

FERRO ALLOYS CORPORATION LIMITED

Notice to Members

Notice is hereby given that the FIFTY EIGHTH ANNUAL GENERAL MEETING of the Members of the Company will be held at the Registered Office of the Company at D.P. Nagar, Randia – 756135, Dist. Bhadrak, Odisha on Wednesday, the 10th day of September, 2014 at 12.00 Noon to transact, with or without modification as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and 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. Rohitkumar Narayandasji Saraf (DIN: 00003994), who retires from Office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Ashish Ramkisan Saraf (DIN: 00004547), who retires from Office by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments therefore for the time being in force), M/s Salve & Company, Chartered Accountants, (Regn. No. 109003W), be and they are hereby appointed Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 58th Annual General Meeting of the Company i.e. for a period of 3 years, at such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions, as shall be fixed by the Board of Directors of the Company. The appointment of the Auditors shall be subject to ratification by members in every subsequent Annual General Meeting till the conclusion of the 61st Annual General Meeting."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Sridhar Srinivasan (DIN 00004272), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Anand Sadashiv Kapre (DIN 000019530), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Pinaki Misra (DIN 00568348), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Navin Laljibhai Ajwalia (DIN 00343512), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Sudhansu Bhusan Mishra (DIN 00030975), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Mahendra Bhawanji Thaker (DIN 00004263), a non-executive Independent Director of the Company, who has submitted a

declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Keshaorao Atmaram Pardhi (DIN 00009724), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vineet Vithaldas Saraf (DIN: 00004715), who was appointed as an Additional Director w.e.f 26th July, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashish Ramkisan Saraf (DIN: 00004547) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2014, on the terms and conditions including remuneration as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialed by the Secretary for the purpose of identification, which draft agreement, broad details of which are given in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Ashish Ramkisan Saraf subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Rohitkumar Narayandasji Saraf (DIN: 00003994) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2014, on the terms and conditions including remuneration as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialed by the Secretary for the purpose of identification, which draft agreement, broad details of which are given in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Rohitkumar Narayandasji Saraf subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (the "Act"), consent of the Company be and is hereby accorded to the appointment of Mr. Vinod Saraf (a relative of Mr. Vineet Vitthal Das Saraf) in the Company on the terms and conditions as stated below:

1. Effective date of appointment : From 01.08.2014
2. Designation : President or such designation as is appropriate for the functions assigned to him from time to time.
3. Remuneration :
 - A) Basic Salary : Rs 1,00,000/- per month in the scale of Rs 75,000 – 5,000 – 1,00,000/-.
 - B) Commission Such amount of Commission, effective from 1st August, 2014 during his tenure of employment 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, 2013

C) Perquisites and Mr. Vinod Saraf shall be eligible to the perquisites and allowances as given hereunder:

- The perquisites and allowances payable to Mr. Vinod Vithaldasji Saraf 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 amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under [including any statutory modification[s] or re-enactment thereof, for the time being in force]. In the absence of any such rules, perquisites and allowances shall be evaluated at actuals. However, Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

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

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

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

16. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1) (d) of the Companies Act, 1956 at the 52nd Annual General Meeting held on 12th September, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.1,000 Crores (Rupees One Thousand Crores) and the Board be and is hereby authorized to decide all terms and conditions in

relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required..”

17. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

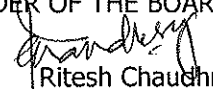
“RESOLVED THAT in supersession of the ordinary resolution passed under Section 293(1)(a) of the Companies Act, 1956 by the members of the Company at the 52nd Annual General Meeting of the Company held on 12th September, 2008 and pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding Rs.1,000 Crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranche(s) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies the remuneration of Rs. 70,000/- (Rupees Seventy thousand only) per annum plus applicable taxes and out of pocket expenses payable to M/s Niran & Co., Cost Accountants (Registration Number: 000113), appointed as Cost Auditors of the Company for the financial year 2014-15.”

Registered Office:
D.P. Nagar
P.O. Randia - 756135
Distt. Bhadrak, Odisha

By ORDER OF THE BOARD

Ritesh Chaudhry
General Manager (Legal) &
Company Secretary

Dated: 26th July, 2014
Place: Noida – 201301, U.P.

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, the 6th September, 2014 to Wednesday, the 10th September, 2014 (both days inclusive) for annual closing.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part Report on Corporate Governance. The Directors have furnished the requisite declarations for their appointment/re-appointment.

7. Electronic copy of the Abridged Annual Report for 2013-2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Abridged Annual Report for 2013- 2014 is being sent in the permitted mode. Complete copy of the Annual Report for 2013-2014 shall be provided on request to members.

8. Electronic copy of the Notice of the 58th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 58th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members may also note that the Notice of the 58th Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website www.facorgroup.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in D.P. Nagar, Randia for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@facorgroup.in

10. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the electronic voting sequence number (EVSN) **140801011** alongwith "FERRO ALLOYS CORPORATION LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
 - (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN no.140801011 for Ferro Alloys Corporation Limited.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

- (C) The e-voting period commences on 5th September, 2014 (9:00 am) and ends on 6th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July, 2014.
- (E) Mr. Ashish Saxena & Co., Company Secretaries, (Membership No. 6560) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (F) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during normal business hours (9.00 am to 5.00 pm) except Saturdays, Sundays and Holidays up to and including the date of the Annual General Meeting of the Company.

12. Those Members who have so far not encashed their dividend warrants for the financial years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 may claim or approach the Company's Secretarial Department at "Facor House" Ground Floor, Plot no. A 45-50, Sector 16, Noida – 201301, U.P. 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 13th September, 2014.
- Interim Dividend for the year 2007-2008, on or after 27th February, 2015.
- Final Dividend for the year 2007-08, on or after 12th October, 2015.
- Interim Dividend for the year 2008-09, on or after 29th August, 2015.
- Dividend for the year 2009-10, on or after 17th October, 2017
- Dividend for the year 2010-11, on or after 12th October, 2018


Registered Office:

D.P. Nagar
P.O. Randia – 756135,
Distt. Bhadrak, Odisha

Date: 26th July, 2014

Place: Noida – 201301, U.P.

By ORDER OF THE BOARD


Ritesh Chaudhry
General Manager (Legal) &
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Sridhar Srinivasan joined the Board of Directors of the Company on 28th July, 2012. He is a non-executive independent director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. Mr. Sridhar Srinivasan is an IIT Delhi alumni and management graduate from Jamnalal Bajaj Institute of Management Studies, Mumbai. He started his career with State Bank of India and working across various organizations was finally appointed as Chairman & Managing Director of Central Bank of India where he served till May, 2011. In his span of over 38 years as a Banker, he has spent over 10 years at CEO/Board level.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Sridhar Srinivasan has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Sridhar Srinivasan as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

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

Copy of the Draft letter of appointment of Mr. Sridhar Srinivasan would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Sridhar Srinivasan are interested or concerned in the Resolution concerning his appointment proposed in Item No. 5 of the Notice.

Item No. 6

Mr. Anand Sadashiv Kapre joined the Board of Directors of the Company on 25th September, 2002. He is a non-executive independent director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. He is aged about 66 years and is an Engineering Graduate from IIT Madras and a Law Graduate from Mumbai University. He has over 30 years of experience, as a highly placed Executive with one of the leading Financial Institutions, in various functions like project and corporate lending, rehabilitation finance and risk management besides few years experience in various industrial companies. Mr. Anand Sadashiv Kapre also holds the position of Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Share Transfer Committee constituted by the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Anand Sadashiv Kapre has given

declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Anand Sadashiv Kapre as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Anand Sadashiv Kapre fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Anand Sadashiv Kapre as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Anand Sadashiv Kapre would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors of Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Anand Sadashiv Kapre are interested or concerned in the Resolution concerning his appointment proposed in Item No. 6 of the Notice.

