



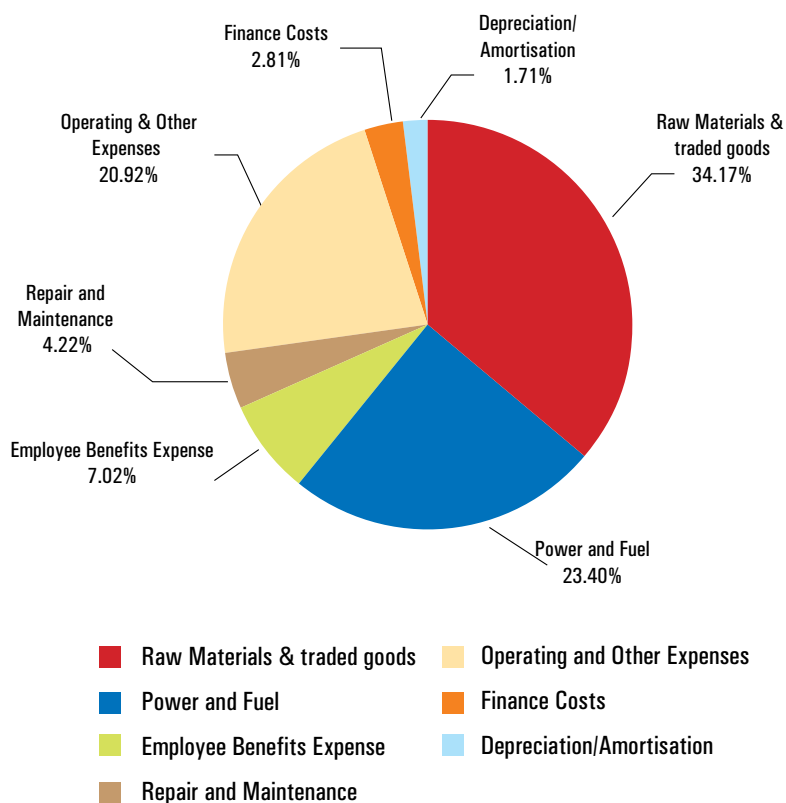
**Ferro Alloys Corporation Limited**

57th Annual Report 2012-13

## HIGHLIGHTS – 2012 - 2013

Particulars		Rs. in Lacs		US Dollars in Thousands	
		2012-13	2011-12	2012-13	2011-12
Turnover		<b>51,787</b>	47,604	<b>95,407</b>	93,342
Earning before Interest, Tax and Depreciation/ Amortisation		<b>5,528</b>	2,155	<b>10,184</b>	4,226
Profit After Tax		<b>2,579</b>	(340)	<b>4,751</b>	(667)
HCF Production	MT	<b>63,942</b>	63,285		
Chrome Ore Production	MT	<b>214,967</b>	221,266		
Sales of HCF	MT	<b>64,941</b>	63,836		
Sales of Chrome Ore	MT	<b>181,675</b>	181,256		
Exchange Rate Rs. 54.28 As on 31st March, 2013 (Rs. 51.00 As on 31st March, 2012)					

### DISTRIBUTION OF REVENUE



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

Chairman &amp; Managing Director

**M. D. Saraf****Manoj Saraf**

Managing Director

**Vinod Saraf**

Joint Managing Director

**Ashish Saraf**

Joint Managing Director

**Rohit Saraf**

Joint Managing Director

**A. S. Kapre****Arye Berest****Pinaki Misra****S. Sridhar****S. B. Mishra****N. L. Ajwalia****M. B. Thaker****Keshaorao Pardhi****Ritesh Chaudhry**General Manager (Legal) &  
Company Secretary**Executives****R. D. Agrawal**

Advisor

**O. P. Banka**

Director (Finance)

**B. B. Singh**Director (Technical)  
(Charge Chrome Plant)**Ashok Agrawal**

Director (Mines)

**P. G. Sureshkumar**Chief Executive  
(Charge Chrome Plant)**M. K. Pujari**

Chief General Manager (Mines)

**Sanjiv Goyal**

Chief Financial Officer

**Bankers**

Bank of India

Central Bank of India

State Bank of India

Syndicate Bank

State Bank of Bikaner &amp; Jaipur

**Solicitors**

Mulla &amp; Mulla and

Craig Blunt &amp; Caroe

Bhaishankar Kanga and

Girdharilal

**Auditors**

Salve &amp; Co.

Chartered Accountants

**Internal Auditors**

M/s Das &amp; Prasad

Chartered Accountants

**Cost Auditors**

M/s Niran &amp; Co.

Cost Accountants

**Registrars & Share Transfer Agents**

(for Both Physical &amp; Electronic)

Link Intime India Pvt. Ltd.

C-13 Pannalal Silk Mills Compound,

LBS Road, Bhandup (W),

MUMBAI – 400 078

Phone No. : 022-2594 6970

Fax No. : 022-2594 6969

E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)**Contents :****Corporate Information and Index:**

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**Notice** is hereby given that the **FIFTY SEVENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the **Registered Office** of the Company at "FACOR DP Officers' Club at DP Nagar, Randia – 756 135, Dist. Bhadrak, Odisha" on Monday, **the 12<sup>th</sup> day of August, 2013 at 12 Noon** 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 31<sup>st</sup> March, 2013 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Arye Berest who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. M.B. Thaker who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. A.S. Kapre who retires from office by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr. N.L. Ajwalia who retires from office by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Salve & Company, Chartered Accountants, [Regn. No. 109003W] the retiring Auditors of the Company, be and they are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions, as the Board of Directors may fix in that behalf in consultation with the said Auditors."

**As Special Business:**

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

**RESOLVED THAT** Mr. Vinod Saraf, who was appointed as an Additional Director with effect from 19<sup>th</sup> January, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been

received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

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

**"RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") read with Schedule XIII thereto as amended upto date and all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to such further approvals, if any, as may be necessary, the Company hereby approves of the appointment of Mr. Vinod Saraf as Joint Managing Director of the Company for a period of 5 years with effect from 1<sup>st</sup> February, 2013 upon the terms and conditions as to remuneration and otherwise as set out in the draft agreement prepared in that behalf and submitted to this meeting and initiated by the Company Secretary for the purpose of identification which draft agreement, broad details of which are given in the Explanatory Statement in respect of this item of the Notice, is hereby specifically approved with the authority to the Board of Directors to decide the amount of Commission payable and forming part of remuneration and with liberty to vary the terms and conditions of the remuneration and re-appointment and/or the Agreement in such manner and to such extent as may be agreed to between the Directors and Mr. Vinod Saraf in the best interest of the Company, within the limitations in that behalf as contained in Schedule XIII to the Act or any amendments thereof or otherwise as may be permissible at law and that the Agreement when finalized be executed by the Company by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company."

**Registered office:**

By Order of the Board

D.P. Nagar,  
P.O. Randia – 756 135  
Distt. Bhadrak, Odisha

Dated : May 27, 2013

Place : New Delhi

**Ritesh Chaudhry**  
General Manager (Legal) &  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members / Proxies are requested to bring their Attendance Slip sent herewith, duly filled in, for attending the meeting.

3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 10<sup>th</sup> day of August, 2013 to, Monday, the 12<sup>th</sup> day of August, 2013, both days inclusive.
5. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. **Change of address or other particulars:**  
Members are requested to inform their Change of address (with PIN CODE), Nominations in respect of their shareholding, Bank Details, Mandate instructions, Electronic Clearing Service (ECS) mandates as also any changes in the above (*under the signature of the registered holder(s) of shares*) etc. to:-
  - The Registrar and Share Transfer Agent (RTA) of the Company in respect of shares held in physical form; and
  - The Depository Participants in respect of shares held in electronic form.
7. Shareholders intending to require information on the accounts at the meeting are requested to furnish the queries to the Company at least 10 (ten) days in advance of the Annual General Meeting to facilitate ready response.
8. As required by the Listing Agreement with the Stock Exchange, the relevant details in respect of the Directors proposed to be appointed/re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
9. Non-resident Shareholders are requested to inform the change in their residential status on return to India as also the details of their bank account in India to:
  - The Registrar and Share Transfer Agent (RTA) of the Company in respect of shares held in physical form; and
  - The Depository Participants in respect of shares held in electronic form.
10. Those Members who have so far not encashed their dividend warrants for the financial years 2006-07, 2007-08 and 2008-09 may claim or approach the Company's Secretarial Department at Corporate One, Suite # 401, Plot no.5, Jasola, New Delhi – 110 025 for payment thereof as the same will be transferred to the "Investor Education & Protection Fund" of the Central Government pursuant to Section 205 of the Companies Act, 1956 on the following dates:
  - Dividend for the year 2006-2007, on or after 13<sup>th</sup> September, 2014.
  - Interim Dividend for the year 2007-2008, on or after 27<sup>th</sup> February, 2015.
  - Final Dividend for the year 2007-08, on or after 12<sup>th</sup> October, 2015.
  - Interim Dividend for the year 2008-09, on or after 29<sup>th</sup> August, 2015.
  - Dividend for the year 2009-10, on or after 17<sup>th</sup> October, 2017
  - Dividend for the year 2010-11, on or after 12<sup>th</sup> October, 2018

**Registered Office:**

D.P. Nagar,  
P.O. Randia – 756 135  
Distt. Bhadrak, Odisha

By Order of the Board

Dated : May 27, 2013

Place : New Delhi

**Ritesh Chaudhry**

General Manager (Legal) &  
Company Secretary

**ANNEXURE TO THE NOTICE**

**Explanatory Statement ss required by Section 173 of the Companies Act, 1956**

**Item No. 7**

Mr. Vinod Saraf was appointed as an Additional Director by the Board of Director w.e.f. 19<sup>th</sup> January, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company. Further, Mr. Vinod Saraf was also appointed a Joint Managing Director of the Company w.e.f 1<sup>st</sup> February, 2013 subject to the approval of the members of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General

Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Vinod Saraf on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 7 for adoption.

None of the Directors, except Mr. Vinod Saraf is concerned or interested in this resolution.

The Board recommends resolutions under Item No.7 to be passed as an ordinary resolution.



**Item No. 8**

Mr. Vinod Saraf is a commerce graduate with Bachelors Degree in Law from Nagpur university. He started his career as Commercial Manager in Vidarbha Iron & Steel Corporation Limited in the year 1978 and subsequently was promoted as president of the Company in 1982.

He has rich experience in steel industry including areas relating to commercial and financial aspects. He is also one of the founder members of ISDA (Indian Stainless Steel Development Association) which was formed with an objective of development of consumption of stainless steel in various fields in India.

The material terms & conditions of his appointment and remuneration which are in conformity with the provisions of Schedule XIII to the Act are attached hereto as Annexure A.

The Board accordingly commends this resolution for approval of the members.

None of the directors except Mr. Vinod Saraf are interested in this item.

**ANNEXURE A FORMING PART OF EXPLANATORY STATEMENT  
ANNEXED TO THE NOTICE:**

**MATERIAL TERMS AND CONDITIONS OF THE APPOINTMENT  
OF JOINT MANAGING DIRECTOR:**

The material terms and conditions of the appointment of the Joint Managing Director and his remuneration by way of salary, Dearness Allowance, Perquisites, Commission and other allowances (which are in conformity with the Schedule XIII to the Companies Act, 1956) and as contained in the respective draft agreements, are as under:

1. Term of office: 5 years with effect from 1st February, 2013
2. Remuneration:
  - a) Basic Salary ₹1,00,000 per month in the scale of ₹ 75,000 – 5,000 – 1,00,000.
  - b) Commission Such amount of Commission as may be decided by the Board of Directors of the Company from time to time based on profits computed in the manner laid down in section 198 of the Companies Act, 1956 during the period he occupies the position of Joint Managing Director of the Company.
  - c) Perquisites and Allowances The Joint Managing Director shall be eligible to the perquisites and allowances as given hereunder:

The perquisites and allowances payable to the 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 actual for self and his family,

leave travel concession at actual 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 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 of 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 Company's business and Telephone at residence for official purpose. However, 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 value of Basic Salary, Dearness Allowance and other perquisites shall not, however, exceed Rs.18 lacs per annum for the Joint Managing Director.

In addition to the above, the Joint Managing Director will also be entitled to a Commission, as mentioned hereinbefore, as may be decided by the Board of Directors out of the Net Profits of the Company in any Financial Year computed in the manner laid down in Section 198 of the Companies Act, 1956.

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

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

The Joint Managing Director shall be entitled for increment as per Company's policy.

The total remuneration payable by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances shall not, in any financial year, however exceed the limit of 5% of the Net Profits to one such Whole time Director and 10% of the Net Profits for all the Whole time Directors of the Company taken together as specified in Schedule XIII to the Companies Act, 1956 with liberty to the Board of Directors or any Committee thereof to determine and revise the salary, Commission and perquisites payable to the Whole time Directors of the Company at any time within the limits specified above.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, then also they shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule XIII to the Companies Act, 1956 and subject to the approval of the Central Government, if any, required.

Your directors are delighted to present the 57<sup>th</sup> Annual Report of your Company and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2013.

## FINANCIAL RESULTS

The Board takes pleasure and pride to announce that despite difficult and testing times faced in the last Financial Year, the Company performed marvellously to post positive figures for the year. The results are as under:

(₹ in lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Gross Profit/(Loss)	<b>4013.84</b>	767.18
Depreciation/Amortization	<b>919.25</b>	975.86
Provision for taxation	<b>515.47</b>	131.54
Net Profit/(Loss) for the year	<b>2579.12</b>	(340.22)
Transfer to General Reserve	--	--
Balance carried to Balance Sheet	<b>6424.09</b>	3844.97

## OPERATIONS

The Indian ferro alloy industry has evolved over time and now fosters highly qualified manpower, latest equipments and technology. This evolution has led to quality produce which has made its position as one of the best in the world.

Making that position and earning recognition has not been an easy task for Indian ferro alloy industry as out of 12 billion tones of global reserves; about 95% of resources are geographically concentrated in Kazakhstan, South Africa, Turkey and other countries.

The edge that Indian chrome enjoys over others is that it has higher chrome content compared to global average and has higher Cr/ Fe ratio of 2.4 compared to 1.7. Furthermore, Indian ores are also more amenable to beneficiation and upgradation than South African ores and because of the higher Cr/ Fe and higher Cr 203, chrome alloys made from Indian ores have higher percent of chrome ore. South Africa is the largest chrome ore producer followed by India and Kazakhstan.

Despite high grade of ores Indian Chrome falls short in competition owing to high input costs, escalating power tariff and unavailability of quality raw materials. Owing to the aforesaid factors Indian ferro alloys producers are operating at 50% of their installed capacity (i.e. installed capacity is 1584000 tonnes whereas production was only 792000 tonnes). The average production of the Indian ferro

alloys industry during the year was 2.4 Million tonnes with peak produce of 2.89 Million Tonnes, which represented 56% capacity utilization.

Your company's turnover for the current financial year, 2012-13 stands at ₹ 51787.13 lacs as against ₹ 47604.17 lacs last year. Exports during the year saw a slight decline against last year. Further, your company has posted a profit before tax of ₹ 3094.59 lacs this year as against loss of ₹ 208.68 lacs in the previous year.

## DIVIDEND

Keeping in view the future requirement of funds in working capital and other purposes, the Directors do not recommend any dividend in the financial year ended 31<sup>st</sup> March, 2013.

## FINANCE

Your Company has not raised any deposit from public during the year.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2012-13.

## PROSPECTS

The Indian ferro alloy industry has, since inception, laid emphasis on research & development, backward integration in terms of setting up of captive power plants, operating mines, thereby creating large scale employment and bringing development to the local populace.

The prospects of ferro alloys industry are tied up to that of steel industry and swing in the direction the latter takes. However, despite measures to achieve cost efficiency by backward integration, the same could not be achieved, especially for units which have set up captive power units. This is due to the factor that the coal allocation for thermal plants have been lax, prices of imported coal has increased with Indonesia and Philippines imposing export duty on coal.

The producers are currently operating at 50% capacity to minimize their losses due to escalating costs. The global demand is predominantly met by produce of South Africa and Kazakhstan with China being the largest importer of both chrome ore and ferro chrome.

Further, the Euro Zone crisis, recessionary phase continuing in the US, tsunami in Japan and contraction in global auto sector has negatively impacted steel demand. However, projections and forecast for 2013 and 2014 remain promising with global consumption pegged to increase by 2.9% to 1454 million tonne and 3.2% to 1500 million tonne in 2014 as against 1.2% growth of 2012. Apparent steel use in China is expected to grow by 3.5% in 2013 to 668.8 million tonne following a 1.9% increase in 2012. In

2014, steel demand is expected to grow by 2.5% as the Chinese government's measures to control investment in an effort to rebalance the economy will remain in place.

On the domestic front steel demand is also expected to pick up growth is expected to be up by 5.9% to 75.8 million tone in 2013 following 2.5 % growth in 2012 as monetary easing is expected to support investment activities. In 2014, growth in steel demand is expected to further accelerate to 7.0%, owing to the reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate.

### **FUTURE STRATEGY AND GROWTH**

As reported earlier, your Company, as a measure for backward integration, was setting up a 100 MW Captive Power Plant. The phase-I (One Turbine of 50MW and One Boiler) of the project was successfully synchronized on 8th July 2011. The erection & commissioning activities for phase-II (2nd Turbine of 50MW and 2nd Boiler) have been completed. Commissioning of the third boiler is expected by September/October, 2013.

Once the Power plant is fully operational the Company shall benefit by continuous supply of quality power and shall also help realize a good return on its investment by selling the excess in open market.

Also, your company is also looking at forward integration by way of setting up green field projects, acquisitions, joint ventures etc.

