:

1. Self-attested copy of PAN card, including that of joint shareholders;
2. An original cancelled cheque leaf of 1st shareholder only. The Name of 1st shareholder should be printed on cheque leaf. If name of shareholder is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker alongwith cancelled cheque shall be required. A duly filled in and signed form appended as Annexure-A to this letter should be returned back to the company.
3. E-mail –Id (in block letters):
4. Mobile no. /Phone no.

Attention of the shareholders is also drawn to the SEBI's another circular no. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 wherein it is mentioned that request for effecting transfer of securities (Equity Shares) shall not be processed unless securities are held in dematerialized form with a depository. This amendment shall come into force on the one hundred and eightieth day from the date of its publication in official gazette. In other words, request for effecting transfer of equity shares held in physical form will not be processed from the effective date given in aforesaid notification. It shall be mandatory to convert physical holding into electronic mode i.e. in demat, for transferring shares to another person(s)/entity(s).

Your immediate action in this regard is highly solicited.

Thanking you,
For **Mas services Limited**

Sd/-
Authorised Signatory

Note: Photocopy of cheque will not be accepted/ entertained.

Annexure – A

Name of Shareholder (s)	
Folio No.	
Pan (attach Self attested copy of Pan)	
Bank Details (attach Self attested copy of cancelled cheque)	
Bank Account No.	
Name of Bank	
Branch Address	
IFSC No.	
MICR No.	

(________________________)
Signature of Shareholder(s)

FACOR ALLOYS LIMITED

Regd.Office: Shreeramnagar-535101, Garividi, Dist.Vizianagaram (A. P.)

CIN L27101AP2004PLC043252, WEBSITE: www.facoralloys.com

PHONE: +91 8952 282029 FAX: +91 8952 282188

E-MAIL: facoralloys@facorgroup.in

Dear Shareholder(s),

Sub. : Compulsory transfer of Equity Shares to the Investor Education and Protection Fund (IEPF) Account

Please note that despite various communications sent by the Company requesting to claim your dividend before the same is transferred to IEPF, you have as per the records of the Company not claimed the dividend for the Financial Year 2010-11. The last date of claiming it is 14th September, 2018. Further, the said dividend will be transferred to IEPF on 15th October, 2018. Accordingly in terms of under referred provisions, the Company is required to transfer the number of equity shares of Re.1/- each held by you in the Company to IEPF.

Further in terms of the requirements of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government.

A list of such shareholders, who have not en-cashed their dividends for seven consecutive years and whose shares are therefore liable for transfer to the IEPF Account, is displayed on the website of the Company https://www.facoralloys.com under Investor Relations section.

The Company is sending this individual communication to the shareholders whose shares are liable to be transferred to IEPF Account, as per the requirement of said Rules, for taking appropriate action for claiming the unclaimed dividend amount (s) before its credit to IEPF Account. Shareholders are requested to forward their claims to the Company immediately to receive the unclaimed dividend.

Further please note that in the absence of receipt of a valid claim from the shareholder immediately, the Company would be transferring the said shares to IEPF Account without any further notice, in accordance with the requirements of said Rules.

Please note that no claim shall lie against the Company in respect of unclaimed dividend amount and shares transferred to IEPF Account pursuant to the said Rules. Please note that, upon such transfer, shareholders can claim the transferred shares along with dividends from the IEPF, for which details are available at www.iepf.gov.in.

For any information/clarifications on this matter, shareholders concerned may write to the Company at facoralloys@facorgroup.in or contact the Company’s Registrar and Share Transfer Agent M/s Mas Services Ltd., T-34 IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone: -011-26387281-83, Fax No. 011-26387384, Email: info@masserv.com.

For **Facor Alloys Ltd.,**

Place : Shreeramnagar,

Dated : 12th July, 2018

(S.S. Sharma)

GENERAL MANAGER (LEGAL) & COMPANY SECRETARY

FACOR ALLOYS LIMITED

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

Fifteenth Annual General Meeting on 17th September, 2018

FORM NO. MGT-11

PROXY FORM

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

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

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

(1) Name: .... Address: ....

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

(2) Name: .... Address: ....

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

(3) Name: .... Address: ....

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

and whose signature(s) are appended below as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Members of the Company to be held on Monday, the 17th September, 2018 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 Audited Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2018
2.	Re-appointment of Mr. Rohit Saraf, Director (DIN 00003994) who retires by rotation
Special Business	
3.	Ratification of Cost Auditors' remuneration
4.	Re-appointment of Mr. K Jayabharat Reddy (DIN 00038342) as Independent Director of the Company
5.	Re-appointment of Mr. A S Kapre (DIN 00019530) as Independent Director of the Company
6.	Re-appointment of Mr. K L Mehrotra (DIN 00062172) as Independent Director of the Company
7.	Continuance of Directorship of Mrs. Urmila Gupta (DIN 00637110) as Independent Woman Director of the Company
8.	Re-appointment & Payment of remuneration of Mr. R K Saraf (DIN 00006102) as Chairman and Managing Director of the Company
9.	Re-appointment & Payment of remuneration of Mr. Ashim Saraf (DIN 00009581) as Joint Managing Director of the Company

Signed this .... day of 2018

Signature of Shareholder(s): ....

Signature of Proxy holder(s): ....

Affix Revenue Stamp

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

REGISTERED BOOK POST

If undelivered please return to :

FACOR ALLOYS LIMITED

Shreeramnagar - 535 101

Garividi; Dist. Vizianagaram

(Andhra Pradesh)

INDIA