Item No. 7

Mr. Pinaki Misra joined the Board of Directors of the Company on 20th December, 2011. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

Mr. Pinaki Misra, a sitting member of Lok Sabha, is a practicing Senior Advocate in the Supreme Court of India and various High Courts (Cuttack, Delhi, Bombay, Punjab, Jammu, Simla, Lucknow and Allahabad) specializing in Corporate Law, Foreign Exchange, Customs Laws and Constitutional Laws.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Pinaki Misra has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Pinaki Misra as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

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

Copy of the Draft letter of appointment of Mr. Pinaki Misra would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Pinaki Misra are interested or concerned in the Resolution concerning his appointment proposed in Item No. 7 of the Notice.

Item No. 8

Mr. Navinchandra Laljibhai Ajwalia joined the Board of Directors of the Company on 1st January, 2006. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

As an independent Director on the Board of the Company, he has rich experience of more than 30 years in the fields of Banking / Credit / Finance & related functions.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Navinchandra Laljibhai Ajwalia has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Navinchandra Laljibhai Ajwalia as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Navinchandra Laljibhai Ajwalia fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Navinchandra Laljibhai Ajwalia as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Navinchandra Laljibhai Ajwalia would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Navinchandra Laljibhai Ajwalia are interested or concerned in the Resolution concerning his appointment proposed in Item No. 8 of the Notice.

Item No. 9

Mr. Sudhansu Bhusan Mishra joined the Board of Directors of the Company on 1st January, 2006. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

A retired IAS with over 30 years experience in Administration, Industry, Mining & Management of Public Sector Undertakings related to Iron & Steels, Ferro Alloys, Finance, Infrastructure Development etc., he assists the Company on the above referred fields. He is also the member of the Audit Committee and of the Nomination and Remuneration Committee of the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Sudhansu Bhusan Mishra has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Sudhansu Bhusan Mishra as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Sudhansu Bhusan Mishra fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sudhansu Bhusan Misra as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Sudhansu Bhusan Mishra would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Sudhansu Bhusan Mishra are interested or concerned in the Resolution concerning his appointment proposed in Item No. 9 of the Notice.

Item No. 10

Mr. Mahendra Bhawanji Thaker joined the Board of Directors of the Company on 27th October, 1968. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. Mr. Mahendra Bhawanji Thaker has more than 40 years experience in Mining of Manganese. He is also the member of the Audit Committee and of the Stakeholder Relationship & Share Transfer Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Mahendra Bhawanji Thaker has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Mahendra Bhawanji Thaker as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Mahendra Bhawanji Thaker fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Mahendra Bhawanji Thaker as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Mahendra Bhawanji Thaker would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Mahendra Bhawanji Thaker are interested or concerned in the Resolution concerning his appointment proposed in Item No. 10 of the Notice.

Item No. 11

Mr. Kesharao Atmaram Pardhi joined the Board of Directors of the Company on 16th March, 2012. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. Mr. Kesharao Atmaram Pardhi is an Ex-Member of the Parliament and is a graduate from Mumbai Hindi University (Sahitya Sudhakar). He has sound experience of Business Administration.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Kesharao Atmaram Pardhi has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Kesharao Atmaram Pardhi as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Kesharao Atmaram Pardhi fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kesharao Atmaram Pardhi as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Kesharao Atmaram Pardhi would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Kesharao Atmaram Pardhi are interested or concerned in the Resolution concerning his appointment proposed in Item No. 11 of the Notice.

Item No. 12

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Vineet Vithaldas Saraf as an Additional Director of the Company with effect from 26th July, 2014. In terms of the provisions of Section 161(1) of the Act, Mr. Vineet Vithaldas Saraf would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vineet Vithaldas Saraf for the office of Director of the Company. Mr. Vineet Vithaldas Saraf is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Vineet Vithaldas Saraf is a graduate and has excellent knowledge in commercial operations and administration. The matter regarding appointment of Mr. Vineet Vithaldas Saraf was placed before the Nomination and Remuneration Committee, which commends his appointment. Keeping in view his vast expertise and knowledge in business administration, it will be in the interest of the Company that Mr. Vineet Vithaldas Saraf is appointed as Director.

Save and except Mr. Vineet Vithaldas Saraf and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

Item No. 13

The Board of Directors of the Company (the 'Board'), at its meeting held on 29th May, 2014 has, subject to the approval of members, re-appointed Mr. Ashish Ramkisan Saraf as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July,

2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. Mr. Ashish Ramkisan Saraf is a Qualified Engineer and a Graduate from the Harvard Business School. He, as a part of the management team has been associated with the group for over 15 years and specializes in the field of Industrial and Production Engineering. His knowledge and experience have contributed significantly towards the business of the Company by increasing efficiency and reaping new opportunities. It is, therefore, desirable that he continues on the Board of the Company. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Ashish Ramkisan Saraf as Joint Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Ashish Ramkisan Saraf which are as per Section 196 and 197 read with Schedule V of the Companies Act, 2013 are as follows:

I) Details of Salary to be paid to Joint Managing Director are as follows:

- a. Basic Salary Rs 1,00,000/- per month in the scale of Rs 75,000 – 5,000 – 1,00,000/-
- b. Commission – Such amount of Commission effective from 1st April, 2014 for the remaining period of his tenure of office 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, 2013.
- c. Perquisites and Allowances:

In addition to the aforesaid, the Joint Managing Director shall also 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 amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under [including any statutory modification[s] or re-enactment thereof, for the time being in force]. In the absence of any such rules, perquisites and allowances shall be evaluated at actuals. However, Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

The term "Family" means the spouse, the dependent children and the 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 remuneration payable to the Joint Managing Director by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of Rs 18,00,000/- per annum and Commission as specified herein above.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites and allowances payable to the Joint Managing Director of the Company at any time, such that the overall remuneration payable shall not exceed the aggregate limit of Rs 18,00,000/- per annum and Commission as specified herein 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 he shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to the such approvals including approval of the Central Government, if any, required.

II) Other Conditions:

- 1) For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.
- 2) The Joint Managing Director, hold office as such, subject to the provisions of Section 164 of the Companies Act, 2013

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

The appointment has been made under Section I of Part II of Schedule V of the Companies Act, 2013.

The Resolution at Item No. 13 is recommended for approval of the Members in the best interest of the Company. Save and except Mr. Ashish Ramkisan Saraf and Mr. Ramkisan Durgaprasad Saraf who is related to Mr. Ashish Ramkisan Saraf, none of the Director or Key Managerial Personnel of the Company or their relatives in the Management is in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 14

The Board of Directors of the Company (the 'Board'), at its meeting held on 29th May, 2014 has, subject to the approval of members, re-appointed Mr. Rohitkumar Narayandasji Saraf as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. Mr. Rohitkumar Narayandasji Saraf also as a part of the management team has been associated with the Company as its Joint Managing Director since 2004. He has over 15 years of experience in Mining Operations and Administration and looks after the Mining operations of the Company. He is mainly responsible for the Company showing constant growth in productivity with high efficiency. His continuance in his existing position as the Joint Managing Director of the Company should evidently benefit the Company.