### **INDUSTRIAL RELATIONS**

Industrial relations with workers, trade unions, and with local populace remained amicable and pleasant throughout the year.

### **DIRECTORS**

During the year, Mr. Harish Salve and Mr. Vineet Saraf have resigned from the Board of your Company. The Board places on record its gratitude for the services rendered by Mr. Harish Salve and Mr. Vineet Saraf during their tenure as members of the Board.

Mr. S. Sridhar was appointed as a Director on the Board of the Company w.e.f 28<sup>th</sup> July, 2012 as a director in casual vacancy caused by the resignation of Mr. Harish Salve.

Further, during the year Mr. Vinod Saraf was appointed as an Additional Director w.e.f 19<sup>th</sup> January, 2013 and the Joint Managing Director of the Company subject to approval of the members of the Company.

Mr. Arye Berest, Mr. M.B. Thaker, Mr. A.S. Kapre and Mr. N.L. Ajwalia shall retire by rotation at the ensuing 57<sup>th</sup> Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Company has formulated a code of conduct for all members of

the Board and Senior Management Personnel. All concerned members/ executives have affirmed compliance with the said code.

### **SUBSIDIARIES**

The Report and Accounts of the Company are prepared in consolidated form and contains results of its subsidiaries, Facor Power Limited, Facor Realty and Infrastructure Limited and Facor Energy Limited. The annual accounts of the subsidiaries shall be available on request to the members of the Company and are available for inspection at the registered office of the Company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

### **AUDIT COMMITTEE**

Audit Committee of the Company comprises of Mr A.S. Kapre, Mr M.B. Thaker, and Mr. S.B. Mishra, all Independent Directors. The committee has been constituted in strict compliance with the provisions of Clause 49 of the Listing agreement and assumes all responsibilities provided therein, discharging their duties diligently with transparency and accountability as their sole motivation.

### **AUDITORS**

M/s Salve & Company, Chartered Accountants hold office upto the conclusion of the ensuing 57<sup>th</sup> Annual General Meeting. The Company has received a requisite Certificate pursuant to Section 224 (1B) of the Companies Act 1956 regarding their eligibility for reappointment as Auditors of the Company. You are requested to appoint Auditors for the current year and to fix their remuneration.



**AUDITOR'S REPORT**

The observations made in the Auditors' Report are self explanatory and therefore, do not call for any further comments u/s 217(3) of the Companies Act, 1956.

**COST AUDITORS**

Your Directors had, in accordance with the General Circular from the Ministry of Corporate Affairs appointed M/s Niran & Co., Cost Accountants, as Cost Auditors for Financial Year ended 31<sup>st</sup> March, 2013, for which Central Government approval had been received by the Company. The report on Cost audit for Financial Year ended 31<sup>st</sup> March 2012 was filed on 28<sup>th</sup> December, 2012 and in respect of Financial Year ended 31<sup>st</sup> March, 2013 would be filed with Central Government before 30<sup>th</sup> September, 2013. Further your Directors have appointed M/s Niran & Co., Cost Accountants, as Cost Auditors of the Company for Financial year ended 31<sup>st</sup> March, 2014 as well subject to the approval of the Central Government.

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

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

**PARTICULARS OF EMPLOYEES**

During the year under review there were no employees receiving remuneration of or in excess of ₹ 60,00,000/- per annum or ₹5,00,000/- per month requiring disclosure as per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**CORPORATE GOVERNANCE**

In terms of clause 49 of the Listing Agreement, a separate report on Corporate Governance, Management Discussion and Analysis along with your Company's Statutory Auditors' Certificate dated 27<sup>th</sup> May, 2013 confirming the above compliance is annexed to and forms part of the Directors' Report.

**HUMAN RESOURCE DEVELOPMENT**

Your Company takes great pride in the commitment, competence and vigour shown by its workforce in all realms of business. The Company continues to take new initiatives to further align its HR policies to meet the growing needs of its business.

**ACKNOWLEDGEMENTS**

Directors of the Company wish to thank the Central and State Governments for their continued support and co-operation extended towards the business as well as the company's social functions. The Management also thanks the shareholders, Business Associates, Financial Institutions & Banks, Customers and Suppliers for the faith reposed in the Company and in them. The Board expresses its sincere appreciation to the dedicated and committed team of employees and workmen without whom reaching this far and maintaining the standard and quality of the products for which the company is famous, would not have been possible. We look forward to all of your continued support. Let's grow and move ahead together.

On behalf of Board of Directors,

Place : New Delhi  
Dated : 27<sup>th</sup> May, 2013

**R.K. SARAF**  
Chairman & Managing Director

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

### A) CONSERVATION OF ENERGY:

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>a) Measures Taken</li> <li>b) Additional investment and proposals if any being implemented for reduction of consumption of energy</li> <li>c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.</li> <li>d) Total energy consumption and energy consumption per unit of production in prescribed form 'A'.</li> </ul> | } | <p>Conservation of Energy is an ongoing process and is always attached great importance. Installation of efficient electric equipments and other measures taken in recent past have brought down energy consumption. However, it is difficult to quantify the same and/or assess its impact on cost of production.</p> <p>Form 'A' is not applicable to Ferro Alloys Industry.</p> |
|--|---|--|

### B) TECHNOLOGY ABSORPTION:

Research & Development (R&D):

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>a) Specific areas in which R &amp; D carried out by the company</li> <li>b) Benefits derived as a result of the above R&amp;D</li> <li>c) Future Plan of action</li> <li>d) Expenditure on R&amp;D</li> <li>e) Technology absorption, adaptation and innovation:                             <ul style="list-style-type: none"> <li>i) Efforts, in brief, made towards technology absorption, adaptation and innovation.</li> <li>ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.</li> <li>iii) Information regarding technology imported during last 5 years</li> </ul> </li> </ul> | } | <p>R&amp;D in the operation of Ferro Chrome Production and manufacturing of briquettes is a continuous process. Studies to recover the entrapped metal from the discharged slag are in progress.</p> <p>The Company is analyzing and experimenting different methods of briquetting to cut down cost of production.</p> <p>Recurring expenditure on R&amp;D has been shown under respective heads of accounts in Profit &amp; Loss Account.</p> <p>Not applicable since no new technology has been adopted</p> <p>Not applicable</p> <p>No technology has been imported during the last five years.</p> |
|--|---|---|

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- |   |   |  |                    |  |                |  |               |  |                 |  |
|---|---|--|--------------------|--|----------------|--|---------------|--|-----------------|--|
| <ul style="list-style-type: none"> <li>1) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans</li> <li>2) Total Foreign Exchange used and earned                             <ul style="list-style-type: none"> <li>i) CIF value of imports</li> <li>ii) Expenditure in Foreign currency</li> <li>iii) Foreign exchange earned on FOB basis</li> </ul> </li> </ul> | : | <p>To explore new avenues of exports and to understand latest developments in the international markets, your directors undertake foreign tours as and when required.</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: right;"><b>Rs. in lacs</b></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>1335.18</b></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>402.28</b></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>23351.09</b></td> <td></td> </tr> </table> | <b>Rs. in lacs</b> |  | <b>1335.18</b> |  | <b>402.28</b> |  | <b>23351.09</b> |  |
| <b>Rs. in lacs</b>  |   |  |                    |  |                |  |               |  |                 |  |
| <b>1335.18</b>  |   |  |                    |  |                |  |               |  |                 |  |
| <b>402.28</b>   |   |  |                    |  |                |  |               |  |                 |  |
| <b>23351.09</b>   |   |  |                    |  |                |  |               |  |                 |  |

On behalf of Board of Directors

Place : New Delhi  
Dated : 27th May, 2013

**R.K. SARAF**  
Chairman & Managing Director

## INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro Alloys production in India dates back to 1917 when IISCO, followed by Tata Steel, in 1919 commenced production of ferro manganese. Our Company played an important role in evolution of the ferro alloys industry with commencement of production in subsequent years.

The Indian ferro alloys industry, as an organized sector, came into existence in the mid 60s at the behest of the Planning Commission's policy of licensing of units based on 50% of the production capacity for exports, besides meeting the local requirements in the 2<sup>nd</sup> Five Year Plan. Post liberalization in 1991- 92 a number of small and medium sized units cropped up. Freedom from licensing ushered in growth and development, as result of which exports have steadily increased over the years, from 15% in 1991-92 to around 30-40% at present.

Today, at the end of 11<sup>th</sup> Plan, buoyed by the rapidly growing steel demand, the Indian ferro alloy industry is now estimated at 4.5 mtpa and growing in tandem with the steel industry. However, due to tumultuous times in recent years, producers are operating at 50% capacity.

Quality wise, chrome ore available in India edges over competition due to higher Cr<sub>2</sub>O<sub>3</sub> and higher Cr/ Fe ratio. The higher Cr/Fe and higher composition of Cr<sub>2</sub>O<sub>3</sub> makes Indian ores more amenable to beneficiation and upgradation. However, poor availability of good quality raw material, high power tariff and uncertain policy framework renders the quality factor uncompetitive in the international market.

## RISKS AND CONCERNS / OPPORTUNITIES AND THREATS / OUTLOOK

Despite the steady growth and potential for steady growth in business and development is subject to effective resolution of various bottlenecks which the industry currently faces. While some of them relate to the larger macroeconomic framework, some of them are intrinsic to the industry itself; major ones are as follows:

- High cost of grid power has been affecting the industry's competitiveness despite having the best quality ores and processes
- High cost of coal and failure of CIL to allocate required coal to captive power unit has entailed a burden on producers
- Inadequate indigenous supply of good quality and high grade coke
- Depleting Chrome ore supply on domestic level. With OMC being the only major producer of chrome ore in the country, there are availability issues.

- Ferro Alloys falls under the same Tariff chapter as Iron and Steel hence, any measures applied on steel industry get indiscriminately applied to ferro alloys as well.
- High transportation cost due to increase in price of fuels
- Inadequate and crumbling infrastructure, over burdened roadways, railways and ports

Need of the hour is to address the above problems in the following manner:

- Uniform electricity tariff need to be made available at internationally comparable tariff for ferro alloy industry.
- Until a level playing field on electricity is provided, it is recommended that the Government increase the customs duty to 7.5% from existing 5%.
- Customs duty on import of raw material be reduced
- Government may consider devising mechanism for making funds available to ferro alloys producers for setting up captive power plants at a very low or nil interest rate to ease of the burden
- Ferro alloys industry may be allowed a higher rate of depreciation of (30%) for its captive power plant.
- It is recommended that ferro alloys industry be allowed duty-free imports of used power plant equipments and machineries for setting up captive power plants.
- For sake of smooth running and cost effectiveness government should consider allocating coal linkage as well as coal mines to power plants of ferro alloy industry as captive mines
- For anthracite coal customs duty be brought down to Nil from current 5%.

The prospects and future looks good for the ferro alloy industry considering the fact that the global steel demand is pegged to grow at a decent rate of 2.9%. Further, as per vision 2020, India steel industry has a plan to almost double the 120 million tons capacities projected in 2012 to 200 million tones in 2020.

The following indications also provide better forecast for future:

- Government has imposed export duty on chrome ore to 30% of value (from the earlier level of ₹ 3000 PMT) to restrict export and ensure availability for domestic production.
- The industry is consolidating its position by enhancing existing capacity of furnaces and also by installing captive power plants
- India is bullish on developing infrastructure and such projects shall create good demand for construction steel resulting in increase of ferro alloys demand.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your company's turnover for the current financial year, 2012-13 stands at ₹ 51787.13 lacs as against ₹ 47604.17 lacs last year. Exports during the year saw a slight decline against last year. Further, your company has posted a profit before tax of ₹ 3094.59 lacs this year as against loss of ₹ 208.68 lacs in the previous year.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has placed systems and procedures of internal control and checks in operation commensurate with the size and the nature of its business for optimum utilization of available precious resources. The mechanism of internal control and checks are reviewed by the management, internal and statutory auditors from time to time and suitable changes/ modifications are implemented so as to ensure that an effective scheme of checks and balances exists at all times. The management is reasonably satisfied with the existing internal control

systems. The Audit Committee of Board of Directors also reviews these matters from time to time in their meetings.

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

The overall industrial relations in the Company were cordial. The manpower employed is around 908 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. COMPANY'S PHILOSOPHY

FACOR continues its efforts towards creating value for its stakeholders keeping in view the principles of fairness, equity, transparency, accountability and dissemination of information. While expanding its operations, it also recognizes its social responsibility towards the society, in general and environment, in particular and remains committed to its development as well.

We continuously strive to create conducive environment which fosters growth, innovation and leadership. Level playing opportunity is provided to all. Employees are considered the most valuable assets and form the FACOR family. Together we resolve to move forward for a better future.

### 2. BOARD OF DIRECTORS

The Board of FACOR is comprised of individuals having varied experience in different form of businesses and are considered stalwarts in their respective fields. The composition of the Board is in line with the Listing Agreement and is strictly adhered to at all times. The Board members are handpicked to provide for optimum mix of knowledge and experience. The optimum ratio of executive – non executive Board members provides for the required vigilance and security required for enhancement of organizational capabilities. The executive – non-executive members provide for a structure of performance and control.

The composition of the Directors as on 31<sup>st</sup> March, 2013 was as follows:-

Name of Director	Category	No of Board Meetings attended	Whether last AGM Attended	No. of Outside Directorship held	Outside Committee Position Held	
				Public	Member	Chairman
Mr R.K. Saraf, Chairman & Managing Director	Executive*	5	Yes	3	–	1
Mr. Manoj Saraf, Managing Director	Executive*	4	No	1	–	–
Mr. Vinod Saraf, Jt. Managing Director®	Executive*	0	NA	4	–	–
Mr. A.S. Kapre	Non-Executive Independent	5	Yes	3	2	3
Mr. Harish Salve®®	Non-Executive Independent	1	NA	–	–	–
Mr. S. Sridhar®®®	Non-Executive Independent	4	Yes	1	–	–

\* Represent Promoters. ®Appointed as an Additional Director w.e.f.19<sup>th</sup> January, 2013; ®® Ceased to be Director w.e.f.11<sup>th</sup> May, 2012;

®®®Appointed as a Director w.e.f 28<sup>th</sup> July, 2012;

Name of Director	Category	No of Board Meetings attended	Whether last AGM Attended	No. of Outside Directorship held	Outside Committee Position Held	
				Public	Member	Chairman
Mr. M.D. Saraf	Non-Executive* Non-Independent	0	No	4	–	–
Mr. Pinaki Misra	Non-Executive Independent	1	No	1	–	–
Mr. Vineet Saraf, Jt. Managing Director@@@	Executive*	5	Yes	3	–	–
Mr. Ashish Saraf, Jt. Managing Director	Executive*	4	Yes	3	–	–
Mr. Rohit Saraf, Jt. Managing Director	Executive*	4	Yes	5	–	–
Mr. Arye Berest	Non-Executive Non-Independent	1	No	2	–	–
Mr. S.B. Mishra	Non-Executive Independent	4	Yes	3	–	3
Mr. N.L. Ajwalia	Non-Executive Independent	5	Yes	–	–	–
Mr. M.B. Thaker	Non-Executive Independent	5	Yes	1	3	–
Mr. Kesharao Pardhi	Non-Executive Independent	5	Yes	–	–	–

\* Represent Promoters. @@@ Ceased to be Director w.e.f.31<sup>st</sup> January, 2013;

None of the Directors on the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which he is a Director. The necessary declarations regarding Committee position held have been made by the Directors.

#### Board Meetings and Procedures:

The Board of directors forms the apex decision making body for overall control and governance of the company. For the purpose of better governance and effective discharge of its duties and in compliance with statutory requirement, constituted various Committees, namely the Audit Committee, the Remuneration Committee and the Shareholders' / Investors' Grievance Committee.

The Board generally meets once in each quarter. Additional Board Meetings are convened as and when necessitated by giving appropriate notice.

- The agenda is finalized by the Chairman of the Board and the Company Secretary after consultation with the other concerned team members of the senior management and is structured in a fashion so as to disseminate all material information to the Board in a detailed manner to facilitate a focused discussion on the topic.

The matters to be deliberated upon are generally restricted to those covered in the Agenda except for pressing exceptional circumstances which are deemed sensitive and/or were not apprehended to be so at the time finalization.

- The Board is apprised of the details concerning the agenda items by way of, notes, covering areas such as Finance, Operational functions, Sales and global business of the Company, all business areas of the Company including business opportunities and threats, business strategies and risk management practices before taking on record the quarterly financial results of the Company.

During 2012-2013 the Board met 5 times on 11<sup>th</sup> May, 2012, 28<sup>th</sup> July, 2012, 17<sup>th</sup> September 2012, 26<sup>th</sup> October, 2012 and 28<sup>th</sup> January, 2013 to deliberate on various matters.

#### Code of Conduct:

The Company has framed a Code of Conduct in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended till date. All intimation/ communication as required by the Code are received within the time prescribed. A report on sale / purchase of shares, if any, by the Designated Persons is also placed before the Chairman & Managing Director on a monthly basis.

All the Board members and senior management have affirmed compliance to the Code.



**3. COMMITTEES OF THE BOARD****A. Audit Committee:****Composition, Meetings and Attendance:**

The Company has an Audit Committee comprising of three Independent Directors. The Committee is headed by Mr. A. S. Kapre.

With a view to protecting and safeguarding the Shareholders' interest the Committee comprises solely of Independent Directors. The financial results of the Company are minutely scrutinized by the Committee and discussed at length before being recommended to the Board for its adoption. Internal Audit Report of the Company is also placed before the Committee for its perusal. The committee closely analyses the internal control mechanism and wherever necessary directs for suitable changes. Similarly, other matters required to be placed in conformity the provisions of the Listing Agreement are placed at regular intervals to ensure that the highest level of transparency in the conduct of business is maintained.