It is, therefore, desirable that he continues on the Board of the Company. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Rohitkumar Narayandasji Saraf as Joint Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Rohitkumar Narayandasji Saraf which are as per Section 196 and 197 read with Schedule V of the Companies Act, 2013 are as follows:

I) Details of Salary to be paid to Joint Managing Director are as follows:

- a. Basic Salary Rs 1,00,000/- per month in the scale of Rs 75,000 – 5,000 – 1,00,000/-
- b. Commission – Such amount of Commission effective from 1st April, 2014 for the remaining period of his tenure of office 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, 2013.
- c. Perquisites and Allowances:

In addition to the aforesaid, the Joint Managing Director shall also 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 amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under [including any statutory modification[s] or re-enactment thereof, for the time being in force]. In the absence of any such rules, perquisites and allowances shall be evaluated at actuals. However, Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

The term "Family" means the spouse, the dependent children and the 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 remuneration payable to the Joint Managing Director by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of Rs 18,00,000/- per annum and Commission as specified herein above.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites and allowances payable to the Joint Managing Director of the Company at any time, such that the overall remuneration payable shall not exceed the aggregate limit of Rs 18,00,000/- per annum and Commission as specified herein 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 he shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to the such approvals including approval of the Central Government, if any, required.

II) Other Conditions:

- 1) For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

- 2) The Joint Managing Director, hold office as such, subject to the provisions of Section 164 of the Companies Act, 2013

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

The appointment has been made under Section I of Part II of Schedule V of the Companies Act, 2013.

The Resolution at Item No. 14 is recommended for approval of the Members in the best interest of the Company. None of the Director or Key Managerial Personnel of the Company or their relatives in the Management is in any way, concerned or interested, financially or otherwise, in this resolution.

Item no.15

Mr. Vinod Vithaldasji Saraf is proposed to be appointed as President of the Company w.e.f 1st August, 2014 on the terms and remuneration more particularly detailed in the resolution proposing for his appointment.

In terms of the provisions contained in section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(b) and other applicable rule(s), if any, of The Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members is sought for passing the Special Resolution for the appointment of Mr. Vinod Vithaldasji Saraf w.e.f 1st August, 2014 as set out at Item No.15 of the Notice.

Other than Mr. Vineet Vithaldas Saraf, who is related to Mr. Vinod Vithaldasji Saraf, none of the Director or Key Managerial Personnel of the Company or their relatives in the Management is in any way, concerned or interested, financially or otherwise in this resolution.

Item No. 16 & 17

At the 52nd Annual General Meeting of the Company held on 12th September, 2008 , the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(d) and 293(1)(a) respectively of the Companies Act, 1956, approved of:

- (i) borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 1000 crore at any point of time;

and
- (ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto Rs. 1000 crore, including interest, charges, etc. payable thereon.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the

Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 16 and 17 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 16 and 17.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 9:00 A.M. to 5:00 P.M. upto the date of this Annual General Meeting.

Item No. 18

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.18 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 18 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 18 of the Notice for approval by the shareholders.

Registered Office:

D.P. Nagar
P.O. Randia - 756135
Distt. Bhadrak, Odisha

By ORDER OF THE BOARD


Ritesh Chaudhary
General Manager (Legal) &
Company Secretary

Dated: 26th July, 2014

Place: Noida – 201301, U.P.



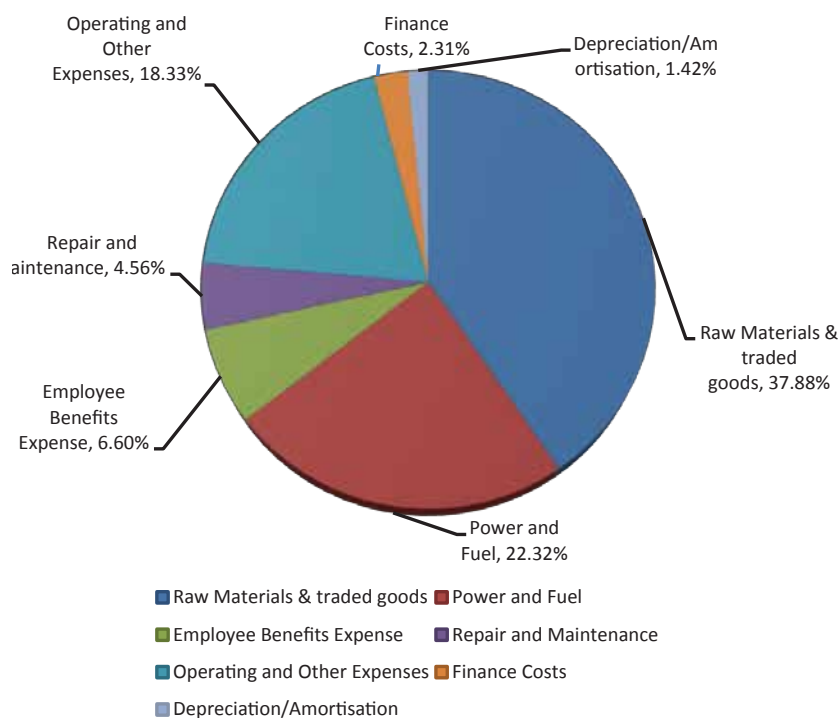
Ferro Alloys Corporation Limited

58th Annual Report 2013-14

HIGHLIGHTS - 2013-14

PARTICULARS	In ₹ Lacs		In \$ ('000)	
	2013-14	2012-13	2013-14	2012-13
Turnover	63,263	51,787	104,861	95,407
Earning before Interest, Tax and Depreciation/Amortisation	6,730	5,528	11,156	10,184
Profit After Tax	3,136	2,579	5,199	4,751
HCF Production MT	72,710	63,942		
Chrome Ore Production	MT	259,533		
Sales of HCF	MT	64,941		
Sales of Chrome Ore	MT	181,675		
Exchange Rate ₹ 60.33 As on 31st March, 2014 (₹ 54.28 As on 31st March, 2013)				

DISTRIBUTION OF REVENUE



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

Chairman & Managing Director

M.D. Saraf

(Upto 30-07-2014)

Manoj Saraf

Managing Director

Vinod Saraf

Joint Managing Director

(Upto 25-07-2014)

Vineet Saraf

(w.e.f. 26-07-2014)

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) & CFO

B. B. SinghDirector (Technical)
(Charge Chrome Plant)**Ashok Agrawal**

Director (Mines)

P. G. Suresh KumarChief Executive
(Charge Chrome Plant)**M. K. Pujari**

Chief General Manager (Mines)

Bankers

Bank of India

Central Bank of India

State Bank of India

Syndicate Bank

State Bank of Bikaner & Jaipur

Solicitors

Mulla & Mulla and

Craig Blunt & Caroe

Bhaishankar Kanga and

Girdharilal

Auditors

Salve & Co.,

Chartered Accountants

Internal Auditors

M/s Das & Prasad

Chartered Accountants

Cost Auditors

M/s Niran & Co.

Cost Accountants

Registrars & Shares Transfer Agents

(for Both Physical & Electronic)

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound

L.B.S. Road, Bhandup (W) Mumbai - 400 078

Phone No. 022-25946970

Fax No. 022-2544 2969

E-mail: rnt.helpdesk@linktime.co.in**CONTENTS:****Corporate Information and Index**

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NOTICE TO MEMBERS

Notice is hereby given that the **FIFTY EIGHTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at D.P. Nagar, Randia - 756135, Dist. Bhadrak, Odisha on Wednesday, the 10th day of September, 2014 at 12.00 Noon to transact, with or without modification as may be permissible, the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and 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. Rohitkumar Narayandasji Saraf (DIN: 00003994), who retires from Office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Ashish Ramkisan Saraf (DIN: 00004547), who retires from Office by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments therefore for the time being in force), M/s Salve & Company, Chartered Accountants, (Regn. No. 109003W), be and they are hereby appointed Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 58th Annual General Meeting of the Company i.e. for a period of 3 years, at such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions, as shall be fixed by the Board of Directors of the Company. The appointment of the Auditors shall be subject to ratification by members in every subsequent Annual General Meeting till the conclusion of the 61st Annual General Meeting."

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Sridhar Srinivasan (DIN: 00004272), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office

for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Anand Sadashiv Kapre (DIN 000019530), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Pinaki Misra (DIN 00568348), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Navin Laljibhai Ajwalia (DIN 00343512), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Sudhansu Bhusan Mishra (DIN: 00030975), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Mahendra Bhawanji Thaker (DIN: 00004263), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Kesharao Atmaram Pardhi (DIN: 00009724), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 10th September, 2014 up to 9th September, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing

Agreement, Mr. Vineet Vithaldas Saraf (DIN: 00004715), who was appointed as an Additional Director w.e.f 26th July, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

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

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashish Ramkisan Saraf (DIN: 00004547) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2014, on the terms and conditions including remuneration as set out in the draft agreement prepared in that behalf and submitted to this meeting and initiated by the Secretary for the purpose of identification, which draft agreement, broad details of which are given in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Ashish Ramkisan Saraf subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Rohitkumar Narayandasji Saraf

(DIN: 00003994) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2014, on the terms and conditions including remuneration as set out in the draft agreement prepared in that behalf and submitted to this meeting and initiated by the Secretary for the purpose of identification, which draft agreement, broad details of which are given in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Rohitkumar Narayandasji Saraf subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (the "Act"), consent of the Company be and is hereby accorded to the appointment of Mr. Vinod Vitthaladasji Saraf (a relative of Mr. Vineet Vitthaladasji Saraf) in the Company on the terms and conditions as stated below:

1. Effective date of appointment : From 01.08.2014
2. Designation : President or such designation as is appropriate for the functions assigned to him from time to time.
3. Remuneration :
 - A) Basic Salary : ₹ 1,00,000/- per month in the scale of ₹ 75,000 - 5,000 - 1,00,000/-.
 - B) Commission : Such amount of Commission, effective from 1st August, 2014 during his tenure of employment 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, 2013.
 - C) Perquisites and allowances : Mr. Vinod Vitthaladasji Saraf shall be eligible to the perquisites and allowances as given hereunder:

- The perquisites and allowances payable to Mr. Vinod Vitthaladasji Saraf 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 amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under [including any statutory modification(s) or re-enactment thereof, for the time being in force]. In the absence of any such rules, perquisites and allowances shall be evaluated at actuals. However, Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

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

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

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

16. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1) (d) of the Companies Act, 1956 at the 52nd Annual General Meeting held on 12th September, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount

borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 1,000 Crores (Rupees One Thousand Crores) and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required."

17. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the ordinary resolution passed under Section 293(1)(a) of the Companies Act, 1956 by the members of the Company at the 52nd Annual General Meeting of the Company held on 12th September, 2008 and pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding ₹ 1,000 Crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person(s) as may be authorized by the Board be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranche(s) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

18. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary resolution**

"RESOLVED THAT pursuant to Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies

the remuneration of ₹ 70,000/- (Rupees Seventy thousand only) per annum plus applicable taxes and out of pocket expenses payable to M/s Niran & Co., Cost Accountants (Registration Number: 000113), appointed as Cost Auditors of the Company for the financial year 2014-15."

Registered Office:

D.P. Nagar

P.O. Randia, 756135

Distt. Bhadrak, Odisha

By ORDER OF THE BOARD

Ritesh Chaudhry

General Manager (Legal) &
Company Secretary

Dated : 26th July, 2014

Place : Noida - 201301 U.P.

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, the 6th September, 2014 to Wednesday, the 10th September, 2014 (both days inclusive) for annual closing.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appoint-

ment/re-appointment at the Annual General Meeting, forms integral part Report on Corporate Governance. The Directors have furnished the requisite declarations for their appointment/re-appointment.

7. Electronic copy of the Abridged Annual Report for 2013-2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Abridged Annual Report for 2013- 2014 is being sent in the permitted mode. Complete copy of the Annual Report for 2013-2014 shall be provided on request to members.

8. Electronic copy of the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members may also note that the Notice of the 58th Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website www.facorgroup.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in D.P. Nagar, Randia for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@facorgroup.in

10. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the electronic voting sequence number (EVSN) 140801011 alongwith "FERRO ALLOYS CORPORATION LIMITED" from the drop down menu and click on "SUBMIT"

- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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

also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No. 140801011 for Ferro Alloys Corporation Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (C) The e-voting period commences on 5th September, 2014 (9:00 am) and ends on 6th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014, may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July, 2014.
 - (E) Mr. Ashish Saxena & Co., Company Secretaries, (Membership No. 6560) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (F) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during normal business hours (9.00 am to 5.00 pm), except Saturdays, Sundays, and Holidays up to and including the date of the Annual General Meeting of the Company.
 12. Those Members who have so far not encashed their dividend warrants for the financial years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 may claim or approach the Company's Secretarial Department at "Facor House" Ground Floor, Plot no. A 45-50, Sector 16, Noida - 201301, U.P. 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 13th September, 2014.

ANNEXURE TO THE NOTICE

- Interim Dividend for the year 2007-2008, on or after 27th February, 2015.
- Final Dividend for the year 2007-08, on or after 12th October, 2015.
- Interim Dividend for the year 2008-09, on or after 29th August, 2015.
- Dividend for the year 2009-10, on or after 17th October, 2017.
- Dividend for the year 2010-11, on or after 12th October, 2018.

Registered Office:

D.P. Nagar

P.O. Randia - 756135

Distt. Bhadrak, Odisha

By ORDER OF THE BOARD

Ritesh Chaudhry

General Manager (Legal) &
Company Secretary

Place: Noida - 201301, U.P.

Date : 26th July, 2014

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 5**

Mr. Sridhar Srinivasan joined the Board of Directors of the Company on 28th July, 2012. He is a non-executive independent director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. Mr. Sridhar Srinivasan is an IIT Delhi alumni and management graduate from Jamnalal Bajaj Institute of Management Studies, Mumbai. He started his career with State Bank of India and working across various organizations was finally appointed as Chairman & Managing Director of Central Bank of India where he served till May, 2011. In his span of over 38 years as a Banker, he has spent over 10 years at CEO/Board level.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Sridhar Srinivasan has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Sridhar Srinivasan as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Sridhar Srinivasan fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section

149 read with Schedule IV of the Act, the appointment of Mr. Sridhar Srinivasan, as Independent Director, is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Sridhar Srinivasan would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Sridhar Srinivasan are interested or concerned in the Resolution concerning his appointment proposed in Item No. 5 of the Notice.

Item No. 6

Mr. Anand Sadashiv Kapre joined the Board of Directors of the Company on 25th September, 2002. He is a non-executive independent director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. He is aged about 66 years and is an Engineering Graduate from IIT Madras and a Law Graduate from Mumbai University. He has over 30 years of experience, as a highly placed Executive with one of the leading Financial Institutions, in various functions like project and corporate lending, rehabilitation finance and risk management besides few years experience in various industrial companies. Mr. Anand Sadashiv Kapre also holds the position of Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Share Transfer Committee constituted by the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Anand Sadashiv Kapre has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Anand Sadashiv Kapre as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Anand Sadashiv Kapre fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Anand Sadashiv Kapre as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Anand Sadashiv Kapre would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors of Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Anand Sadashiv Kapre are interested or concerned in the Resolution concerning his appointment proposed in Item No. 6 of the Notice.