The composition of the Committee as on 31<sup>st</sup> March, 2013 and the attendance of the members at the meetings held are as follows:-

Name of the Directors	Category	No. of meetings held during the tenure		Whether attended last AGM
		Held	Attended	
Mr. A.S. Kapre, Chairman	Independent	5	5	Yes
Mr. S.B. Mishra, Member	Independent	5	4	Yes
Mr. M.B. Thaker, Member	Independent	5	5	Yes

**B. Remuneration Committee:**

Remuneration Committee of the Board decides on issues and matters concerning the remuneration package being paid to the Executive Directors. To ensure transparency and avoid conflict of interest the Committee comprises of all the Non-Executive Directors with the Chairman being an Independent Director.

The remuneration committee has the following members:-

Name of Directors	Category	No. of Meetings held	No. of Meetings attended	Whether last AGM attended
Mr. A. S. Kapre, Chairman	Independent	1	1	Yes
Mr. S. B. Mishra , Member	Independent	1	1	Yes
Mr. M.B. Thaker, Member	Independent	1	1	Yes

The Executive Directors are paid remuneration in accordance with the provisions of Schedule XIII to the Companies Act, 1956 and the Non-Executive Directors are paid sitting fee fixed by the Board for attending meetings of the Board and Committees thereof.

Details of remuneration paid to Executive Directors for the year 2012-13 are as under:-

Name of Directors	Total Remuneration including perquisites and allowances (in Rs.)	Period of Agreement
Mr. R.K. Saraf, CMD	15,40,465.92	5 years w.e.f 29 <sup>th</sup> June 2010
Mr. Manoj Saraf, MD	17,97,102.92	5 years w.e.f 1 <sup>st</sup> January, 2011
Mr. Vinod Saraf, JMD®	3,09,438.94	5 years w.e.f 1 <sup>st</sup> February, 2013
Mr. Vineet Saraf, JMD *	14,43,532.98	5 years w.e.f 1 <sup>st</sup> August, 2009
Mr. Ashish Saraf, JMD	17,19,651.92	5 years w.e.f 1 <sup>st</sup> August, 2009
Mr. Rohit Saraf, JMD	16,95,015.92	5 years w.e.f 1 <sup>st</sup> August, 2009
<b>Total:</b>	<b>85,05,208.60</b>	

@ From 01.02.2013 to 31.03.2013 \* From 01.04.2013 to 31.01.2013

Further, no significant material transactions have been made to the Non-Executive Directors vis-à-vis your Company.

During the year 2012-13, they were paid sitting fee as under:

Name of Directors	Sitting Fee Paid (in Rs.)	No. of Equity Shares of Re. 1/- each held
Mr. Harish Salve	10,000/-	—
Mr. A.S. Kapre	85,000/- *	—
Mr. M.B. Thaker	85,000/- *	5294
Mr. N.L. Ajwalia	50,000/-	—
Mr. S.B. Mishra	65,000/- *	—
Mr. M.D. Saraf	0/-	190120
Mr. Pinaki Misra	10,000/-	—
Mr. S. Sridhar	40,000/-	—
Mr. Kshaorao Pardhi	50,000/-	100
<b>Total</b>	<b>4,05,000/-</b>	
* Includes sitting fee paid for attending Committee Meetings. Note: (i) There are no stock options and severance fees. (ii) No Notice Period is specified for Director's Resignation / Termination.		

### C. SHARE TRANSFER AND SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Share Transfer and Shareholders' Grievance Committee accounts for the redressal of investors' grievances and complaints concerning transfer/ transmission of shares, non receipt of dividend/ Annual Report, duplicate share certificates and various other complaints.

The Share Transfer and Shareholders' Grievance Committee is headed by Mr. A. S. Kapre, an Independent Director. The Committee endeavors and ensures that the complaints received are settled within a reasonable time period to the satisfaction of the aggrieved investor/ shareholder.

The composition of the Committee is as under:-

Name of Directors	Position	No. of Meetings held	No. of meetings attended
Mr. A.S. Kapre,	Chairman	1	1
Mr. R.K. Saraf	Member		1
Mr. Manoj Saraf	Member		1
Mr. Rohit Saraf	Member		1
Mr. M.B. Thaker	Member		1

Status of Investors' complaints received and resolved during the year 2012-13 is as under:-

Investors complaints received	Resolved	Not solved to the satisfaction of Shareholders	No. of pending complaints
47	47	Nil	Nil

In addition to the above, there are 43 cases of pending share transfer with the Company as on 31<sup>st</sup> March, 2013 on account of legal disputes, FIRs filed by the Parties, Report of loss of Share Certificates and non-availability of documentary evidence.

Mr. Ritesh Chaudhry, Company Secretary acts as the Secretary to all the aforesaid Committees and is also designated as the Compliance Officer of the Company.

**4. GENERAL BODY MEETINGS**

The Annual General Meeting of the Company in the last three years has been held as under:

AGM Held	Venue	Day, date & time	Whether Resolution passed in the last AGM	
			Special Resolution	Through Postal Ballot
54 <sup>th</sup> AGM	D.P. Nagar, RANDIA – 756135, Dist. Bhadrak (Odisha)	Friday, 17 <sup>th</sup> September, 2010	Yes	Yes <sup>®</sup>
55 <sup>th</sup> AGM	-DO-	Monday, 12 <sup>th</sup> September, 2011	Yes	-NO-
56 <sup>th</sup> AGM	-DO-	Monday, 17 <sup>th</sup> September, 2012	Yes	-NO-

<sup>®</sup> Mr. Ashish Saxena Practicing Company Secretary conducted the entire postal ballot exercise.

**5. DISCLOSURES****a) Related Party Transaction:**

Disclosures on related party transactions form part of the Annual Accounts of the Company. Further, the Company has not entered into any transaction 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.

All related party transactions, if any, are negotiated on arm length basis and are intended to further the interest of the Company.

**b) Compliance by the Company:**

The Company has complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters in the last three years. There were no instances of non-compliance and no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or by any statutory authorities on any matter related to capital markets or related thereto during the last three years.

**c) SEBI Code of Conduct:**

The Company has framed and adopted a code of conduct as required by SEBI [Prohibition of Insider Trading] Regulations, 1992 including the amendments made thereon.

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 as defined in the Code. Compliance required under the Code in respect to various intimations and disclosures to be made both, internally and with stipulated authorities are strictly adhered to at all times. Mr. Ritesh Chaudhry, Company Secretary, has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

**d) Whistle Blower Policy:**

The Company has not adopted the Whistle Blower Policy. However, no instances of fraud or other irregularities have been observed which need to be reported to the Board/Audit Committee.

**e) The Company has complied with all the mandatory recommendation under Clause 49 of the Listing Agreement. The Company has not adopted the non-mandatory provisions of the said clause except formation of Remuneration Committee.****f) Constituents of "Group" as defined in erstwhile MRTP Act, 1969 for the purpose of erstwhile SEBI (SAST) Regulations, 1997.**

Persons constituting group within the definition of "Group" as defined in the erstwhile Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of regulation 3(1)(e) of the erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, include the following:

**I Promoters:**

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

**II Relatives of above Five Promoters as defined under Companies Act, 1956****III Group/Associate Entities:**

- |  |   |
|--|---|
| 1. Facor Alloys Limited                  | 26. Globalscale Investments Ltd.                      |
| 2. Facor Steels Limited                  | 27. Tusta Trading Company Inc.                        |
| 3. Rai Bahadur Shreeram & Co. Pvt. Ltd.  | 28. UMT International Ltd.                            |
| 4. Shreeram Durgaprasad Ores Pvt. Ltd.   | 29. Cornell Corporation SA                            |
| 5. Saraf Bandhu Pvt. Ltd.                | 30. Facor Employees Welfare Trust                     |
| 6. Facor Power Ltd.                      | 31. FAL Employees Welfare Trust                       |
| 7. Facor Realty And Infrastructure Ltd.  | 32. Best Minerals Ltd.                                |
| 8. GDP Infrastructure Pvt. Ltd.          | 33. Arka Resources Pvt. Ltd..                         |
| 9. Vidharba Iron & Steel Corpn. Ltd.     | 34. YMR Enterprise Pvt. Ltd.                          |
| 10. Shreeram Shipping Services Pvt. Ltd. | 35. V & G Commercial Pvt. Ltd.                        |
| 11. Suchitra Investment & Leasing Ltd.   | 36. ARK Mercantile Pvt. Ltd.                          |
| 12. Dass Paper Pvt. Ltd.                 | 37. Vanita Enterprises Pvt Ltd.                       |
| 13. Premier Commercial Corpn.            | 38. NDS Minerals Pvt Ltd.                             |
| 14. Geedee Sales Services                | 39. Raghavendra Sarkar Ventures Pvt. Ltd.             |
| 15. Godavaridevi Saraf & Sons            | 40. Mezeron Enterprises Pvt. Ltd.                     |
| 16. Facor Energy India Ltd.              | 41. Vakrangee Press Limited                           |
| 17. Facor Electric Limited               | 42. Pioneer Facor IT Infradevelopers Pvt. Limited.    |
| 18. Facor Solar Limited                  | 43. Facor Energy Limited, Guernsey                    |
| 19. FAL Power Ventures Pvt. Ltd.         | 44. Facor Minerals Pte Limited                        |
| 20. Deepee Sales Corporation             | 45. Facor Minerals (Netherlands) B.V.                 |
| 21. Investar Ltd.                        | 46. Facor Turkkrom Mining Netherlands B.V.            |
| 22. Supervision Ltd.                     | 47. Cati Madencilik Ithalat Ve Ihracat Anonim Sirketi |
| 23. Precisetec Ltd.                      | 48. Asim Minerals Pvt. Ltd.                           |
| 24. Teracota Consultancy Services Ltd.   | 49. Trusta Resources S.L.                             |
| 25. Imagetec Ltd.                        |   |

**6. MEANS OF COMMUNICATIONS**

- The financial results, important announcements, declarations are communicated to each Shareholders by means of advertisements in leading national dailies.

The Company also posts the vital information such as financial results, shareholding pattern, important information, declarations etc. on its website at [www.facorgroup.in](http://www.facorgroup.in) which are updated at regular intervals.

- The official news releases, as and when required, are being released to the Stock Exchange. Further, the same are posted at the website of the Company from time to time.

**7. GENERAL SHAREHOLDERS INFORMATION**

AGM, Date, Time & Venue	12 <sup>th</sup> August, 2013 at 12 noon at D.P. Nagar, Randia – 756135, Bhadrak (Odisha)
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**Particulars of Directors proposed to be appointed / re-appointed in the forthcoming Annual General Meeting as required under Clause 49 IV (G) (i) of the Listing Agreement:**

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 31-3-2013	Chairman / Member of the committee of Board of other Public Limited Companies on which he was a Director as on 31-3-2013	No. of shares held
Mr.M. B. Thaker.	13.12.1938	27.10.1968	More than 44 years experience in Manganese Mining.	B.Com	Facor Steels Ltd.	Member of Audit Committee; Remuneration Committee; and Share Transfer & Shareholders/Investors Grievance Committee	5294
Mr.A.S. Kapre	01.05.1949	27.04.2007	Over 36 years experience mainly in Project and Corporate Lending Rehabilitation Finance and Risk Management.	B.Com.,LLB	1. Facor Steels Ltd 2. Facor Alloys Ltd. 3. Facor Power Ltd.	Chairman of Audit Committee, Remuneration Committee, and Share Transfer & Shareholders/Investors Grievance Committee Member of Audit Committee. Member of Audit Committee.	Nil
Mr. N.L.Ajwalia	23.04.1943	01.01.2006	Financial Management, Indepth experience in Banking/Credit Finance and related matters.	B.A. Economics	NIL	Nil	Nil
Mr. Arye Berest	27.11.1939	01.02.2005	Experience in Metals and Minerals as well as Finance and International Trade.	Qualified in Business Studies Polytechnic from London	1. Facor Alloys Ltd 2. Facor Steels Ltd	Nil	Nil

Financial Year ending	31st March, 2013
Date of Book Closure	10 <sup>th</sup> August, 2013 to 12 <sup>th</sup> August, 2013 (Both days inclusive)
Dividend Payment Date	Not applicable

**Listing Details:**

Name of Stock Exchange	Stock Code	ISIN No.
Bombay Stock Exchange Limited	500141	INE912A01026

**Market Price Data:**

Month	Bombay Stock Exchange (Rupees)		BSE Sensex	
	High	Low	High	Low
April, 2012	11.19	8.14	17664.10	17010.16
May, 2012	9.89	7.50	17432.33	15809.71
June, 2012	9.35	7.61	17448.48	15748.98
July, 2012	10.44	8.00	17631.19	16598.48
August, 2012	8.90	6.65	17972.54	17026.97
September, 2012	8.89	7.00	18869.94	17250.80
October, 2012	9.34	7.70	19137.29	18393.42
November, 2012	8.78	6.50	19372.70	18255.69
December, 2012	8.28	5.70	19612.18	19149.03
January, 2013	8.03	5.70	20203.66	19508.93
February, 2013	6.80	5.03	19966.69	18793.97
March, 2013	7.40	4.71	19754.66	18568.43



**Registrar & Transfer Agents (RTA)** : Link Intime India Pvt. Limited.  
C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (W), Mumbai – 400 078

**Share Transfer System** : Transfer of shares in physical form are normally processed within a period of 10 days from the date of lodgment with the approval of the Share Transfer Committee of the Board of Directors subject to the documents being valid and complete in all respects.

**Distribution of Share holding as on 31<sup>st</sup> March:**

No. of equity shares held	2012 – 2013			2011 – 2012		
	No. of shareholders	No. of shares held	% of issued equity share capital	No. of shareholders	No. of shares held	% of issued equity share capital
Upto 500	41480	4066241	2.19	42857	4294974	2.32
501 to 1000	3430	3051770	1.65	3581	3188371	1.72
1001 to 2000	1731	2843126	1.54	1749	2875380	1.55
2001 to 3000	662	1744940	0.94	660	1743289	0.94
3001 to 4000	308	1150027	0.62	313	1165919	0.63
4001 to 5000	400	1937749	1.05	404	1962556	1.06
5001 to 10000	465	3508778	1.89	441	3412373	1.84
10001 to above	506	166965610	90.12	490	166625379	89.94
<b>Total</b>	<b>48982</b>	<b>185268241</b>	<b>100.00</b>	<b>50495</b>	<b>185268241</b>	<b>100.00</b>

**Dematerialization of shares and liquidity as on 31<sup>st</sup> March:**

No. of equity shares held	2012– 2013		2011– 2012	
	No. of shareholders	No. of shares held	No. of shareholders	No. of shares held
Physical Mode	21741	737435	21966	746364
Electronic Mode	27241	184530806	28529	184521877
<b>Total</b>	<b>48982</b>	<b>185268241</b>	<b>50495</b>	<b>185268241</b>

**Shareholding pattern as on 31<sup>st</sup> March:**

Category	2012– 2013		2011– 2012	
	No. of shares held	Percentage of Shares held	No. of shares held	Percentage of Shares held
Promoters, their relatives, associates etc. and persons acting in concert.	138928036	74.99	138928036	74.99
Financial Institutions/Banks	4848	0.00	4848	0.00
State Government Company / State Financial Corporation	38066	0.02	38066	0.02
Mutual Funds/ UTI	7839	0.00	7839	0.00
Insurance Companies	8220	0.00	8220	0.00
Bodies Corporate	13235323	7.14	13541063	7.31
Others	46281232	17.85	32740169	17.68
<b>Total</b>	<b>185268241</b>	<b>100.00</b>	<b>185268241</b>	<b>100.00</b>

**Plant Locations and Regd. Office:****Charge Chrome Plant**

D.P. Nagar  
P.O. – Randia – 756 135  
Dist. Bhadrak (Odisha)  
Tel.No. : +91-6784-240320  
Fax.No. : +91-6784-240626  
E-mail : facorccp@gmail.com;  
facorccp@dataone.in

**Mining Complex**

Laxmi Bhawan  
Kuans, Bhadrak – 756 100  
Dist. Bhadrak (Odisha)  
Tel.No. : +91-6784-250311/250598  
Fax No. : +91-6784-251782  
E-mail : facormines@dataone.in;  
facormines@facor.in

**Registered Office:**

D.P. Nagar, Randia – 756 135  
Dist. Bhadrak (Odisha)  
Tel.No. : +91-6784-240320 / 272  
Fax.No. : +91-6784-240626  
E-mail : facorccp@gmail.com;  
facorccp@dataone.in

**Address for Correspondence:****For matters relating to Company's Shares**

Link Intime India Pvt. Ltd,  
C-13 Pannalal Silk Mills Compound,  
LBS Road, Bhandup (W),  
MUMBAI – 400 078  
Tel.No.: +91-22-25946970  
Fax No.: +91-22-25946969  
E-mail : rnt.helpdesk@linkintime.co.in

**For other matters**

Corporate Office:  
Ferro Alloys Corporation Ltd.  
Corporate One, Suite 401,  
Plot No. 5, Jasola, New Delhi – 110 025  
Tel.No. : +91-11- 40701000  
Fax No.: +91-11-41624880  
E-mail : facordelhi@facorgroup.in

**Useful Information for Shareholders****a) Unclaimed shares:**

Pursuant to a Scheme of Arrangement Ferro Alloys Corporation Ltd. (FACOR) was trifurcated into three separate companies viz., Ferro Alloys Corporation Ltd. (FACOR), Facor Alloys Ltd. (FAL) & Facor Steels Ltd. (FSL), in 2004. As part of the said Scheme of Arrangement, new equity shares of ₹ 1/- each fully paid up of all the above referred three companies in lieu of the old shares of ₹ 10/- each of FACOR were issued and mailed to the shareholders of the Company at their then registered addresses under cover of Registered Letter dated 31<sup>st</sup> August, 2004. Certain covers containing the share certificates have returned as undelivered to the company due to change in the postal address of the shareholders. Further, it is also observed that subsequent communications from the Company to such shareholders such as Annual Report, Postal Ballot, Dividend Warrants etc. have also returned as undelivered.

Reference of the shareholders is invited to clause 5 All in the Listing Agreement which provides that company shall transfer all these unclaimed shares into one Folio in the name of "Unclaimed Suspense Account" and these shares can be dematerialized and kept with one of the Depository Participants and all corporate benefits in terms of securities accruing on such shares viz. Bonus shares, Split etc. shall also be credited to such Unclaimed Suspense Account.

The Company, therefore, requests the shareholders holding shares in physical form to take stock of their shareholding in the Company and in case not in possession of share certificates of the aforesaid companies, may, quoting reference of their folio no., current postal address (with pin code) and e-mail address, if any, please write to the Registrar & Share Transfer Agent of the Company at the address mentioned hereinabove for receiving custody of share certificates. In the above connection, the Company had already reminded shareholders of the Company of the above in the previous year's Annual Report and once again by way of a second reminder requests shareholders to review the above intimation and take necessary action in the matter as advised failing which the Company shall, in compliance the provisions referred above, take necessary action at its end in due course.

**b) Registration of Email Addresses:**

The Company strongly advocates for the 'Green Initiative in Corporate Governance' of the Ministry of Corporate Affairs, whereby Companies are permitted to send Notices / documents including Annual Report comprising Balance Sheet, Profit & Loss Account, 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, Members are requested to support this green initiative by registering/ updating their email addresses to:

- a) The Registrars and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., Mumbai in respect of shares in physical form and
- b) Their Depository Participants in respect of shares in electronic form

so that upon registration of the email address, the Company could send notices and other documents, in electronic form, to such shareholders.

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### **DECLARATION**

As provided in clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended 31st March, 2013.

Place : New Delhi  
Date : 27th May, 2013

**R.K. SARAF**  
Chairman & Managing Director

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### **AUDITORS' CERTIFICATE**

To the Members of  
FERRO ALLOYS CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Ferro Alloys Corporation Limited, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges.

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

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

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

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

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

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

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

Place : New Delhi  
Date : 27<sup>th</sup> May, 2013

**To the Members of Ferro Alloys Corporation Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Ferro Alloys Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place : New Delhi  
Date : 27th May, 2013

**ANNEXURE TO THE AUDITOR'S REPORT:**

The Annexure referred to in our report to the members of Ferro Alloys Corporation Limited ('the Company') for the year ended 31<sup>st</sup> March, 2013.

We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The Company has not disposed off any major part of fixed assets during the year.
- ii) a) Physical verification of inventory has been conducted at reasonable intervals by the Management.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed by the Management on physical verification.
- iii) 1) The Company has not granted unsecured loan to any of the companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- 2) a) The Company has taken unsecured loan of ₹ 1179.71 lacs from two companies covered in Register maintained under Section 301 of the Act. The maximum amount outstanding during the year and the year end balance (including interest) of such loan amounts to ₹ 1183.61 lacs.
- b) In our opinion, the rate of interest and other terms and conditions of such loan were not prima-facie prejudicial to the interest of the Company.
- c) In respect of above loan the Company is regular in payment of interest, wherever applicable and no amount is overdue.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) According to the information and explanations given to us, based on the disclosure of interest made by the directors of the Company, transactions that need to be entered into register in pursuance of Sections 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any fixed deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies (Acceptance of Deposit) Rules 1975.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) a) 1) According to the records examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess, with the appropriate authorities. No amounts are outstanding for transfer to the Investors Education and Protection Fund under Section 205C of the Companies Act, 1956.
- 2) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March, 2013 for a period of more than 6 months from the date they became payable.



- (b) The disputed statutory dues aggregating to 4348.71 Lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:-

Nature of dues	Rs /Lacs	Forum where the dispute is pending	Period to which the amount related (various years covering the period)
CUSTOMS DUTY	10.16	Dy. Commissioner of Customs, Paradip	1990-91 & 2000-01
	1.13	Customs Excise & Service Tax Appellate Tribunal, Kolkata	1999-00 & 2000-01
	137.84	Asst. Commissioner Central Excise Customs and Service Tax, Balasore	1981-82, 1982-83, 1985-86, 1988-89, 1989-90, 1990-91, 1996-97, 1997-98, 1999-00, 2000-01 & 2001-02
	81.94	Commissioner Central Excise, Customs and Service Tax, Bhubaneswar	1997-98 to 2001-02
	64.96	Commissioner of Customs (Appeals), Kolkata	1983-84
	61.18	Hon'ble High Court, Odisha	1995-96, 1997-98
	8.15	Jt. Secretary (Review) MOF, GOI, CBEC, Delhi	1994-95
EXCISE DUTY	2.20	Asst. Commissioner of Central Excise & Service Tax, Balasore	1981
	22.88	Central Excise & Service Tax Appellate Tribunal, West Zone Bench, Mumbai	2001-02 & 2002-03
	1240.47	Customs Excise and Service Tax Appellate Tribunal, Kolkata	2007-08 & 2008-09
	79.38	Commissioner of Central Excise Customs & Service Tax, (Appeals) Bhubaneswar	2005-06, 2007-08, 2008-09 & 2009-10
SALES TAX	25.08	Additional Commissioner Sales Tax, Balasore	1980-81, 1981-82, 2005-06 & 2006-07
	0.45	Asst. Commissioner Commercial Taxes, Balasore	1999-2000
	10.69	Sales Tax Tribunal, Cuttack	2000-01 & 2003-04
	536.79	Additional Commissioner Sales Tax, Cuttack	1988-89, 1999-00, 2001-02, 2005-06, 2006-07 & 2007-08
	0.58	Asst. Commissioner Commercial Taxes, Bhadrak	2001-02
	832.78	Commissioner of Sales Tax Central Zone, Cuttack	2007-08
ROYALTY	145.35	Dy. Director Mines, J.K. Road (Odisha)	2002-03, 2003-04, 2008-09 & 2009-10
	564.19	Director (Mines), Ministry of Mines, New Delhi	2005-06
	290.68	Hon'ble High Court, Odisha	2007-08, 2009-10 & 2010-11
ENTRY TAX	231.83	Additional Commissioner of Sales Tax, Central Zone, Cuttack	2007-08
<b>TOTAL</b>	<b>4,348.71</b>		

- x) The Company has no accumulated losses as on 31<sup>st</sup> March, 2013 and it has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company and, therefore, Clauses 4(xiii)(a), (xiii) (b), (xiii) (c) and (xiii) (d) of the said Order are not applicable.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xvi) The term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion, the funds raised on short term basis have not been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) During the year covered by our audit report, the Company has not issued any secured debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

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

Place : New Delhi  
Date : 27<sup>th</sup> May, 2013

# BALANCE SHEET AS AT 31ST MARCH, 2013



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## STANDALONE ACCOUNTS

	Note Nos.	As at 31st March, 2013	(₹ in lacs) As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital .....	2	1,852.68	1,852.68
Reserves and Surplus .....	3	18,963.33	16,384.21
		<b>20,816.01</b>	<b>18,236.89</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings .....	4	4,529.93	6,037.48
Deferred Tax Liabilities (Net) .....	5	210.53	286.83
Other Long-Term Liabilities .....	6	218.65	218.65
Long-Term Provisions .....	7	1,496.78	1,489.08
		<b>6,455.89</b>	<b>8,032.04</b>
<b>Current Liabilities</b>			
Short-Term Borrowings .....	8	7,663.69	3,384.78
Trade Payables .....	9	4,160.03	6,961.68
Other Current Liabilities .....	10	4,244.56	3,157.92
Short-Term Provisions .....	11	195.62	56.61
		<b>16,263.90</b>	<b>13,560.99</b>
<b>TOTAL</b>		<b>43,535.80</b>	<b>39,829.92</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets .....	12	7,196.55	6,637.71
Intangible Assets .....	12	550.09	1,084.52
Capital Work-in-Progress .....	12	1,547.59	1,526.20
		<b>9,294.23</b>	<b>9,248.43</b>
Non-Current Investments .....	13	16,152.03	14,396.63
Long-Term Loans and Advances .....	14	1,670.42	1,603.01
		<b>27,116.68</b>	<b>25,248.07</b>
<b>Current Assets</b>			
Inventories .....	15	7,267.40	7,643.92
Trade Receivables .....	16	4,651.38	2,651.88
Cash and Cash Equivalents .....	17	85.78	776.12
Short-Term Loans and Advances .....	18	4,335.85	3,431.32
Other Current Assets .....	19	78.71	78.61
		<b>16,419.12</b>	<b>14,581.85</b>
<b>TOTAL</b>		<b>43,535.80</b>	<b>39,829.92</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 43		

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants  
(Regn.No. 109003W)

**C.A. K.P. SAHASRABUDHE**

Partner  
Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**

General Manager (Legal) &  
Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director

## STANDALONE ACCOUNTS

(₹ in lacs)

	Note Nos.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>INCOME</b>			
Revenue from Operations .....	20	53,420.97	48,691.74
Other Income .....	21	404.34	537.15
<b>Total Revenue</b>		<b>53,825.31</b>	<b>49,228.89</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed .....	22	18,054.42	16,702.69
Purchase of stock-in-Trade .....	23	335.06	875.59
Changes in Inventories of Finished Goods and Stock-in-Process .....	24	638.46	(1,971.74)
Employee Benefits Expense .....	25	3,781.08	3,848.57
Finance Costs .....	26	1,513.84	1,388.02
Depreciation and Amortisation Expense .....	27	919.25	975.86
Other Expenses .....	28	25,488.61	27,618.58
<b>Total Expenses</b> .....		<b>50,730.72</b>	<b>49,437.57</b>
Profit/(Loss) Before Tax .....		<b>3,094.59</b>	<b>(208.68)</b>
<b>Tax Expenses</b>			
Current Tax .....		590.74	123.78
Tax for Earlier Years .....		1.03	22.92
Deferred tax .....		(76.30)	(15.16)
		<b>515.47</b>	<b>131.54</b>
Profit/(Loss) for the year .....		<b>2,579.12</b>	<b>(340.22)</b>
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹) .....	29	1.39	(0.18)
Significant Accounting Policies .....	1		
Notes on Financial Statements .....	2 to 43		

As per our report of even date attached,

**For SALVE & CO.**Chartered Accountants  
(Regn.No.109003W)**C.A. K.P. SAHASRABUDHE**Partner  
Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**General Manager (Legal) &  
Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman &amp; Managing Director

**MANOJ SARAF**

Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**



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**STANDALONE ACCOUNTS**

(₹ in lacs)

	<b>2012-13</b>	<b>2011-12</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax .....	<b>3,094.59</b>	(208.68)
Adjustment for:		
Depreciation .....	<b>958.93</b>	991.53
Exchange difference on translation (Net) .....	<b>(24.24)</b>	242.57
Interest and Dividend Income .....	<b>(102.89)</b>	(209.82)
Finance Costs .....	<b>1,513.84</b>	1,388.02
Profit/Loss on Sale of Fixed Assets (Net) .....	<b>(5.23)</b>	(1.78)
	<b>2,340.41</b>	2,410.52
<b>Operating Profit before Working Capital Changes .....</b>	<b>5,435.00</b>	2,201.84
Adjustment for:		
Trade and Other Receivables .....	<b>(3,171.43)</b>	1,793.62
Inventories .....	<b>376.52</b>	(366.57)
Trade Payables .....	<b>(1,645.52)</b>	3,388.79
Others .....	<b>0.21</b>	(2.57)
	<b>(4,440.22)</b>	4,813.27
<b>Cash Generated from Operations .....</b>	<b>994.78</b>	7,015.11
Direct Taxes Paid/Adjusted .....	<b>(300.13)</b>	(320.04)
	<b>(300.13)</b>	(320.04)
<b>Net Cash Flow from Operating Activities .....</b>	<b>694.65</b>	6,695.07
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets .....	<b>(1,113.97)</b>	(1,358.53)
Sale of Fixed Assets .....	<b>114.47</b>	43.20
Purchase of Investments .....	<b>(1,755.40)</b>	(7,976.79)
Interest and Dividend Income .....	<b>112.90</b>	192.79
<b>Net Cash Flow (used in) /from Investing Activities .....</b>	<b>(2,642.00)</b>	(9,099.33)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long and Short Term Borrowings .....	<b>2,771.36</b>	5,052.87
Finance Costs Paid .....	<b>(1,513.94)</b>	(1,389.41)
Dividend/Corporate Tax on Dividend Paid .....	<b>(0.20)</b>	(535.96)
<b>Net Cash Flow (used in)/from Financing Activities .....</b>	<b>1,257.22</b>	3,127.50
<b>Net Increase/(Decrease) in Cash and Cash Equivalents .....</b>	<b>(690.13)</b>	723.24
<b>Opening Balance of Cash and Cash Equivalents .....</b>	<b>756.69</b>	33.45
<b>Closing Balance of Cash and Cash Equivalents .....</b>	<b>66.56</b>	756.69
<b>Net Increase/(Decrease) in Cash and Cash Equivalents .....</b>	<b>(690.13)</b>	723.24

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants  
(Regn.No.109003W)

**C.A. K.P. SAHASRABUDHE**

Partner  
Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**

General Manager (Legal) &  
Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director

**1. SIGNIFICANT ACCOUNTING POLICIES****(a) Corporate Information**

Ferro Alloys Corporation Limited (FACOR) was incorporated in 1955. The Company is listed at Bombay Stock Exchange. It is one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel. FACOR is also engaged in Chrome Ore exploration, mining and beneficiation in the state of Odisha. Chrome Ore is one of the main raw material for producing Charge Chrome / High Carbon Ferro Chrome. Facor is having about 84% stake in Facor Power Ltd. which is engaged in the generation of power.

**(b) Basis of Preparation of Financial Statements**

These accounts have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

**(c) Fixed Assets :**

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

**(d) Intangible asset :**

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

**(e) Depreciation :**

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

**(f) Foreign Exchange Transactions :**

(a) Transactions in foreign exchange are translated to Indian Rupees at the rate of exchange ruling on the date of transaction.

(b) All foreign currency liabilities related to acquisition of Fixed Assets remaining unsettled at the end of the year are converted at contract rates, where covered by foreign exchange contracts and at year end rates in other cases and the difference in translation is adjusted in the carrying cost of such assets.

(c) Other outstanding foreign currency liabilities and receivables are translated at the year end rates and the difference in translation is recognized in the Statement of Profit and Loss.

**(g) Investments :**

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

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

**(h) Current Assets :**

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

**(i) Revenue Recognition :**

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

## STANDALONE ACCOUNTS

## (j) Employee Benefits :

- (a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (b) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

## (k) Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## (l) Provision for Current and deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

## (m) Contingent liabilities :

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

		(₹ in lacs)	
		As at 31st March,2013	As at 31st March,2012
<b>2. SHARE CAPITAL</b>			
<b>Authorised Share Capital:</b>			
220,000,000	(Previous Year - 220,000,000) Equity Shares of ₹ 1/- each	2200.00	2200.00
800,000	(Previous Year - 800,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	800.00	800.00
<b>TOTAL</b>		<b>3000.00</b>	<b>3000.00</b>
<b>Issued, Subscribed and Paid up:</b>			
185,268,241	(Previous Year - 185,268,241) Equity Shares of ₹ 1/- each fully paid up	1852.68	1852.68
<b>TOTAL</b>		<b>1852.68</b>	<b>1852.68</b>

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

Name of the Shareholder	As at 31st March,2013		As at 31st March,2012	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	69,448,883	37.49%	19,361,715	10.45%
Cornell Corporation	14,472,291	7.81%	14,472,291	7.81%
Super Vision Limited	-	-	10,324,635	5.57%
Investar Limited	-	-	10,323,930	5.57%
Precisetec Limited	-	-	10,322,908	5.57%
Teracota Consultancy Services Ltd.	-	-	9,558,728	5.16%
Imagetec Limited	-	-	9,556,967	5.16%

## STANDALONE ACCOUNTS

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

Particulars	As at	As at
	31st March, 2013	31st March, 2012
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	185,268,241	185,268,241
Shares issued during the year	—	—
Shares bought back during the year	—	—
Shares outstanding at the end of the year	185,268,241	185,268,241

## 2.3 Terms/rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹ 1 per share. The Equity Shares and have equal rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

	As at	As at
	31st March, 2013	31st March, 2012
(₹ in lacs)		
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as at the beginning and end of the year .....	439.24	439.24
<b>General Reserve:</b>		
Balance as at the beginning and end of the year .....	12,100.00	12,100.00
<b>Statement of Profit and Loss</b>		
Balance as at the beginning of the year .....	3,844.97	4,185.19
Add: Profit/(Loss) for the year .....	2,579.12	(340.22)
Balance as at the end of the year .....	6,424.09	3,844.97
<b>TOTAL</b>	<b>18,963.33</b>	<b>16,384.21</b>

## 4. LONG-TERM BORROWINGS

<b>Secured</b>		
From Bank : Rupee Term Loan Account (Refer Note 4.1) .....	2,829.17	4,275.00
<b>Unsecured</b>		
From related parties (Refer Note 4.2) .....	1,179.71	1,179.71
Others .....	500.00	500.00
	1,679.71	1,679.71
Deferred payment liabilities (Refer Note 4.3) .....	21.05	82.77
<b>TOTAL</b>	<b>1,700.76</b>	<b>1,762.48</b>
	<b>4,529.93</b>	<b>6,037.48</b>

## 4.1 Secured by first pari passu charge on fixed assets of the Company and second charge on current assets and guaranteed by two Directors.