Item No. 7

Mr. Pinaki Misra joined the Board of Directors of the Company on 20th December, 2011. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

Mr. Pinaki Misra, a sitting member of Lok Sabha, is a practicing Senior Advocate in the Supreme Court of India and various High Courts (Cuttack, Delhi, Bombay, Punjab, Jammu, Simla, Lucknow and Allahabad) specializing in Corporate Law, Foreign Exchange, Customs Laws and Constitutional Laws.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Pinaki Misra has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Pinaki Misra as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

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

Copy of the Draft letter of appointment of Mr. Pinaki Misra would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Pinaki Misra are interested or concerned in the Resolution concerning his appointment proposed in Item No. 7 of the Notice.

Item No. 8

Mr. Navinchandra Laljibhai Ajwalia joined the Board of Directors of the Company on 1st January, 2006. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

An independent on the Board of the Company, he has rich experience of more than 30 years in the fields of Banking / Credit / Finance & related functions.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Navinchandra Laljibhai Ajwalia has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Navinchandra Laljibhai Ajwalia as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Navinchandra Laljibhai Ajwalia fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Navinchandra Laljibhai Ajwalia as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Navinchandra Laljibhai Ajwalia would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Navinchandra Laljibhai Ajwalia are interested or concerned in the Resolution concerning his appointment proposed in Item No. 8 of the Notice.

Item No. 9

Mr. Sudhansu Bhusan Mishra joined the Board of Directors of the Company on 1st January, 2006. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. A retired IAS with over 30 years experience in Administration, Industry, Mining & Management of Public Sector Undertakings related to Iron & Steels, Ferro Alloys, Finance, Infrastructure Development etc., he assists the Company on the above referred fields. He is also the member of the Audit Committee and of the Nomination and Remuneration Committee of the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Sudhansu Bhusan Mishra has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Sudhansu Bhusan Mishra as Independent Director was placed before the Nomination and Remuneration Committee,

ANNEXURE TO THE NOTICE

which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Sudhansu Bhusan Mishra fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sudhansu Bhusan Mishra as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Sudhansu Bhusan Mishra would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Sudhansu Bhusan Mishra are interested or concerned in the Resolution concerning his appointment proposed in Item No. 9 of the Notice.

Item No. 10

Mr. Mahendra Bhawanji Thaker joined the Board of Directors of the Company on 27th October, 1968. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. Mr. Mahendra Bhawanji Thaker has more than 40 years experience in Mining of Manganese. He is also the member of the Audit Committee and of the Stakeholder Relationship & Share Transfer Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Mahendra Bhawanji Thaker has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Mahendra Bhawanji Thaker as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Mahendra Bhawanji Thaker fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Mahendra Bhawanji Thaker as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Mahendra Bhawanji Thaker would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Mahendra Bhawanji Thaker are interested or concerned in the Resolution concerning his appointment proposed in Item No. 10 of the Notice.

Item No. 11

Mr. Kesharao Atmaram Pardhi joined the Board of Directors of the Company on 16th March, 2012. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. Mr. Kesharao Atmaram Pardhi is an Ex-Member of the Parliament and is a graduate from Mumbai Hindi University (Sahitya Sudhakar). He has sound experience of Business Administration.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Kesharao Atmaram Pardhi has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Kesharao Atmaram Pardhi as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 10th September, 2014 to 9th September, 2019.

In opinion of the Board, Mr. Kesharao Atmaram Pardhi fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kesharao Atmaram Pardhi as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Kesharao Atmaram Pardhi would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Kesharao Atmaram Pardhi are interested or concerned in the Resolution concerning his appointment proposed in Item No. 11 of the Notice.

Item No. 12

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Vineet Vithaldas Saraf as an Additional Director of the Company with effect from 26th July, 2014. In terms of the provisions of Section 161(1) of the Act, Mr. Vineet Vithaldas Saraf would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing

from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vineet Vithaldas Saraf for the office of Director of the Company. Mr. Vineet Vithaldas Saraf is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Vineet Vithaldas Saraf is a graduate and has excellent knowledge in commercial operations and administration. The matter regarding appointment of Mr. Vineet Vithaldas Saraf was placed before the Nomination and Remuneration Committee, which commends his appointment. Keeping in view his vast expertise and knowledge in business administration, it will be in the interest of the Company that Mr. Vineet Vithaldas Saraf is appointed as Director.

Save and except Mr. Vineet Vithaldas Saraf and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

Item No. 13

The Board of Directors of the Company (the 'Board'), at its meeting held on 29th May, 2014 has, subject to the approval of members, re-appointed Mr. Ashish Ramkisan Saraf as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. Mr. Ashish Ramkisan Saraf is a Qualified Engineer and a Graduate from the Harvard Business School. He, as a part of the management team has been associated with the group for over 15 years and specializes in the field of Industrial and Production Engineering. His knowledge and experience have contributed significantly towards the business of the Company by increasing efficiency and reaping new opportunities. It is, therefore, desirable that he continues on the Board of the Company. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Ashish Ramkisan Saraf as Joint Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Ashish Ramkisan Saraf which are as per Section 196 and 197 read with Schedule V of the Companies Act, 2013 are as follows:

D) Details of Salary to be paid to Joint Managing Director are as follows:

- 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 effective from, 1st April, 2014 for the remaining period of his tenure of office 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, 2013.
- c. Perquisites and Allowances:

In addition to the aforesaid, the Joint Managing Director shall also 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 amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under [including any statutory modification[s] or re-enactment thereof, for the time being in force]. In the absence of any such rules, perquisites and allowances shall be evaluated at actuals. However, Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

The term "Family" means the spouse, the dependent children and the 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 remuneration payable to the Joint Managing Director by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of Rs 18,00,000/- per annum and Commission as specified herein above.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites and allowances payable to the Joint Managing Director of the Company at any time, such that the overall remuneration payable shall not exceed the aggregate limit of ₹ 18,00,000/- per annum and Commission as specified herein 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 he shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule IV of the Companies Act, 2013 and subject to the such approvals including approval of the Central Government, if any, required.

II) Other Conditions:

- 1) For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.

- 2) The Joint Managing Director, hold office as such, subject to the provisions of Section 164 of the Companies Act, 2013.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

The appointment has been made under Section I of Part II of Schedule V of the Companies Act, 2013.

The Resolution at Item No. 13 is recommended for approval of the Members in the best interest of the Company. Save and except Mr. Ashish Ramkisan Saraf and Mr. Ramkisan Durgaprasad Saraf who is related to Mr. Ashish Ramkisan Saraf, none of the Director or Key Managerial Personnel of the Company or their relatives in the Management is in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 14

The Board of Directors of the Company (the 'Board'), at its meeting held on 29th May, 2014 has, subject to the approval of members, re-appointed Mr. Rohitkumar Narayandasji Saraf as Joint Managing Director, for a period of 5 (five) years from the expiry of his present term, which expires on 31st July, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. Mr. Rohitkumar Narayandasji Saraf also as a part of the management team has been associated with the Company as its Joint Managing Director since 2004. He has over 15 years of experience in Mining Operations and Administration and looks after the Mining operations of the Company. He is mainly

responsible for the Company showing constant growth in productivity with high efficiency. His continuance in his existing position as the Joint Managing Director of the Company should evidently benefit the Company.