Terms of repayment : Payable in equal quarterly instalments.

## 4.2 Terms of repayment : Payable after 31st March, 2014.

## 4.3 Terms of repayment : Payable in equal monthly instalments.



## STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2013	As at 31st March, 2012
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation .....	494.34	546.12
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis.....	283.81	259.29
Net Deferred Tax Liability .....	210.53	286.83
<b>6. OTHER LONG-TERM LIABILITIES .....</b>	<b>218.65</b>	<b>218.65</b>
<b>TOTAL</b>	<b>218.65</b>	<b>218.65</b>
<b>7. LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits:		
P.L.Encashment (Unfunded) .....	288.16	280.46
Others .....	1,208.62	1,208.62
<b>TOTAL</b>	<b>1,496.78</b>	<b>1,489.08</b>
<b>8. SHORT-TERM BORROWINGS</b>		
From Banks : (Secured)		
Cash Credit / Packing Credit Accounts (Refer Note 8.1) .....	4,206.01	2,598.90
Bills Discounted	3,457.68	785.88
<b>TOTAL</b>	<b>7,663.69</b>	<b>3,384.78</b>
<b>8.1</b> 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 by deposit of title deeds in respect of immovable properties and guaranteed by two Directors.		
<b>9. TRADE PAYABLES</b>		
Trade Payables .....	4,160.03	6,961.68
<b>TOTAL</b>	<b>4,160.03</b>	<b>6,961.68</b>
Small scale industrial undertakings to whom ₹ 0.01 lacs(Previous Year ₹ 0.47 lacs) are due for a period exceeding 30 days have been identified based on the information available with the Company and are as follows : Odisha Air Products Pvt. Ltd., and Nanda Manufacturing Ltd.		
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts -		
Rupee Term Loan from Bank (Secured) (Refer Note 4.1).....	1,768.23	1,508.33
Interest accrued but not due on borrowings .....	0.35	0.70
Interest accrued and due on borrowings .....	7.42	7.40
Unpaid dividends .....	18.37	18.57
Book Bank Overdraft.....	-	11.69
Other Payables * .....	2,450.19	1,611.23
<b>TOTAL</b>	<b>4,244.56</b>	<b>3,157.92</b>

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

## STANDALONE ACCOUNTS

(₹ in lacs)

As at  
31st March, 2013

As at  
31st March, 2012

**11. SHORT-TERM PROVISIONS**

Provision for Employee Benefits:

P.L. Encashment (Unfunded) .....	97.76	56.61
For Taxation .....	97.86	—
<b>TOTAL</b>	<b>195.62</b>	<b>56.61</b>

**12. FIXED ASSETS**

(₹ in lacs)

Particulars		Gross Block at Cost			Depreciation					Net Block	Net Block
		As at 1.04.2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2013	Upto 1.04.2012	For the Year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
(I)	Tangible Assets										
	Land Leased	17.39	—	—	17.39	—	—	—	—	17.39	17.39
	Land Freehold	2,526.24	16.82	—	2,543.06	—	—	—	—	2,543.06	2,526.24
	Buildings	3,207.96	353.76	—	3,561.72	1,727.06	78.80	—	1,805.86	1,755.86	1,480.90
	Railway Sidings	86.58	—	—	86.58	82.25	—	—	82.25	4.33	4.33
	Plant and Machineries	7,582.95	611.29	86.86	8,107.38	5,832.14	204.39	60.73	5,975.80	2,131.58	1,750.81
	Office and Other Equipments	548.83	31.39	0.48	579.74	307.42	35.38	0.16	342.64	237.10	241.41
	Furniture and Fixtures	238.32	4.61	—	242.93	136.68	10.23	—	146.91	96.02	101.64
	Vehicles	1,045.28	74.71	142.26	977.73	530.29	95.70	59.47	566.52	411.21	514.99
		15,253.55	1,092.58	229.60	16,116.53	8,615.84	424.50	120.36	8,919.98	7,196.55	
(II)	Intangible Assets	15,061.68	307.21	115.34	15,253.55	8,260.86	457.10	102.12	8,615.84		6,637.71
Goodwill		5,344.39	—	—	5,344.39	4,259.87	534.43	—	4,794.30	550.09	
Previous Year		5,372.59	—	28.20	5,344.39	3,725.44	534.43	—	4,259.87		1,084.52
Capital work-in-progress										1,547.59	1,526.20
Total										9,294.23	9,248.43

(₹ in lacs)

As at  
31st March, 2013

As at  
31st March, 2012

**13. NON-CURRENT INVESTMENTS****Trade Investments : (At Cost)**

In Equity Shares of Subsidiary Companies - Unquoted, fully paid up

153,124,369	(Previous Year - 136,074,369) Facor Power Limited of ₹ 10/- each	16,120.65	14,370.87
100,000	(Previous Year - 100,000) Facor Realty And Infrastructure Ltd. of ₹ 10/- each	10.00	10.00
7,001	(Previous Year 1) Facor Energy Ltd. of GBP 1 each	5.62	—
		<b>16,136.27</b>	<b>14,380.87</b>

In Equity Shares of Associated Companies- Quoted, fully paid up

## STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2013	As at 31st March, 2012
<b>13. NON-CURRENT INVESTMENTS</b>		
<b>Trade Investments : (At Cost)</b>		
500,000 (Previous Year - 500,000) Facor Alloys Limited of ₹ 1/- each .....	5.00	5.00
500,000 (Previous Year - 500,000) Facor Steels Limited of ₹ 1/- each .....	5.00	5.00
	<b>10.00</b>	<b>10.00</b>
<b>Others - In Equity Shares- Unquoted, fully paid up</b>		
466,164 (Previous Year - 466,164) Boula Platinum Mining Pvt. Ltd. of ₹ 1/- each .....	4.66	4.66
<b>In Government Securities : Unquoted</b>		
6 Years National Savings Certificates .....	1.05	1.05
7 Years National Savings Certificates .....	0.05	0.05
Deposited with Government/Semi Government Authorities as Security Deposit .....	1.10	1.10
<b>TOTAL</b>	<b>16,152.03</b>	<b>14,396.63</b>
Aggregate cost of Quoted Investments.....	10.00	10.00
Market Value of Quoted Investments.....	10.55	28.65
Aggregate amount of Unquoted Investments .....	16,142.03	14,386.63
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good )		
Capital Advance.....	96.53	62.52
Security Deposits.....	1,573.89	1,540.49
<b>TOTAL</b>	<b>1,670.42</b>	<b>1,603.01</b>
<b>15. INVENTORIES</b>		
(As per Inventory taken, valued and as certified by the Management)		
(At cost unless otherwise stated)		
Raw Materials .....	2,697.26	2,464.68
Stock-in-Process (At Cost or Net realisable value whichever is lower) .....	130.45	182.59
Finished Goods (At Cost or Net realisable value whichever is lower).....	3,867.75	4,454.07
Stores and Spare Parts .....	529.47	504.38
Loose Tools .....	42.47	38.20
<b>TOTAL</b>	<b>7,267.40</b>	<b>7,643.92</b>
<b>16. TRADE RECEIVABLES</b>		
(Unsecured and Considered Good )		
Over six months.....	73.76	326.32
Others .....	4,577.62	2,325.56
<b>TOTAL</b>	<b>4,651.38</b>	<b>2,651.88</b>

## STANDALONE ACCOUNTS

## 17. CASH AND CASH EQUIVALENTS

(₹ in lacs)

	As at 31st March, 2013	As at 31st March, 2012
Cash in hand .....	8.04	8.82
Cheques in hand.....	-	0.57
With Scheduled Banks:		
In Current Accounts .....	58.52	747.30
In Current Accounts- For Unpaid Dividend.....	19.22	19.43
<b>TOTAL</b>	<b>85.78</b>	<b>776.12</b>

## 18. SHORT- TERM LOANS AND ADVANCES

(Unsecured and Considered Good )

Loans and Advances to Related Parties .....	186.86	172.71
Others .....	4,148.99	3,258.61
<b>TOTAL</b>	<b>4,335.85</b>	<b>3,431.32</b>

## 19. OTHER CURRENT ASSETS

Interest accrued on Deposits.....	76.67	76.68
Claims Recoverable .....	2.04	1.93
<b>TOTAL</b>	<b>78.71</b>	<b>78.61</b>

## 20. REVENUE FROM OPERATIONS

Sale of products, less returns .....	50,472.47	44,024.68
Sale of Services .....	3,239.39	4,561.43
	53,711.86	48,586.11
Less: Excise Duty .....	1,924.73	981.94
	51,787.13	47,604.17
Add: Export Incentives .....	1,633.84	1,087.57
<b>TOTAL</b>	<b>53,420.97</b>	<b>48,691.74</b>

## Gross Sales

## 20.1 PARTICULARS OF SALE OF PRODUCTS

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Ferro Alloys.....	36,662.70	29,681.85
Chrome Ore .....	13,779.91	14,306.66
Off Grade / By-products .....	29.86	36.17
Services rendered (Conversion Charges) .....	3,239.39	4,561.43
<b>TOTAL</b>	<b>53,711.86</b>	<b>48,586.11</b>

## 21. OTHER INCOME

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Interest Income:</b>		
Interest on Deposits .....	0.51	0.95
Other Interest .....	102.38	207.87
Dividend Income on Investment .....	-	1.00
Miscellaneous receipts .....	37.66	36.71
Profit /(Loss) on Fixed Assets Sold/Discarded (Net) .....	5.23	1.78
Foreign Exchange Gain .....	254.01	-
Liabilities/Provisions no longer required written back (Net).....	4.55	288.84
<b>TOTAL</b>	<b>404.34</b>	<b>537.15</b>

## STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2013	As at 31st March, 2012
<b>22. COST OF MATERIALS CONSUMED</b>		
Opening stock of Materials .....	2,464.68	4,158.66
Add: Purchases (Refer Note 31).....	18,287.00	15,008.71
	20,751.68	19,167.37
Less: Closing stock of Materials.....	2,697.26	2,464.68
Cost of Materials Consumed .....	18,054.42	16,702.69
<b>22.1 PARTICULARS OF MATERIALS CONSUMED</b>		
Chrome Ore/Concentrate/Others .....	10,973.15	10,341.87
Coke and Coal.....	6,360.24	5,828.80
Quartz .....	79.74	68.87
Carbon paste/Electrode paste.....	459.92	379.76
Miscellaneous .....	181.37	83.39
<b>TOTAL</b>	18,054.42	16,702.69
<b>23. PURCHASE OF STOCK IN TRADE</b>		
Traded Goods .....	335.06	875.59
<b>TOTAL</b>	335.06	875.59
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN PROCESS</b>		
Closing stock:		
Finished Goods.....	3,867.75	4,454.07
Stock-in-Process .....	130.45	182.59
	3,998.20	4,636.66
Opening stock:		
Finished Goods.....	4,454.07	2,532.83
Stock-in-Process .....	182.59	132.09
	4,636.66	2,664.92
Decrease/(Increase) in Inventories .....	638.46	(1,971.74)
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus.....	2,635.87	2,849.45
Contribution to Provident and Other Funds .....	462.29	452.64
Welfare Expenses.....	430.30	461.29
Directors' Remuneration.....	252.62	85.19
<b>TOTAL</b>	3,781.08	3,848.57
<b>26. FINANCE COSTS</b>		
Interest:.....		
On Fixed Loan .....	674.80	670.10
On Others .....	835.01	714.73
	1,509.81	1,384.83
Other Borrowing Costs.....	4.03	3.19
<b>TOTAL</b>	1,513.84	1,388.02

## STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2013	As at 31st March, 2012
<b>27. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation .....	384.82	441.43
Amortisation .....	534.43	534.43
<b>TOTAL</b>	<b>919.25</b>	<b>975.86</b>

Depreciation is excluding ₹ 39.68 lacs (Previous Year ₹ 15.67 lacs) considered under cost of material consumed (Refer Note 31)

**28. OTHER EXPENSES**

Power and Fuel .....	12,593.31	12,447.27
Mining, Handling and other Production Expenses .....	4,957.62	6,928.27
Freight, Shipment and Sales Expenses .....	1,453.11	1,473.86
Royalty .....	1,739.40	1,594.97
Stores and Spares .....	237.58	358.80
Works Expenses .....	1,372.87	1,644.44
Transport Expenses .....	203.22	226.84
Repairs and Maintenance to Plant and Machinery .....	1,177.17	1,084.25
Repairs and Maintenance to Buildings .....	1,094.91	723.81
Insurance .....	29.83	27.18
Rent .....	179.71	171.82
Rates and Taxes .....	75.89	70.99
Commission and Brokerage on Sales .....	308.29	315.32
Donations .....	4.80	40.70
Payments to Auditors .....	7.40	6.46
Directors' Sitting Fees .....	4.05	2.60
Foreign Exchange Loss .....	-	433.36
Miscellaneous Expenses .....	49.45	67.64
<b>TOTAL</b>	<b>25,488.61</b>	<b>27,618.58</b>

**28.1 PAYMENTS TO AUDITORS**

<b>(A) Statutory Auditor .....</b>		
Audit Fees .....	3.85	3.50
Tax Audit Fees .....	0.15	0.15
Certification and Consultation Fees .....	0.18	0.31
Reimbursement of Expenses .....	1.68	1.30
<b>Sub-Total ( A )</b>	<b>5.86</b>	<b>5.26</b>
<b>(B) Cost Auditor</b>		
Audit Fees .....	0.60	0.60
Management Services .....	0.50	0.50
Certification and Consultation Fees .....	0.24	-
Reimbursement of Expenses .....	0.20	0.10
<b>Sub-Total ( B )</b>	<b>1.54</b>	<b>1.20</b>
<b>TOTAL ( A + B )</b>	<b>7.40</b>	<b>6.46</b>

## STANDALONE ACCOUNTS

(₹ in lacs)

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
--	--------------------------------	--------------------------------

**29. EARNING PER SHARE (BASIC AND DILUTED)**

(i) Net Profit after Tax .....	2,579.12	(340.22)
(ii) Weighted average number of equity shares (Nos. in lacs) .....	1,852.68	1,852.68
(iii) Earning per Share: (₹ per share) .....	1.39	(0.18)

**30 Disclosure pursuant to Accounting Standard - 15 ( Revised) "Employee Benefits" :****Defined Contribution Plan :**

Amount of ₹ 246.31 (Previous Year ₹ 255.40) is recognised as expense and included in "Employee Benefits Expenses" in Note 25 of the Statement of Profit and Loss.

**Defined Benefit Plan :**

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

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

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

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	1,171.37	337.06	1,009.98	301.33
Interest Cost	93.71	26.96	80.80	24.11
Current Service Cost	63.04	27.72	61.52	42.67
Actuarial Losses/(Gains)	154.40	60.89	118.18	52.58
Benefits Paid	(87.39)	(66.71)	(99.11)	(83.63)
Present value of Defined Benefit Obligation at the close of the year	1,395.13	385.92	1,171.37	337.06

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the beginning of the year	1,059.97	—	966.02	—
Add : Expected Return on Plan Assets	84.80	—	70.51	—
Add/(Less) : Actuarial Gains/(Losses)	97.74	—	112.05	—
Add : Contributions	—	—	10.50	—
Less : Benefits Paid	(87.39)	—	(99.11)	—
Fair Value of Plan Assets at the close of the year	1,155.12	—	1,059.97	—



## STANDALONE ACCOUNTS

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,395.13	385.92	1,171.37	337.06
Less : Fair Value of Plan Assets	1,155.12	–	1,059.97	–
Present Value of unfunded obligation	240.01	385.92	111.40	337.06

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	63.04	27.72	61.52	42.67
Interest Cost	93.71	26.96	80.80	24.11
Expected return on Plan Asset	(84.80)	–	(70.51)	–
Net actuarial loss/(gain)	56.66	60.89	6.13	52.58
Net periodic cost	128.61	115.57	77.94	119.36

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Mortality table	LIC a(1994-96)	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)
Discount Rate	8%	8%	8%	8%
Salary Escalation Rate	5%	5%	5%	5%

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	111.40	337.06	43.93	301.33
Expenses as above	128.61	115.57	77.94	119.36
Contributions Paid	–	(66.71)	(10.50)	(83.63)
Closing net liability	240.01	385.92	111.40	337.06

- (g) Other Disclosures :

(₹ in Lacs)

Particulars	2012-13		2011-12		2010-11		2009-10	
	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment
Defined Benefit Obligation	1,395.13	385.92	1,171.37	337.06	1,009.98	301.33	906.99	226.28
Plan Assets	1,155.12	–	1,059.97	–	966.03	–	813.08	–
Surplus/(Deficit)	(240.01)	(385.92)	(111.40)	(337.06)	(43.95)	(301.33)	(93.91)	(226.28)

## STANDALONE ACCOUNTS

		(₹ in lacs)	
		2012-13	2011-12
<b>31</b>	<b>Raw Material Purchases include following being processing expenses:</b>		
	Power and Fuel .....	56.21	47.35
	Salaries and other benefits to employees.....	103.45	98.97
	Operating and other expenses .....	541.00	437.47
	Depreciation .....	39.68	15.67
		<b>740.34</b>	<b>599.46</b>
		2012-13	2011-12
		₹ in lacs	Percentage
		₹ in lacs	Percentage
<b>32</b>	(a) 1. Value of Consumption of imported Raw Materials	1,501.04	8.31
	2. Value of Consumption of indigenous Raw Materials	16,553.38	91.69
		<b>18,054.42</b>	<b>100.00</b>
	(b) 1. Value of Consumption of imported Components and Spare Parts:	166.67	7.14
	2. Value of Consumption of indigenous Components and Spare Parts:	2,166.73	92.86
		<b>2,333.40</b>	<b>100.00</b>
			(₹ in lacs)
<b>33</b>	<b>C.I.F. Value of Imports :</b> .....	<b>2012-13</b>	<b>2011-12</b>
	(a) Raw Materials .....	1,208.67	2,866.49
	(b) Components, Stores and Spare Parts.....	126.51	126.89
		<b>1,335.18</b>	<b>2,993.38</b>
<b>34</b>	<b>Expenditure in Foreign Currency :</b>		
	(i) Commission on Sales .....	257.98	319.69
	(ii) Legal & Professional Charges .....	81.66	312.73
	(iii) Interest.....	28.48	34.58
	(iv) Travelling Expenses .....	17.02	39.33
	(v) Subscription.....	8.48	10.68
	(vi) Miscellaneous .....	8.66	13.56
		<b>402.28</b>	<b>730.57</b>
		<b>2012-13</b>	<b>2011-12</b>
<b>35</b>	<b>Dividend remitted in foreign exchange :</b>		
	(a) Period to which relates .....	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011
	(b) Number of Non-resident Shareholders.....	-	7
	(c) Number of equity shares held on which dividend was due.....	-	70,198,674
	(d) Amount remitted in foreign currency (Rs. in Lacs) .....	-	175.50
<b>36</b>	<b>Earnings in Foreign Exchange on account of Export of Goods on F.O.B. basis .....</b>	<b>23,351.09</b>	<b>24,158.96</b>
<b>37</b>	There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.		

**38 Contingent Liabilities and Commitments****(I) Contingent Liabilities :**

- (a) Claims against the Company not acknowledged as debts, since disputed ₹ 3,933.25 lacs (Previous Year ₹ 3,870.71 lacs). Amounts paid under protest ₹ 282.83 lacs (Previous Year ₹ 270.63 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.

**(II) Capital and other Commitments :**

- (a) Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ₹ 243.51 Lacs (Previous Year ₹ 76.12 lacs).

- 39 a)** The Company has given corporate guarantee to Rural Electrification Corporation Ltd. (REC) in connection with granting a facility of Term Loan of ₹ 39,768 Lacs (Previous Year ₹ 39,768 Lacs) to Facor Power Ltd. (FPL). The Company has also pledged 8,68,24,299 shares (Previous Year 4,88,24,299 shares) with REC out of 15,31,24,369 shares (Previous Year 13,60,74,369 shares) held in FPL besides giving an undertaking to provide interest free unsecured subordinated loan or subscribe for equity / preference shares to FPL in case of cost overrun at any stage of the project.
- b)** The Company has given corporate guarantee to Central Bank of India of ₹ 4,200 Lacs (Previous Year ₹ 4,200 Lacs) and to State Bank of Mysore of ₹ 300 Lacs (Previous Year ₹ 300 Lacs) for providing Working Capital Facilities to FPL.

**40 Details on Segment Reporting :**

(₹ in lacs)

DESCRIPTION		FERRO ALLOYS		CHROME ORE		CONSOLIDATED TOTAL	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>1) REVENUE</b>							
External Sales		38,702.49	33,895.94	5,229.57	7,652.64	43,932.06	41,548.58
Inter Segment Sales		–	–	7,855.07	6,055.59	7,855.07	6,055.59
Total Revenue		38,702.49	33,895.94	13,084.64	13,708.23	51,787.13	47,604.17
<b>2) RESULT</b>							
Segment Result before Interest & Tax		3,005.22	(1,127.69)	1,603.21	2,307.03	4,608.43	1,179.34
Unallocated Expenses						–	–
Finance Costs		(1,222.96)	(1,367.08)	(290.88)	(20.94)	(1,513.84)	(1,388.02)
Tax Expense		–	–	–	–	(515.47)	(131.53)
Profit / (Loss) from ordinary activities						2,579.12	(340.22)
Extraordinary Loss		–	–	–	–	–	–
<b>NET PROFIT / (LOSS)</b>		–	–	–	–	2,579.12	(340.22)
<b>3) OTHER INFORMATION</b>							
Segment Assets		7,545.25	9,076.13	19,838.52	16,292.02	27,383.77	25,368.15
Unallocated Corporate Assets		–	–	–	–	16,152.03	14,461.77
Total Assets						43,535.80	39,829.92
Segment Liabilities		7,051.64	9,061.49	3,080.30	3,058.03	10,131.94	12,119.52
Unallocated Corporate Liabilities		–	–	–	–	326.76	305.40
Total Liabilities		–	–	–	–	10,458.70	12,424.92
Capital Expenditure		459.89	745.71	654.08	612.82	1,113.97	1,358.53
Depreciation / Amortisation		555.01	755.20	403.92	236.33	958.93	991.53
Non Cash expenditure other than Depreciation / Amortisation		2.28	1.84	0.70	1.18	2.98	3.02

**41 Related Party Disclosure:-****I List of related parties:-****A Name and nature of relationship with the related party where control exists:**

Facor Power Limited - Subsidiary Company.

Facor Realty and Infrastructure Limited - Subsidiary Company.

Facor Energy Limited - Subsidiary Company.

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

- |   |   |   |   |
|---|---|---|---|
| 1 | Facor Alloys Limited                              | 2 | Facor Steels Limited                    |
| 3 | Rai Bahadur Shreeram and Company Private Limited. | 4 | Shri Durgaprasad Saraf Charitable Trust |
| 5 | Shreeram Shipping Services Pvt. Ltd.              | 6 | Shreeram Durgaprasad Ores Pvt. Ltd.     |
| 7 | Smt. Godavari Devi Saraf Janseva Trust            | 8 | Saraf Enterprises (Pvt.) Ltd.           |
| 9 | Saraf Bandhu Pvt. Ltd.                            |   |   |

**C Key Management Personnel :**

- |      |                                 |                              |
|------|---------------------------------|------------------------------|
| i)   | R.K. Saraf                      | Chairman & Managing Director |
| ii)  | Manoj Saraf                     | Managing Director            |
| iii) | Vineet Saraf (up to 31/01/2013) | Joint Managing Director      |
| iv)  | Vinod Saraf (w.e.f. 01/02/2013) | Joint Managing Director      |
| v)   | Rohit Saraf                     | Joint Managing Director      |
| vi)  | Ashish Saraf                    | Joint Managing Director      |

**D Relative of a Key Management Personnel :**

- i) Mrs. Priti Saraf

**II Transactions with Related Parties during the year ended 31-03-2013 in the ordinary course of business.**

( ₹ in lacs )

Particulars		With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
i)	Sale of Goods	-	-	5,566.79	9,114.10	-	-
ii)	Purchase of Goods	9,545.94	4,715.69	335.06	875.59	-	-
iii)	Rent paid	-	-	86.77	64.50	15.00	15.00
iv)	Interest paid	-	-	50.90	36.44	-	-
v)	Interest received	-	-	12.62	116.73	-	-
vi)	Donation paid	-	-	-	12.50	-	-
vii)	Short Term Loans & Advances given	143.15	11.70	(129.01)	85.33	-	-

## STANDALONE ACCOUNTS

(₹ in lacs)

Particulars		With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
viii)	Clearing & forwarding and other service charges	-	-	9.68	10.03	-	-
ix)	Long Term Borrowings	-	-	-	463.99	-	-
x)	Other Current Liabilities	-	-	689.65	1.90	-	-
xi)	Directors' remuneration	-	-	-	-	267.23	98.34
xii)	Share Application Pending Allotment	-	(1,700.00)	-	-	-	-
xiii)	Investments	1,755.40	7,976.79	-	-	-	-
xiv)	Balances outstanding at the year end	-	-	-	-	-	-
a)	Short Term Loans & Advances	171.06	27.90	15.80	144.81	-	-
b)	Trade Payable	315.83	440.01	335.06	-	-	-
c)	Trade Receivable	-	-	-	800.76	-	-
d)	Long Term Borrowings	-	-	1,179.71	1,179.71	-	-
e)	Other Current Liabilities	-	-	693.54	3.89	-	-
f)	Managerial Remuneration Payable:	-	-	-	-	167.56	1.09

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

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

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants  
(Regn.No.109003W)

**C.A. K.P. SAHASRABUDHE**

Partner  
Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**

General Manager (Legal) &  
Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director

To  
The Board of Directors of  
Ferro Alloys Corporation Limited

We have audited the accompanying consolidated financial statements of Ferro Alloys Corporation Limited ("the Company") and its subsidiaries which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 61,268.77 Lacs as at 31st March, 2013, total revenues of Rs. 9,224.55 Lacs and net cash flows amounting to Rs.(1,834.68 Lacs) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of such other auditors.

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

Place : New Delhi  
Date : 27th May, 2013

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

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013



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FIFTY SEVENTH  
ANNUAL REPORT  
2012-2013

## CONSOLIDATED ACCOUNTS

	Note Nos.	As at 31st March, 2013	As at 31st March, 2012
(₹ in Lacs)			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital .....	2	1,852.68	1,852.68
Reserves and Surplus .....	3	14,055.37	15,011.36
		15,908.05	16,864.04
<b>Minority Interest .....</b>		1,739.26	2,245.61
<b>Non-Current Liabilities</b>			
Long-Term Borrowings .....	4	39,473.11	43,537.92
Deferred Tax Liabilities (Net) .....		210.53	286.83
Other Long-Term Liabilities .....	5	788.55	233.82
Long-Term Provisions .....	6	1,525.75	1,507.02
		41,997.94	45,565.59
<b>Current Liabilities</b>			
Short-Term Borrowings .....	7	11,700.56	3,422.16
Trade Payables .....	8	5,835.05	6,576.05
Other Current Liabilities .....	9	13,053.84	6,656.65
Short-Term Provisions .....	10	198.12	58.40
		30,787.57	16,713.26
<b>TOTAL</b>		<b>90,432.82</b>	<b>81,388.50</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets .....	11	40,605.97	39,558.49
Intangible Assets .....	11	2,988.37	2,958.12
Capital Work-in-Progress .....	11	26,106.23	17,420.02
		69,700.57	59,936.63
Non-Current Investments .....	12	16.16	16.16
Long-Term Loans and Advances .....	13	2,587.44	3,902.46
Other Non- Current Assets .....	14	144.13	116.99
		72,448.30	63,972.24
<b>Current Assets</b>			
Inventories .....	15	8,257.43	7,954.65
Trade Receivables .....	16	4,671.50	2,659.32
Cash and Cash Equivalents .....	17	316.57	2,608.79
Short-Term Loans and Advances .....	18	4,601.92	4,069.97
Other Current Assets .....	19	137.10	123.53
		17,984.52	17,416.26
<b>TOTAL</b>		<b>90,432.82</b>	<b>81,388.50</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 36		

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants  
(Regn.No. 109003W)

**C.A. K.P. SAHASRABUDHE**

Partner  
Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**

General Manager (Legal) &  
Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director



CONSOLIDATED ACCOUNTS

	Note Nos.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
(₹ in Lacs)			
<b>INCOME</b>			
Revenue from Operations .....	20	53,522.17	48,691.74
Other Income .....	21	438.07	592.17
<b>Total Revenue</b> .....		<b>53,960.24</b>	<b>49,283.91</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed .....	22	25,998.14	21,460.86
Purchase of Stock-in-Trade .....	23	335.06	875.59
Changes in Inventories of Finished Goods and Stock-in-Process .....	24	638.46	(1,971.74)
Employee Benefits Expense .....	25	4,158.10	4,032.23
Finance Costs .....	26	4,740.93	2,999.15
Depreciation and Amortization Expense .....	27	2,545.23	1,787.31
Other Expenses .....	28	17,228.10	23,226.75
<b>Total Expenses</b> .....		<b>55,644.02</b>	<b>52,410.15</b>
Profit/(Loss) Before Tax .....		<b>(1,683.78)</b>	<b>(3,126.24)</b>
<b>Tax Expenses</b>			
Current Tax .....		590.74	123.78
Tax for Earlier Years .....		1.03	22.92
Deferred Tax .....		(76.30)	(15.16)
		<b>515.47</b>	<b>131.54</b>
Profit/(Loss) After Tax .....		<b>(2,199.25)</b>	<b>(3,257.78)</b>
Less: Minority Interest .....		<b>(740.38)</b>	<b>(434.39)</b>
Profit/(Loss) for the year .....		<b>(1,458.87)</b>	<b>(2,823.39)</b>
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted ( in ₹ ) .....	29	(0.79)	(1.52)
Significant Accounting Policies .....	1		
Notes on Financial Statements .....	2 to 36		

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants  
(Regn. No. 109003W)

**C.A. K.P. SAHASRABUDHE**

Partner  
Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**

General Manager (Legal) &  
Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director

**CONSOLIDATED ACCOUNTS**

	<b>(₹ in lacs)</b>	
	<b>2012-13</b>	<b>2011-12</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	(1,683.78)	(3,126.24)
Adjustment for:		
Depreciation .....	2,584.91	1,815.23
Exchange difference on translation (Net) .....	(24.24)	242.57
Interest and Dividend Income .....	(112.80)	(208.87)
Finance Costs .....	4,740.93	2,999.15
Sale of project scrap .....	(19.03)	(51.03)
Rental Income .....	(4.79)	(4.00)
Profit/Loss on Sale of Fixed Assets (Net) .....	(5.23)	(1.78)
	<b>7,159.75</b>	<b>4,791.27</b>
<b>Operating Profit before Working Capital Changes .....</b>	<b>5,475.97</b>	<b>1,665.03</b>
Adjustment for:		
Trade and Other Receivables .....	(1,425.84)	1,460.75
Inventories .....	(302.78)	(563.70)
Trade Payables .....	6,291.85	2,555.77
Others .....	1,594.98	(1,727.58)
	<b>6,158.20</b>	<b>1,725.24</b>
<b>Cash Generated from Operations .....</b>	<b>11,634.17</b>	<b>3,390.27</b>
Direct Taxes Paid/Adjusted .....	(300.13)	(320.04)
	<b>(300.13)</b>	<b>(320.04)</b>
<b>Net Cash Flow from Operating Activities .....</b>	<b>11,334.04</b>	<b>3,070.23</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets and Capital work in progress .....	(11,893.39)	(17,383.18)
Addition to Intangibles .....	(564.68)	(1,873.60)
Sale of Fixed Assets .....	114.47	43.20
Purchase of Investments .....	-	(0.20)
Interest and Dividend Income .....	106.06	187.54
	<b>(12,237.54)</b>	<b>(19,026.24)</b>
<b>Net Cash Flow (used in) /from Investing Activities .....</b>	<b>(12,237.54)</b>	<b>(19,026.24)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long and Short Term Borrowings .....	4,213.59	17,618.71
Other Non- Current Assets .....	(27.14)	25.90
Capital Reserve on Consolidation .....	-	(88.36)
Finance Costs Paid .....	(4,740.93)	(2,999.15)
Miscellaneous Expenditure/Income .....	23.82	55.03
Dividend/Corporate Tax on Dividend Paid .....	-	(538.31)
<b>Cash Flow (used in) /from Financing Activities .....</b>	<b>(530.66)</b>	<b>14,073.82</b>
Adjustment to networth on consolidation		
i) Foreign Currency Translation Reserve .....	(2.99)	0.17
ii) Adjustment to minority interest .....	220.00	(1,750.00)
iii) Adjustment on account of consolidation .....	519.90	1,110.17
	<b>736.91</b>	<b>(639.66)</b>
<b>Net Cash Flow (used in) /from Financing Activities .....</b>	<b>206.25</b>	<b>13,434.16</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents .....</b>	<b>(697.25)</b>	<b>(2,521.85)</b>
<b>Opening Balance of Cash and Cash Equivalents .....</b>	<b>786.11</b>	<b>3,307.96</b>
<b>Closing Balance of Cash and Cash Equivalents .....</b>	<b>88.86</b>	<b>786.11</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents .....</b>	<b>(697.25)</b>	<b>(2,521.85)</b>

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants

(Regn.No. 109003W)

For and on behalf of the Board,

**C.A. K.P. SAHASRABUDHE**

Partner

Membership No. 7021

**RITESH CHAUDHRY**

General Manager (Legal) &

Company Secretary

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director

New Delhi, 27th May, 2013

New Delhi, 27th May, 2013

**1. SIGNIFICANT ACCOUNTING POLICIES****(A) Principles of Consolidation**

- a) The Consolidated Financial Statements present the consolidated Accounts of Ferro Alloys Corporation Limited and its following subsidiaries in terms of Accounting Standard 21 notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Sl. No.	Name of the Subsidiary	Proportion of ownership & Voting Power	Country of Incorporation
1.	Facor Reality and Infrastructure Ltd. (FRIL)	100.00%	India
2.	Facor Power Limited (FPL)	83.55%	India
3.	Facor Energy Limited (FEL)	100.00%	Guernsey

FPL is engaged in generation and supply of Power and is setting up a 100 MW (2x50 MW) Thermal Power Plant at Bhadrak, Odisha. It has commenced commercial production from 1st October, 2011 from 1st Turbine of 50 MW and 1st Boiler. The erection of 2nd Turbine of 50MW and 2nd Boiler is completed and is under trial run. The erection activity of 3rd boiler is under process.

FRIL and FEL have not yet commenced business.

- 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 FEL have been prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP). This subsidiary is not significant as compared to the Company's consolidated operations and hence, the impact thereof, if any, on account of any difference to the Indian Generally Accepted Accounting Principles (IGAAP) is not material.
- e) In translating the financial statements of the non-integral foreign subsidiary for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expenses items are translated at average exchange rate; and all resulting exchange differences are accumulated in foreign currency translation reserve.
- f) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in financial statements as Goodwill or Capital Reserve as the case may be.
- g) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- h) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (B)** Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- (C)** Other Significant Accounting Policies;
- These are set out under the head "Significant Accounting Policies" of the company & the subsidiaries. Differences in accounting policies followed by the other entities have been reviewed and no adjustments have been made, since the impact of these differences is not significant.
- (D)** Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosure.
- (E)** Consolidated Deferred taxes are same as deferred tax of standalone Ferro Alloys Corporation Limited.