It is, therefore, desirable that he continues on the Board of the Company. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Rohitkumar Narayandasji Saraf as Joint Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Rohitkumar Narayandasji Saraf which are as per Section 196 and 197 read with Schedule V of the Companies Act, 2013 are as follows:

I) Details of Salary to be paid to Joint Managing Director are as follows:

- 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 effective from 1st April, 2014 for the remaining period of his tenure of office 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, 2013.
- c. Perquisites and Allowances:

In addition to the aforesaid, the Joint Managing Director shall also 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 amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there under [including any statutory modification[s] or re-enactment thereof, for the time being in force]. In the absence of any such rules, perquisites and allowances shall be evaluated at actuals. However, Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose.

Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

The term "Family" means the spouse, the dependent children and the 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 remuneration payable to the Joint Managing Director by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of ₹ 18,00,000/- per annum and Commission as specified herein above.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites and allowances payable to the Joint Managing Director of the Company at any time, such that the overall remuneration payable shall not exceed the aggregate limit of ₹ 18,00,000/- per annum and Commission as specified herein 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 he shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions of Schedule V of the Companies Act, 2013 and subject to the such approvals including approval of the Central Government, if any, required.

II) Other Conditions:

- 1) For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.
- 2) The Joint Managing Director, hold office as such, subject to the provisions of Section 164 of the Companies Act, 2013.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

The appointment has been made under Section I of Part II of Schedule V of the Companies Act, 2013.

The Resolution at Item No. 14 is recommended for approval of the Members in the best interest of the Company. None of the Director or Key Managerial Personnel of the Company or their relatives in the Management is in any way, concerned or interested, financially or otherwise, in this resolution.

Item no.15

Mr. Vinod Vithaldasji Saraf is proposed to be appointed as President of the Company w.e.f 1st August, 2014 on the terms and remuneration more particularly detailed in the resolution proposing for his appointment.

In terms of the provisions contained in section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(b) and other applicable rule(s), if any, of The Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members is sought for passing the Special Resolution for the appointment of Mr. Vinod Vithaldasji Saraf w.e.f 1st August, 2014 as set out at Item No.15 of the Notice.

Other than Mr. Vineet Vithaldas Saraf, who is related to Mr. Vinod Vithaldasji Saraf, none of the Director or Key Managerial Personnel of the Company or their relatives in the Management is in any way, concerned or interested, financially or otherwise in this resolution.

Item No. 16 & 17

At the 52nd Annual General Meeting of the Company held on 12th September, 2008, the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(d) and 293(1)(a) respectively of the Companies Act, 1956, approved of:

- (i) borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 1000 crore at any point of time;

and

- (ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto ₹ 1000 crore, including interest, charges, etc. payable thereon.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said

borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 16 and 17 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 16 and 17.

All documents referred to in the resolution are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Holidays between 9:00 A.M. to 5:00 P.M.) upto the date of this Annual General Meeting.

Item No. 18

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors M/s Niran & Company has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.18 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 18 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 18 of the Notice for approval by the shareholders.

Registered Office: By ORDER OF THE BOARD
D.P. Nagar

P.O. Randia - 756 135
Distt. Bhadrak, Odisha

Ritesh Chaudhry
General Manager
(Legal) &
Company Secretary

Place : Noida - 201301, U.P.

Dated : 26th July, 2014

DIRECTORS' REPORT TO THE MEMBERS

Your directors are delighted to present the 58th Annual Report of your Company and the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The Board takes pleasure and pride to announce that despite sluggish business phase in the last Financial Year, the Company yet performed reasonably well to post positive figures for the year. The results are as under:

(₹ in lacs)

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Profit before tax	4296.57	3094.59
Depreciation/Amortization	926.60	919.25
Provision for taxation	1160.28	515.47
Net Profit/(Loss) for the year	3136.29	2579.12
Transfer to General Reserve	5000.00	—
Balance carried to Balance Sheet	4560.38	6424.09

OPERATIONS

The Indian ferro alloy industry has evolved gradually and now employs highly qualified manpower, latest equipments and technology. This evolution has led to quality produce which has strengthened its position over the years.

Reaching such position and earning recognition has not come easy for Indian ferro alloy industry given the fact that out of 12 billion tones of global reserves; about 95% of resources are geographically concentrated in Kazakhstan, South Africa, Turkey and other countries.

Notwithstanding the above, Indian chrome enjoys premium over others due to higher chrome content compared to global average and has higher Cr/ Fe ratio. Furthermore, Indian ores are also more amenable to beneficiation and upgradation than South African ores and because of the higher Cr/ Fe and higher Cr₂O₃, chrome alloys made from Indian ores have higher percent of chrome ore. South Africa is the largest chrome ore producer followed by Zimbabwe, Kazakhstan and India.

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 levels well below their installed capacity.

Your company's turnover for the current financial year, 2013-14 stands at ₹ 63262.91 lacs as against ₹ 51787.13 lacs last year, an increase of 22.16% over the previous year. Exports during the year were ₹ 45483.70 lacs. Further, your company has posted a profit before tax of ₹ 4296.57 lacs this year as against ₹ 3094.59 lacs in the previous year, reflecting an increase of 38.84%.

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 31st March, 2014.

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 read with Accounting Standard 23 on Accounting for Investments in Associates, the audited consolidated financial statement is provided in the Annual Report for the year.

PROSPECTS

Prospects of Ferro Alloys industry are saddled to the growth and progress of Steel Industry. With Steel Industry contributing substantially to the growth of Indian Economy, India has emerged as the 4th largest producer of crude steel in the world as against the 8th position it occupied in 2003 and expects to become the 2nd largest producer of crude steel soon.

As per official estimates, the Iron and Steel Industry contributes close to 3 per cent of the Gross Domestic Product (GDP). World crude steel production stood at 1547.8 million tonnes during 2012, an increase of 1.2 per cent over 2011. During 2012, Chinese crude steel production reached 716.5 million tonnes, a growth of 3.1 per cent over 2011. Further, during FY 2012-13 India's share in the production of High Carbon Ferro Chrome stood at 1.12 million tonnes.

China has remained the largest crude steel producer in the world, accounting for 72 per cent of Asian and 46 per cent of world crude steel production during 2012. With low per capita consumption of steel of 59 kg in India compared to the world average of estimated 200 kg there is a strong feeling that the domestic steel industry has a huge growth potential.

India, with 5-7% share of Global Ferro Alloys Industry, is amongst the ten largest producers of the material in the world. Indian Bulk ferro alloys supply constitutes of ferro chrome about 32%, ferro manganese and silico manganese about 62% and rest others. Further, Indian enjoys a natural advantage as it has the 5th largest chrome ore with 100 million tones estimated reserve and the 6th largest in Manganese ore with estimated 176 million tones reserve.

Total domestic consumption may reach 1 million metric tonnes by 2015 from about 4,50,000 tonnes, while output may rise at a slower pace of 44% to 1.3 million tones.

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.

FUTURE STRATEGY AND GROWTH

With power being a major cost element in production of ferro chrome, your Company, as a measure for backward integration, is setting up a 100 MW Captive Power Plant. While phase-I (One Turbine of 50MW and One Boiler) and phase-II (2nd Turbine of 50MW and 2nd Boiler) have been completed, Commissioning of the third boiler is expected by October/ November, 2014.

Currently, the captive power plant is generating about 30-35 MW power as per the requirement of your Company.

Further, your company also remains committed to forward integration as well 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

Mr. Rohit Saraf and Mr. Ashish Saraf shall retire by rotation at the ensuing 58th 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 58th Annual General Meeting. Based on the recommendation of the Audit Committee, the Board of Directors of the Company have proposed the appointment of M/s Salve & Co., Chartered Accountants, as the Auditors of the Company from the conclusion of the forthcoming 58th Annual General Meeting till the conclusion of the 61st Annual General Meeting. M/s Salve & Co., have expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 141 of the Companies Act, 2013.