(₹ in Lacs)

**2. SHARE CAPITAL**

	As at 31st March, 2013	As at 31st March, 2012
<b>Authorised Share Capital:</b>		
220,000,000 (Previous Year - 220,000,000) Equity Shares of ₹ 1/- each	2,200.00	2,200.00
800,000 (Previous Year - 800,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	800.00	800.00
<b>TOTAL</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued, Subscribed and Paid up:</b>		
185,268,241 (Previous Year - 185,268,241) Equity Shares of ₹ 1/- each fully paid up	1,852.68	1,852.68
<b>TOTAL</b>	<b>1,852.68</b>	<b>1,852.68</b>

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	69,448,883	37.49%	19,361,715	10.45%
Cornell Corporation	14,472,291	7.81%	14,472,291	7.81%
Super Vision Limited	-	-	10,324,635	5.57%
Investar Limited	-	-	10,323,930	5.57%
Precisetec Limited	-	-	10,322,908	5.57%
Teracota Consultancy Services Ltd.	-	-	9,558,728	5.16%
Imagetec Limited	-	-	9,556,967	5.16%

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

Particulars	As at 31st March, 2013	As at 31st March, 2012
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	185,268,241	185,268,241
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	185,268,241	185,268,241

**2.3 Terms/rights attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. The Equity Shares have equal rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

## CONSOLIDATED ACCOUNTS

## 3. RESERVES AND SURPLUS

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
<b>Capital Reserve:</b>		
Balance as at the beginning and end of the year .....	439.24	439.24
<b>Foreign Currency Translation Reserve:</b>		
Balance as at the beginning of the year .....	0.17	—
Add: Movement during the year .....	(2.99)	0.17
Balance as at the end of the year .....	(2.82)	0.17
<b>General Reserve:</b>		
Balance as at the beginning and end of the year .....	12,100.00	12,100.00
<b>Statement of Profit and Loss</b>		
Balance as at the beginning of the year .....	2,471.95	4,185.17
Add: Profit/(Loss) for the year .....	(1,458.87)	(2,823.39)
Less: Transferred to Goodwill on Consolidation.....	519.90	1,110.17
Change in Minority Interest .....	14.03	—
Allocations and Appropriations:		
General Reserve .....	—	—
Proposed Dividend on Equity Shares .....	—	—
Corporate tax on Dividend .....	—	—
	533.93	1,110.17
	(953.00)	(1,713.22)
Balance as at the end of the year .....	1,518.95	2,471.95
<b>TOTAL</b>	<b>14,055.37</b>	<b>15,011.36</b>

## 4. LONG-TERM BORROWINGS

## Secured

From Bank &amp; Financial Institution : Rupee Term Loan Account

- From ICICI Bank Limited (Refer Note 4.1) .....	2,829.17	4,275.00
- From Rural Electrification Corporation Limited (Refer Note 4.2 (a) and (b)) .....	34,943.17	37,500.00
	37,772.35	41,775.00

## Unsecured

From related parties (Refer Note 4.3) .....	1,179.71	1,179.71
Others .....	500.00	500.00
	1,679.71	1,679.71
Deferred payment liabilities (Refer Note 4.4 (a) and (b)) .....	21.05	83.21

## TOTAL

1,700.76	1,762.92
39,473.11	43,537.92

4.1 Loan of ₹ 2,829.17 Lacs (Previous Year ₹ 4,275.00 lacs) Secured by first pari passu charge on fixed assets of the Company and second charge on current assets and guaranteed by two Directors.

Terms of repayment : Payable in equal quarterly instalments

4.2 (a) Loan of ₹ 34,943.18 (Previous Year ₹ 37,500.00 lacs) from Rural Electrification Corporation Limited (REC) is secured by first charge on all present & future immovable properties except leasehold lands, movable fixed assets including project assets, book

## CONSOLIDATED ACCOUNTS

debts, commission receivables, intangibles, goodwill, uncalled capitals. It is further secured by first charge on all insurance contracts/ insurance proceeds including the insurance contracts related to the project within a period of six months from the date of initial disbursement & contractors guarantee performance bond & letter of credit. Pledge of 51% fully paid up share capital of the project as collateral security & personal guarantee of two Promoter Directors.

- (b) Term Loan from REC is re-payable in 44 equal quarterly instalments. Interest of ₹ 2,449.72 lacs due on Term Loan is outstanding for the period 30th September 2012 to 30th March, 2013.

#### 4.3 Terms of repayment : Payable after 31st March, 2014

#### 4.4 (a) Vehicle loan is secured against hypothecation of specified vehicles.

- (b) Terms of repayment : Payable in equal monthly instalments.

	As at 31st March, 2013	As at 31st March, 2012
<b>5. OTHER LONG-TERM LIABILITIES</b> .....	<b>788.55</b>	233.82
<b>TOTAL</b>	<b>788.55</b>	233.82
<b>6. LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits:		
PL.Encashment (Unfunded) .....	<b>303.64</b>	290.96
Gratuity .....	<b>13.49</b>	7.44
Others .....	<b>1,208.62</b>	1,208.62
<b>TOTAL</b>	<b>1,525.75</b>	1,507.02
<b>7. SHORT-TERM BORROWINGS</b>		
From Banks : (Secured)		
Cash Credit / Packing Credit Accounts .....	<b>5,733.38</b>	2,636.28
Bills Discounted .....	<b>3,457.68</b>	785.88
	<b>9,191.06</b>	3,422.16
From Related Parties : (Unsecured)		
Loan .....	<b>1,290.00</b>	—
Deposits .....	<b>1,219.50</b>	—
<b>TOTAL</b>	<b>11,700.56</b>	3,422.16

- 7.1 Cash Credit facility of ₹ 1,527.37 lacs (Previous Year ₹ 37.38 lacs) from Central Bank of India is secured against the pari-passu first charge on all the assets, present & future and personal Guarantee of two Promoter Directors of FPL. This Cash Credit facility is payable on demand.

- 7.2 Balance Cash Credit / Packing Credit / Bills Discounted facility of ₹ 7,663.69 lacs (Previous Year ₹ 3,384.78 lacs) is 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 by deposit of title deeds in respect of immovable properties and guaranteed by two Directors. This is payable on demand.

## CONSOLIDATED ACCOUNTS

(₹ in Lacs)

As at  
31st March, 2013      As at  
31st March, 2012

**8. TRADE PAYABLES**

Trade Payables .....	5,835.05	6,576.05
<b>TOTAL</b>	<b>5,835.05</b>	<b>6,576.05</b>

**9. OTHER CURRENT LIABILITIES**

Current maturities of long-term debts -		
Rupee Term Loan from Bank (Secured) .....	4,325.05	1,508.33
Deferred payment liabilities .....	65.84	94.56
Interest accrued but not due on borrowings .....	33.31	14.18
Interest accrued and due on borrowings .....	2,457.14	7.40
Unpaid dividends .....	18.37	18.57
Book bank overdraft .....	-	11.69
Other payables * .....	6,154.13	5,001.92
<b>TOTAL</b>	<b>13,053.84</b>	<b>6,656.65</b>

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

**10. SHORT-TERM PROVISIONS**

Provision for Employee Benefits:		
P.L.Encashment (Unfunded) .....	100.20	58.37
Gratuity .....	0.06	0.03
For Taxation .....	97.86	-
<b>TOTAL</b>	<b>198.12</b>	<b>58.40</b>

**11. FIXED ASSETS**

(₹ in Lacs)

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	NET BLOCK
	As at 1.04.2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2013	Upto 1.04.2012	For the Year	Deductions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets:</b>										
Land Leased	135.55	-	-	135.55	0.44	1.19	-	1.63	133.92	135.11
Land Freehold	3,024.33	111.25	-	3,135.58	-	-	-	-	3,135.58	3,024.33
Buildings	10,006.19	1,328.10	-	11,334.29	1,840.63	304.97	-	2,145.60	9,188.69	8,165.56
Railways Sidings	86.58	-	-	86.58	82.25	-	-	82.25	4.33	4.33
Plant and Machinery	33,832.82	1,561.03	86.86	35,306.99	6,537.64	1,590.35	60.73	8,067.26	27,239.73	27,295.18
Office and Other Equipments	587.72	35.66	0.48	622.90	320.01	40.09	0.16	359.94	262.96	267.71
Furniture and Fixtures	269.00	13.87	-	282.87	147.25	13.06	-	160.31	122.56	121.75
Vehicles	1,085.59	157.28	142.26	1,100.61	541.07	100.81	59.47	582.41	518.20	544.52
	<b>49,027.78</b>	<b>3,207.19</b>	<b>229.60</b>	<b>52,005.37</b>	<b>9,469.29</b>	<b>2,050.47</b>	<b>120.36</b>	<b>11,399.40</b>	<b>40,605.97</b>	<b>39,558.49</b>
Previous Year	15,841.94	33,301.18	115.34	49,027.78	8,290.61	1,280.79	102.12	9,469.29	39,558.49	
<b>Intangible Assets:</b>										
Goodwill	7,217.99	564.68	-	7,782.67	4,259.87	534.43	-	4,794.30	2,988.37	2,958.12
Previous Year	5,372.59	1,873.60	28.20	7,217.99	3,725.43	534.44	-	4,259.87	2,958.12	
<b>Capital Work-in-Progress:</b>									<b>26,106.23</b>	<b>17,420.02</b>
<b>TOTAL</b>									<b>69,700.57</b>	<b>59,936.63</b>



## CONSOLIDATED ACCOUNTS

## 12. NON-CURRENT INVESTMENTS

(₹ in Lacs)

	As at 31st March, 2013	As at 31st March, 2012
<b>Trade Investments : (At Cost)</b>		
In Equity Shares - Quoted, fully paid up		
500,000 (Previous Year - 500,000) Facor Alloys Limited of ₹ 1 each .....	5.00	5.00
500,000 (Previous Year - 500,000) Facor Steels Limited of ₹ 1 each .....	5.00	5.00
	<b>10.00</b>	<b>10.00</b>
In Equity Shares- Unquoted, fully paid up		
466,164 (Previous Year - 466,164) Boula Platinum Mining Pvt. Ltd. of ₹ 1 each .....	4.66	4.66
In Government Securities : Unquoted		
6 Years National Savings Certificates .....	1.45	1.45
7 Years National Savings Certificates .....	0.05	0.05
	<b>1.50</b>	<b>1.50</b>
<b>TOTAL</b>	<b>16.16</b>	<b>16.16</b>
<b>12.1 Aggregate cost of Quoted Investments .....</b>	<b>10.00</b>	<b>10.00</b>
Market Value of Quoted Investments .....	10.55	28.65
Aggregate amount of Unquoted Investments .....	6.16	6.16
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good )		
Capital Advance .....	817.55	2,176.67
Security Deposits .....	1,761.26	1,721.17
Prepaid Expenses .....	8.63	3.78
Advance Rent .....	-	0.84
<b>TOTAL</b>	<b>2,587.44</b>	<b>3,902.46</b>
<b>14. OTHER NON-CURRENT ASSETS</b>		
Unamortised Expenses .....	144.13	116.99
<b>TOTAL</b>	<b>144.13</b>	<b>116.99</b>
<b>15. INVENTORIES</b>		
(As per Inventory taken, valued and as certified by the Management)		
(At cost unless otherwise stated)		
Raw Materials (includes in transit ₹ 773.23 lacs, Previous Year ₹ "Nil") .....	3,629.91	2,774.86
Stock-in-Process (At Cost or Net realisable value whichever is lower) .....	130.45	182.59
Finished Goods (At Cost or Net realisable value whichever is lower) .....	3,867.75	4,454.07
Stores and Spare Parts .....	586.85	504.92
Loose Tools .....	42.47	38.21
<b>TOTAL</b>	<b>8,257.43</b>	<b>7,954.65</b>
<b>16. TRADE RECEIVABLES</b>		
(Unsecured and Considered Good )		
Over six months .....	73.76	326.32
Others .....	4,597.74	2,333.00
<b>TOTAL</b>	<b>4,671.50</b>	<b>2,659.32</b>

## CONSOLIDATED ACCOUNTS

	(₹ in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash in hand .....	9.68	10.65
Cheques in Hand .....	-	0.57
With Scheduled Banks:		
In Current Accounts .....	79.18	774.88
In Current Accounts- For Unpaid Dividend.....	19.22	19.43
Bank Deposits (held as margin money/ security deposits ).....	208.09	54.36
Bank Deposits (having original maturity period upto 3 months) .....	-	1,725.00
Bank Deposits ( held as a margin money/ security deposits and having original maturity more than 12 months).....	0.40	23.90
<b>TOTAL</b>	<b>316.57</b>	<b>2,608.79</b>
<b>17.1</b> Bank deposits of ₹ 54.36 lacs (Previous Year ₹ 54.36 lacs) have been deposited with Executive Engineer, Salandi Canal Division, Bhadrak as advance water charges to be adjusted against water charges payable in case of default.		
<b>17.2</b> Bank deposits of ₹ 153.73 lacs (Previous Year ₹ 23.90 lacs) represent margin money for Bank Guarantees and Letter of Credits issued by Bank.		
<b>17.3</b> An amount of ₹ 0.40 lacs (Previous Year ₹ "Nil") has been deposited with Mining Department, Odisha		
<b>18. SHORT- TERM LOANS AND ADVANCES</b> (Unsecured and Considered Good )		
Loans and Advances to Related Parties .....	15.81	144.81
Others:		
Balance with Government Authorities.....	10.08	4.63
Prepaid expenses .....	25.34	21.46
Others .....	4,550.69	3,899.07
<b>TOTAL</b>	<b>4,601.92</b>	<b>4,069.97</b>
<b>19. OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits.....	99.73	93.00
Claims Recoverable .....	2.04	1.93
Unamortised Expenses .....	35.33	28.60
<b>TOTAL</b>	<b>137.10</b>	<b>123.53</b>
	(₹ in Lacs)	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of products, less returns .....	50,573.67	44,024.68
Sale of Services .....	3,239.39	4,561.43
	53,813.06	48,586.11
Less: Excise Duty .....	1,924.73	981.94
	51,888.33	47,604.17
Add: Export Incentives .....	1,633.84	1,087.57
<b>TOTAL</b>	<b>53,522.17</b>	<b>48,691.74</b>

## CONSOLIDATED ACCOUNTS

## 20.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in Lacs)

## Gross Sales

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Ferro Alloys.....	36,662.70	29,681.85
Chrome Ore .....	13,779.91	14,306.66
Power .....	101.20	–
Off Grade / By-products .....	29.86	36.17
Services rendered ( Conversion Charges ).....	3,239.39	4,561.43
<b>TOTAL</b>	<b>53,813.06</b>	<b>48,586.11</b>

(₹ in Lacs)

## 21. OTHER INCOME

## Interest Income:

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Interest on Deposits .....	10.41	0.95
Other Interest .....	102.39	207.87
Dividend Income on Investment .....	–	1.00
Miscellaneous receipts .....	37.66	36.70
Profit /( Loss) on Fixed Assets Sold/Discarded (Net) .....	5.23	1.78
Foreign Exchange Gain .....	254.01	–
Liabilities/Provisions no longer required written back (Net).....	4.55	288.84
Sale of project scrap .....	19.03	51.03
Rental Income.....	4.79	4.00
<b>TOTAL</b>	<b>438.07</b>	<b>592.17</b>

## 22. COST OF MATERIALS CONSUMED

Opening stock of Materials .....	2,770.86	4,158.66
Add: Purchases .....	26,841.41	20,073.06
	29,612.27	24,231.72
Less: Closing stock of Materials.....	3,614.13	2,770.86
Cost of Materials Consumed .....	25,998.14	21,460.86

## 23. PURCHASE OF STOCK IN TRADE

Traded Goods .....	335.06	875.59
<b>TOTAL</b>	<b>335.06</b>	<b>875.59</b>

## 24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN PROCESS

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
<b>Closing stock:</b>		
Finished Goods.....	3,867.75	4,454.07
Stock-in-Process .....	130.45	182.59
	3,998.20	4,636.66
<b>Opening stock:</b>		
Finished Goods.....	4,454.07	2,532.83
Stock-in-Process .....	182.59	132.09
	4,636.66	2,664.92
Decrease/(Increase) in Inventories .....	638.46	(1,971.74)

## CONSOLIDATED ACCOUNTS

## 25. EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Salaries, Wages and Bonus .....	2,983.13	3,015.23
Contribution to Provident and Other Funds .....	483.05	464.27
Welfare Expenses .....	434.28	463.88
Directors' Remuneration .....	257.64	88.85
<b>TOTAL</b>	<b>4,158.10</b>	<b>4,032.23</b>

## 26. FINANCE COSTS

Interest:		
On Fixed Loan .....	3,898.64	2,200.03
On Others .....	835.01	777.05
	<b>4,733.65</b>	<b>2,977.08</b>
Other Borrowing Costs .....	7.28	22.07
<b>TOTAL</b>	<b>4,740.93</b>	<b>2,999.15</b>

## 27. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation .....	2,010.80	1,252.88
Amortisation .....	534.43	534.43
<b>TOTAL</b>	<b>2,545.23</b>	<b>1,787.31</b>

## 28. OTHER EXPENSES

Power and Fuel .....	3,469.96	7,731.58
Mining, Handling and other Production Expenses .....	4,957.62	6,928.27
Freight, Shipment and Sales Expenses .....	1,453.11	1,473.86
Royalty .....	1,739.40	1,594.98
Stores and Spares .....	262.24	368.83
Works Expenses .....	1,975.58	1,859.40
Transport Expenses .....	203.22	226.84
Repairs and Maintenance to Plant and Machinery .....	1,194.05	1,095.36
Repairs and Maintenance to Buildings .....	1,106.58	730.67
Insurance .....	59.69	41.65
Rent .....	207.85	187.93
Rates and Taxes .....	84.56	73.64
Commission and Brokerage on Sales .....	308.29	315.32
Donations .....	4.80	40.70
Payments to Auditors .....	16.51	16.24
Directors' Sitting Fees .....	4.05	2.60
Foreign Exchange Loss .....	—	433.36
Miscellaneous Expenses .....	180.59	105.52
<b>TOTAL</b>	<b>17,228.10</b>	<b>23,226.75</b>

## 29. EARNING PER SHARE BASIC AND DILUTED

(i) Profit/ (Loss) for the year .....	(1,458.87)	(2,823.39)
(ii) Weighted average number of equity shares (Nos. in lacs) .....	1,852.68	1,852.68
(iii) Earning per Share: (₹ per share) .....	(0.79)	(1.52)

**30. STATEMENT PURSUANT TO GENERAL EXEMPTION GRANTED BY THE MINISTRY OF CORPORATE AFFAIRS U/S 212(8) OF THE COMPANIES ACT, 1956**

(₹ in Lacs)

Particulars / Name of the Subsidiary Company	Facor Realty and Infrastructure Limited	Facor Power Limited	Facor Energy Limited
Financial Year ended on	31.03.2013	31.03.2013	31.03.2013
Capital	10.00	18,212.44	5.77
Reserves	—	(7,289.64)	(144.14)
Total Assets	12.90	61,247.66	8.21
Total Liabilities	12.90	61,247.66	8.21
Details of Investment			
- Investment in Government Securities	—	0.40	—
Turnover	—	9,224.55	—
Profit / (Loss) before Taxation	—	(4,649.69)	(128.67)
Provision for taxation	—	—	—
Profit / (Loss) after Taxation	—	(4,649.69)	(128.67)
Proposed Dividend	—	—	—
Exchange Rate used	—	—	82.37
Local Currency	INR	INR	GBP

**31. EMPLOYEE BENEFITS****i. Defined Contribution Plan**

In respect of the defined benefit plans of the Group, an amount of ₹ 267.65 lacs (Previous Year ₹ 272.54 lacs) has been recognised as expense / preoperative expenses in the consolidated statement of Profit and Loss / CWIP during the year.