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 31st March, 2014, for which Central Government approval had been received by the Company. The report on Cost audit for Financial Year ended 31st March, 2014 would be filed with Central Government before 30th September, 2014. Further, your Directors have appointed M/s Niran & Co., Cost Accountants, as Cost Auditors of the Company for Financial year ended 31st March, 2015 as well for which Central Government approval has also been received.

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

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

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 26th May, 2014 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,

R.K. SARAF

CHAIRMAN & MANAGING DIRECTOR

Place : Noida - 201 301

Dated : 26th July, 2014

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY:

- a) Measures Taken
- b) Additional investment and proposals if any being implemented for reduction of consumption of energy
- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- d) Total energy consumption and energy consumption per unit of production in prescribed form 'A'.

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.

: Form 'A' is not applicable to Ferro Alloys Industry.

B) TECHNOLOGY ABSORPTION:

Research & Development (R&D):

- a) Specific areas in which R & D carried out by the company
- b) Benefits derived as a result of the above R&D

R&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.

- c) Future Plan of action

: The Company is analyzing and experimenting different methods of briquetting to cut down cost of production.

- d) Expenditure on R&D

: Recurring expenditure on R&D has been shown under respective heads of accounts in Profit & Loss Account.

- e) Technology absorption, adaptation and innovation

- i) Efforts, in brief, made towards technology absorption, adaptation and innovation.

: Not applicable since no new technology has been adopted

- ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

: Not applicable

- iii) Information regarding technology imported during 5 years

: No technology has been imported during the last last five years.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- 1) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; and export plans
- 2) Total Foreign Exchange used and earned
 - i) CIF value of imports
 - ii) Expenditure in Foreign currency
 - iii) Foreign exchange earned on FOB basis

To explore new avenues of exports and to understand latest developments in the international markets, your directors undertake foreign tours as and when required.

: ₹ in lacs

3401.88

: 707.50

: 42344.63

On behalf of Board of Directors,

R.K. SARAF
CHAIRMAN & MANAGING DIRECTOR

Place : Noida - 201 301

Dated : 26th July, 2014

Industry Structure, Development and Other Related Matters

Ferro alloys production in India is about six decades old. In India bulk ferro alloys production through electric submerged arc furnace route made a beginning in late 1950s. After the invention by Soderberg of self-baking type electrodes, during 1920s, this became the most preferred way for making bulk ferro alloys of Silicon, Manganese & Chromium in the world.

The initial phase of the industry was marked by the installation of small capacity furnaces mostly for the production of Manganese alloys with the starting up of the first furnace at VISL, Bhadravati, total of 18 furnaces were commissioned by the mid-sixties to cater to the domestic steel industry's requirement.

The expansion of the industry took place between late sixties and late seventies, when thirteen more moderately sized furnaces were added to undertake production of Silicon and Chromium alloys. The third phase of expansion in the country was prompted by product diversification, availability of advanced technology and encouragement from Government by way of incentives for setting up 100% export oriented plants, to earn valuable foreign exchange.

The down turn in ferro alloys demand started in 1990s and further decelerated in 1997-98 due to over all recession in steel industry. This caused a crash in price of ferro alloys. In addition to this because of increased demand for ores from China, there was sudden rise in price of ores. Also there was increase in power cost due to withdrawal of some of the earlier concessional tariffs given in some areas. This resulted in closure of many ferro alloys plants in the country. Only those who had captive mining leases and/or captive thermal power generation plants or were located in such backward areas where concessional power tariff was extended, survived.

Again in 2002, with the increase in demand of steel, the ferro alloys market started improving. Buoyed by the rapidly growing steel demand, the Indian ferro alloy industry is now estimated at 4.5 mtpa and growing with the steel industry. Quality wise, chrome ore available in India edges over competition due to higher Cr₂O₃ and higher Cr/Fe ratio. The higher Cr/Fe and higher composition of Cr₂O₃ 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 there are 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.

To address the above issues, following measures need to be taken:

- 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%.
- For anthracite coal customs duty be brought down to Nil from current 5%.
- Customs duty on import of raw material be reduced
- 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.

- 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.
- 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

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:

- Basic custom duty on metallurgical coke is being increased from Nil to 2.5% vide notification dated 11th July, 2014.
- 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, 2013-14 stands at ₹ 63262.91 lacs as against ₹ 51787.13 lacs last year. Exports during the year saw a slight decline against last year.

Further, your company has posted a profit before tax of ₹ 4296.57 lacs this year as against loss of ₹ 3094.59 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 850 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 believes in the principles of fairness, equity, transparency, accountability and dissemination of information and in pursuing its Business operations, expansion and diversification. While pursuing its business objectives, its social responsibility towards the society, in general and environment, in particular is not ignored.

We nurture an environment to foster growth, innovation and leadership and accordingly level playing opportunity is available to all. FACOR views its employees as the most valuable assets and are an integral part of the FACOR family and together we resolve to move forward for a better future.

2. BOARD OF DIRECTORS

The Board of FACOR, which complies with the composition requirement of Listing Agreement, has individuals with exposure to various businesses, who are stalwarts in their respective work spheres. The Board, thus, is an excellent mix of knowledge and experience with an optimum ratio of executive - non executive Board members who are vigilant and provide desired security required for enhancement of organizational capabilities. To sum up, the executive - non-executive members provide for a structure of performance and control.

The composition of the Directors as on 31st March, 2014 was as follows:-

Name of the Directors	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	Yes	1	–	–
Mr. Vinod Saraf, Joint Managing Director	Executive*	1	No	4	–	–
Mr. A.S. Kapre	Non-Executive Independent	5	Yes	3	1	3
Mr. M.D. Saraf	Non-Executive*	2	No	4	–	–
Mr. S. Sridhar	Non-Executive Independent	3	Yes	1	–	–
Mr. Pinaki Misra	Non-Executive Independent	0	No	1	–	–
Mr. Rohit Saraf, Jt. Managing Director	Executive*	5	Yes	5	–	–
Mr. Ashish Saraf, Jt. Managing Director	Executive*	3	Yes	3	–	–
Mr. Arye Berest	Non-Executive Non-Independent	1	No	2	–	–
Mr. S.B. Mishra	Non-Executive Independent	2	No	3	–	3
Mr. N.L. Ajwalia	Non-Executive Independent	4	Yes	–	–	–
Mr. M.B. Thaker	Non-Executive Independent	5	Yes	1	3	–
Mr. Kesharao Pardhi	Non-Executive Independent	4	Yes	1	–	–

* Represents Promoter

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 2013-2014 the Board met 5 times on 27th May, 2013, 11th June, 2013, 12th Aug., 2013, 26th October, 2013 and 30th January, 2014 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.

There were four meetings during the year 2013-14 on 27/05/2013, 13/08/2013, 26/10/2013 & 30/01/2014. All four meetings were attended by all members, except Mr S.B. Mishra has attended only two meetings.