**ii. Defined Benefit Plan**

The following tables sets forth the status of the Gratuity, PL Encashment of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit & Loss:

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	1,178.84	349.35	1,014.38	310.20
Interest Cost	94.41	28.09	81.18	24.88
Current Service Cost	67.45	33.85	64.86	48.13
Actuarial Losses/(Gains)	155.37	60.47	117.52	50.02
Benefits Paid	(87.39)	(67.92)	(99.11)	(83.88)
Present value of Defined Benefit Obligation at the close of the year	1,408.68	403.84	1,178.83	349.35

**(b) Changes in the Fair Value of Plan Assets**

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the beginning of the year	1,059.97	–	966.02	–
Add : Expected Return on Plan Assets	84.80	–	70.51	–
Add/(Less) : Actuarial Gains/(Losses)	97.74	–	112.05	–
Add : Contributions	–	–	10.50	–
Less : Benefits Paid	(87.39)	–	(99.11)	–
Fair Value of Plan Assets at the close of the year	1,155.12	–	1,059.97	–

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,408.68	403.84	1,178.83	349.35
Less : Fair Value of Plan Assets	1,155.12	–	1,059.97	–
Present Value of unfunded obligation	253.56	403.84	118.86	349.35

**(d) Amount recognised in the Consolidated CWIP/ Consolidated Statement of Profit and Loss:**

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	67.45	33.85	64.86	48.13
Interest Cost	94.41	28.09	81.18	24.88
Expected return on Plan Asset	(84.80)	–	(70.51)	–
Net actuarial loss/(gain)	57.64	60.47	5.47	50.02
Net periodic cost	134.70	122.41	81.00	123.03

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

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Mortality table	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)
Discount Rate	8% - 8.25%	8% - 8.25%	8% - 8.75%	8% - 8.75%
Salary Escalation Rate	5%	5%	5%	5%

**(f) Movement in net liability recognised in Balance sheet :**

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	118.86	349.35	48.35	310.20
Expenses as above	134.70	122.41	81.00	123.03
Contributions Paid	–	(67.92)	(10.50)	(83.88)
Closing net liability	253.56	403.84	118.86	349.35

**32. CONTINGENT LIABILITIES AND COMMITMENTS****(I) Contingent Liabilities :**

- (a) Claims against the Company not acknowledged as debts, since disputed ₹ 3,933.25 lacs (Previous Year ₹ 3,870.71 lacs). Amounts already paid under protest ₹ 282.83 lacs (Previous Year ₹ 270.63 lacs) have been debited to Advance Account.
- (b) Counter guarantees in favour of Consortium Banks in respect of their outstanding with Facor Steels Limited. Due to the nature of the liability, its financial impact is not ascertainable.
- (c) Bank Guarantees outstanding at the year end ₹ 289.35 lacs (Previous Year ₹ 173.43 lacs).
- (d) Letter of Credit outstanding at the year end ₹ 125.06 lacs (Previous Year ₹ 'Nil')

**(II) Capital and other Commitments:**

- (a) Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ₹ 5,159.52 lacs (Previous Year ₹ 9,336.03 lacs).

**33. DETAILS ON SEGMENT REPORTING**

(₹ in lacs)

DESCRIPTION	FERRO ALLOYS		CHROME ORE		POWER		OTHERS		CONSOLIDATED TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>1) REVENUE</b>										
External Sales	38,702.49	33,895.94	5,229.57	7,652.64	101.20	-	-	-	44,033.26	41,548.58
Inter Segment Sales	-	-	7,855.07	6,055.59	9,123.35	3,832.64	-	-	16,978.42	9,888.23
Total Revenue	38,702.49	33,895.94	13,084.64	13,708.23	9,224.55	3,832.64	-	-	61,011.68	51,436.81
<b>2) RESULT</b>										
Segment Result before Interest & Tax	3,005.22	(1,127.69)	1,603.21	2,307.03	(1,422.60)	(1,028.83)	(128.68)	(277.60)	3,057.15	(127.09)
Unallocated Expenses									-	-
Finance Costs	(1,222.96)	(1,367.08)	(290.88)	(20.94)	(3,227.09)	(1,611.13)	-	-	(4,740.93)	(2,999.15)
Tax Expense									(515.47)	(131.53)
Profit / (Loss) from ordinary activities									(2,199.25)	(3,257.78)
Extraordinary Loss									-	-
<b>NET PROFIT / (LOSS)</b>									(2,199.25)	(3,257.78)
<b>3) OTHER INFORMATION</b>										
Segment Assets	7,545.25	9,076.13	19,838.52	16,292.02	61,247.26	54,764.80	21.11	20.00	88,652.15	80,152.95
Unallocated Corporate Assets									16,152.43	14,462.17
Total Assets									104,804.58	94,615.12
Segment Liabilities	7,051.64	9,061.49	3,080.30	3,058.03	11,297.49	3,580.33	71.23	22.31	21,500.66	15,722.16
Unallocated Corporate Liabilities									326.76	305.40
Total Liabilities									21,827.42	16,027.56
Capital Expenditure	459.89	745.71	654.08	612.82	10,779.43	16,285.10	-	-	11,893.40	17,643.63
Depreciation / Amortisation	555.01	755.20	403.92	236.33	1,625.98	823.69	-	-	2,584.91	1,815.22
Non Cash expenditure other than Depreciation / Amortisation	2.28	1.84	0.70	1.18	-	-	-	-	2.98	3.02



**34. Related Party Disclosure:-****I List of related parties:-**

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

1	Facor Alloys Limited	2	Facor Steels Limited
3	Rai Bahadur Shreeram and Company Private Limited	4	Shri Durgaprasad Saraf Charitable Trust
5	Shreeram Shipping Services Pvt. Ltd.	6	Shreeram Durgaprasad Ores Pvt. Ltd.
7	Smt. Godavari Devi Saraf Janseva Trust	8	Saraf Enterprises
9	Saraf Bandhu Pvt. Ltd.	10	Facor Solar Limited
11	Facor Energy India Ltd.	12	Vineet Infin Private Limited

**B** Key Management Personnel :

i)	R.K. Saraf	Chairman & Managing Director
ii)	Manoj Saraf	Managing Director
iii)	Vinod Saraf (w.e.f. 01.02.2013)	Joint Managing Director
iv)	Vineet Saraf	Executive Director
v)	Rohit Saraf	Joint Managing Director
vi)	Ashish Saraf	Joint Managing Director
vii)	Yogesh Saraf	Executive Director
viii)	Anurag Saraf	Director

**C** Relative of a Key Management Personnel :

i)	Priti Saraf
ii)	Sunanda Devi Saraf

**II Transactions with Related Parties during the period ended 31-03-2013 in the ordinary course of business.**

(₹ in Lacs)

Particulars		With Enterprise where significant influence exists		With Key Management Personnel & Relatives	
		2012-13	2011-12	2012-13	2011-12
i)	Sale of Goods	5,566.79	9,114.10	-	-
ii)	Purchase of Goods	335.06	875.59	-	-
iii)	Purchase of Vehicles	29.16	-	-	-
iv)	Rent paid/(received)	81.97	60.50	18.00	15.00
v)	Interest paid	54.95	36.44	-	-
vi)	Interest received	12.62	116.73	-	-
vii)	Donation paid	-	12.50	-	-

## CONSOLIDATED ACCOUNTS

(₹ in Lacs)

Particulars		With Enterprise where significant influence exists		With Key Management Personnel & Relatives	
		2012-13	2011-12	2012-13	2011-12
viii)	Short term Loan & Advances given	(129.01)	85.33	-	-
ix)	Clearing & forwarding and other service charges	9.68	10.03	-	-
x)	Long Term Borrowings	-	463.99	-	-
xi)	Other Current Liabilities	689.65	1.90	-	-
xii)	Director's remuneration	-	-	273.07	98.34
xiii)	Share Application Pending Allotment	(220.00)	(1,750.00)	-	-
xiv)	Issue of Shares	220.00	2,000.00	-	-
xv)	Reimbursement of expenses	0.33	0.36	-	-
xvi)	Short term Borrowings	1,290.00	-	-	-
xvii)	Personal Guarantee	-	-	-	(16,600.00)
xviii)	Balances outstanding at the year end				
a)	Short Term Loan & Advances	15.80	144.81	-	-
b)	Share Application Money Pending Allotment	-	-	-	-
c)	Trade Payable	335.06	-	-	-
d)	Trade Receivables	-	800.76	-	-
e)	Long Term Borrowings	1,179.71	1,179.71	-	-
f)	Short Term Borrowings	1,294.05	-	-	-
g)	Other Current Liabilities	722.70	3.89	-	-
h)	Managerial Remuneration Payable	-	-	167.56	1.09
i)	Personal Guarantee	-	-	87,936.00	87,936.00

35. Previous Year's figures have been re-grouped and rearranged wherever necessary.

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

As per our report of even date attached,

**For SALVE & CO.**

Chartered Accountants

(Regn.No. 109003W)

**C.A. K.P. SAHASRABUDHE**

Partner

Membership No. 7021

New Delhi, 27th May, 2013

**RITESH CHAUDHRY**

General Manager (Legal) &

Company Secretary

New Delhi, 27th May, 2013

For and on behalf of the Board,

**R.K. SARAF**

Chairman & Managing Director

**MANOJ SARAF**

Managing Director

## Registered Office and Works

D. P. Nagar,  
P.O. : Randia - 756 135  
Dist : Bhadrak [Odisha]  
Phone : Bhadrak 91-6784-240320  
Gram : FACHROME  
E-Mail : facorccp@gmail.com;  
facorccp@dataone.in  
Fax : 91-6784-240626

## 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

## Mining Complex

### Bhadrak

Laxmi Bhawan, Kuans,  
Bhadrak - 756 100  
Dist : Bhadrak [Odisha]  
Phone : 91-6784-250311/250598  
Gram : FACOR  
E-Mail : facormines@dataone.in;  
facormines@facor.in  
Fax : 91-6784-251782

## Corporate Office

### New Delhi

Corporate One – Suite 401  
Plot No. 5, Jasola  
New Delhi - 110 025  
Phone : 91-11-40701000  
Gram : FACOR  
E-Mail : facordelhi@facorgroup.in  
Fax : 91-11-4162 4880

### Mr. Ishwar Das

Manager [Administration]

## Regional Offices

### Mumbai:

Shop Nos.GS4 and GS5  
Shubhada Co-op Housing Society  
Limited, Sir Pochkhanwala Road  
Worli, Mumbai-400 030  
Phone : 24918155, 24918153  
Gram : FACORSALES  
E-Mail : facormumbai@facorgroup.in  
Fax : 91-022-24918157

### Mr. Arun Mahalpurkar

Dy. General Manager

### Kolkata

Everest House, 17th Floor,  
46-C, Block 'G',  
Jawaharlal Nehru Road  
Kolkata - 700 071  
Phone : 91-33-40103400  
E-Mail : facorkol@dataone.in  
Fax : 91-33-40103434

### Mr. Pratap Lodge

General Manager [East Zone]

### Chennai

37F, Whites Road, IInd Floor  
Royapettah  
Chennai - 600 014  
Phone : 91-44-28411092-6  
Gram : FACORAGENT  
E-Mail : facoralloys@vsnl.net  
Fax : 91-44-28411097

### Mr. R.G. Chari

General Manager [South Zone]

## Other Offices

### Visakhapatnam

Manganese House  
Harbour Road  
Visakhapatnam - 530 001  
Phone : 91-891-2569011  
Gram : FACOR  
E-mail : facoralloys@eth.net  
facorvizag@facorgroup.in  
Fax : 91-891-2564077

### Mr. Naresh Kumar

Dy. General Manager [Finance]

### Nagpur

Shreeram Bhawan  
Ramdaspath  
Nagpur - 440 010  
Phone : 91-712-2436920 -23  
Gram : FACOR  
Fax : 91-712-2432295

### Mr. H.S. Shah

Dy. General Manager

### Bhubaneswar

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

### Mr. M.V. Rao

Resident Manager

**FERRO ALLOYS CORPORATION LIMITED**  
**Regd. Office: D.P. Nagar, Randia - 756135 (Odisha)**  
**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the District of \_\_\_\_\_  
being a Member / Members of FERRO ALLOYS CORPORATION LIMITED hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the District of \_\_\_\_\_  
or failing him \_\_\_\_\_

of \_\_\_\_\_ in the District of \_\_\_\_\_  
or failing him \_\_\_\_\_

of \_\_\_\_\_ in the District of \_\_\_\_\_

as my / our proxy to vote for me / us and on my / our behalf at the **Fifty Seventh Annual General Meeting** of the Company to be held at **Facor D.P. Officers Club, D.P. Nagar, Randia - 756 135**, on **Monday, the 12th day of August, 2013 at 12 Noon** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Ledger Folio Nos. / Client ID No.

No. of Shares held

30 Paise  
Revenue  
Stamp

Shareholder's Signature

**NOTES**

- [a] If a member is unable to attend the Meeting, he may sign this form and send it to the Secretary, FERRO ALLOYS CORPORATION LIMITED, D.P. Nagar, Randia - 756 135 (Odisha), so as to reach him not less than 48 hrs before the time of holding the meeting.
- [b] This form should be signed across the stamp as per the specimen signature registered with the Company.

**FERRO ALLOYS CORPORATION LIMITED**  
**Regd. Office: D.P. Nagar, Randia - 756135 (Odisha)**

Please fill the Attendance Slip and hand it over at the entrance of the meeting venue.

DP. Id\*

Regd. Folio No.

Client Id\*

No. of Shares held

Name and Address of the Shareholder

\_\_\_\_\_  
\_\_\_\_\_

I/We hereby record my/our presence at the **Fifty Seventh Annual General Meeting** of the Company to be held at **FACOR D.P. Officers Club, D.P. Nagar, Randia-756 135**, on **Monday, the 12th day of August, 2013 at 12 Noon** and at any adjournment thereof.

Signature of the shareholder or proxy

\*Applicable for investors holding shares in Electronic form.





**FERRO ALLOYS CORPORATION LIMITED**

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[www.facorgroup.in](http://www.facorgroup.in)



DEL/SEC/110  
May 27, 2013





BY FAX NO. 022- 22723121

The Secretary  
The Bombay Stock Exchange Ltd.,  
Phiroze Jeejeebhoy towers  
Dalal Street  
**MUMBAI- 400 001**

The General Manager  
Department of Corporate Services,  
The Bombay Stock Exchange Ltd.,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
**MUMBAI- 400 001**

**FORM A**

**Format of covering letter of the annual audit report to be filed  
with the Stock Exchange**

1	Name of the Company	Ferro Alloys Corporation Limited (Scrip Code 500141)
2	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2013
3	Type of Audit observation	Unqualified/ Matter of Emphasis
4	Frequency of observation	Whether appeared first time/ repetitive/ since how long period N.A.
5	To be signed by:  (a) Mr. R. K. Saraf, Chairman & Managing Director  (b) Mr. O. P. Banka, Director (Finance)  (c) C.A. K. P. Sahasrabudhe, Partner Salve & Co., Chartered Accountant, Auditors of the Company  (d) Mr. A.S. Kapre, Audit Committee Chairman	   

**FERRO ALLOYS CORPORATION LIMITED**

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