The composition of the Committee as on 31st March, 2014 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	4	4	Yes
Mr. S.B. Mishra, Member	Independent	4	2	No
Mr. M.B. Thaker, Member	Independent	4	4	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	–	–	Yes
Mr. S. B. Mishra , Member	Independent	–	–	No
Mr. M.B. Thaker, Member	Independent	–	–	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 2013-14 are as under:-

Name of Directors	Total Remuneration including perquisites and allowances (in ₹)	Period of Agreement
Mr. R.K. Saraf, CMD	61,77,600.14	5 years w.e.f 29th June 2010
Mr. Manoj Saraf, MD	65,83,691.14	5 years w.e.f 1st January, 2011
Mr. Vinod Saraf, JMD	65,90,643.61	5 years w.e.f 1st February, 2013
Mr. Ashish Saraf, JMD	65,93,509.14	5 years w.e.f 1st August, 2009
Mr. Rohit Saraf, JMD	65,93,233.14	5 years w.e.f 1st August, 2009
Total	3,25,38,677.17	

* The Non-Executive Directors are paid remuneration by way of sitting fee only for each meeting attended by them. Further, no significant material transactions have been made to the Non-Executive Directors vis-à-vis your Company. During the year 2013-14, they were paid sitting fee/remuneration as under:

Name of Directors	Sitting Fee Paid	No. of Equity Shares of Re. 1/- each held
Mr. A.S. Kapre	₹ 75,000/-*	–
Mr. M.B. Thaker	₹ 75,000/-*	5294
Mr. N.L. Ajwalia	₹ 40,000/-	–
Mr. S.B. Mishra	₹ 30,000/-*	–
Mr. M.D. Saraf	₹ 20,000/-	190120
Mr. Arye Berest	₹ 10,000/-	–
Mr. Pinaki Misra	₹ 0/-	–
Mr. S. Sridhar	₹ 30,000/-	–
Mr. Kesharao Pardhi	₹ 40,000/-	100
Total	₹ 3,20,000/-	

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

Status of Investors' complaints received and resolved during the year 2013-14 is as under:-

Investors complaints received	Resolved	Not solved to the satisfaction of Shareholders	No. of pending complaints
20	20	Nil	Nil

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
55 th AGM	D.P. Nagar, RANDIA - 756135, Dist. Bhadrak (Odisha)	Friday, 12th September, 2011	Yes	No
56th AGM	-DO-	Monday, 17th September, 2012	Yes	No
57th AGM	-DO-	Monday, 12th August, 2013	Yes	No

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) Disclosure of information as per SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011:

List of persons, who constitute the Group as defined under MRTTP Act, 1969 is as under:

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	30	Globalscale Investments Ltd.
2	Facor Steels Limited	31	Tusta Trading Company Inc.
3	Rai Bahadur Shreeram & Co. Pvt. Ltd.	32	UMT International Ltd.
4	Shreeram Durgaprasad Ores Pvt. Ltd.	33	Cornell Corporation SA
5	Saraf Bandhu Pvt. Ltd.	34	Facor Employees Welfare Trust
6	Facor Power Ltd.	35	FAL Employees Welfare Trust
7	Facor Realty & Infrastructure Ltd.	36	Best Minerals Ltd.
8	GDP Infrastructure Pvt. Ltd.	37	Arka Resources Pvt. Ltd..
9	Vidharba Iron & Steel Corpn. Ltd.	38	YMR Enterprise Pvt. Ltd.
10	Shreeram Shipping Services Pvt. Ltd.	39	V & G Commercial Pvt. Ltd.
11	Suchitra Investment & Leasing Ltd.	40	ARK Mercantile Pvt. Ltd.
12	Dass Paper Private Ltd.	41	Vanita Enterprises Pvt Ltd.
13	Premier Commercial Corpn.	42	NDS Minerals Pvt Ltd.
14	Geedee Sales Services	43	Raghavendra Sarkar Ventures Pvt. Ltd.
15	Godavaridevi Saraf & Sons	44	Mezeron Enterprises Pvt. Ltd.
16	Facor Energy India Ltd.	45	Vakrangee Press Limited
17	Facor Electric Limited	46	GDP Holdings Private Limited
18	Facor Solar Limited	47	Pioneer Facor IT Infradevelopers Pvt. Limited.
19	FAL Power Ventures Pvt. Ltd.	48	Cati Madencilik Ithalat Ve Ihracat Anonim Sirketi.
20	Facor Minerals Pte Ltd.	49	Asim Minerals Pvt. Ltd.
21	Deepee Sales Corporation	50	Aone Technet Private Limited
22	Facor Energy Limited,Guernsey	51	Bankey Bihari Footwears Private Limited
23	Facor Minerals (Netherlands) B.V.	52	Bitat Infosystem Private Limited
24	Facor Turkukrom Mining Netherlands B.V	53	SRX Global Private Limited
25	Investar Ltd.	54	DP Infrastructure Holdings Private Limited
26	Supervision Ltd.	55	Divyajyoti Builders Private Limited
27	Precisetec Ltd.	56	Embark Infosystems Private Limited
28	Teracota Consultancy Services Ltd.	57	Trusta Resources SL
29	Imagetec Ltd.	58	Boula Platinum Mining Private Limited

6. MEANS OF COMMUNICATION

- 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 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.

9. GENERAL SHAREHOLDERS INFORMATION**i) AGM-Date, Time and Venue:**

Date	Time	Venue
10 th September, 2014	12.00 Noon	D.P. Nagar, Randia - 756135, Bhadrak (Odisha)

ii) 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 31-3-2014	Chairman/ Member of the committee of Board of other public Limited Companies on which he was a Director as on 31-3-2014	Shares held
Mr. Ashish Saraf	13.02.1966	01.08.2004	Specialisation Industrial & Production Engineering	BE and also graduate from Harvard Business School in Owner President Management Programme	1) Facor Power Limited 2) Facor Realty and infrastructure Ltd. 3) Facor Energy India Limited 4) Vakrangee Press Ltd.	Nil	934629
Mr. Rohit Saraf	16.12.1966	01.08.2004	Mining Operations and Administration	B.Com	1) Facor Solar Limited 2) Facor Electric Limited 3) PDP Steels Limited 4) Facor Realty and Infrastructure Limited	Nil	2093366

Financial Year ending 31st March, 2014

Date of Book Closure 6th September, 2014 to 10th September, 2014 (Both days inclusive)

Dividend Payment Date Not applicable

CIN NO. L45201OR1955PLC008400**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'2013	6.90	4.38	19622.22	18144.22
May'2013	5.60	4.55	20443.62	19451.26
June'2013	5.25	2.95	19860.19	18467.16
July'2013	3.73	2.73	20351.06	19126.82
August'2013	4.87	2.75	19569.20	17448.71
September'2013	5.48	3.85	20739.69	18166.17
October'2013	6.36	4.33	21205.44	19264.72
November'2013	6.44	4.80	21321.53	20137.67
December'2013	6.00	4.55	21483.74	20568.70
January'2014	6.95	5.00	21409.66	20343.78
February'2014	5.95	4.30	21140.51	19963.12
March'2014	5.60	4.30	22467.21	20920.98

Registrar & Transfer Agents (RTA) : **Link Intime India Pvt. Ltd.**
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 15 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 Shareholding as on 31st March:

No. of equity shares held	2013-2014			2012-2013		
	No. of shareholders	No. of shares held	% of issued equity share Capital	No. of shareholders	No. of shares held	% of issued equity share capital
Up to 500	40431	3866763	2.09	41480	4066241	2.19
501 to 1000	3311	2947532	1.59	3430	3051770	1.65
1001 to 2000	1687	2778080	1.50	1731	2843126	1.54
2001 to 3000	651	1712210	0.92	662	1744940	0.94
3001 to 4000	328	1225321	0.66	308	1150027	0.62
4001 to 5000	416	2013895	1.09	400	1937749	1.05
5001 to 10000	493	3748685	2.02	465	3508778	1.89
10001 to above	534	166975755	90.13	506	166965610	90.12
Total	47851	185268241	100.00	48982	185268241	100.00

Dematerialization of shares and liquidity as on 31st March:

	2013-2014		2012-2013	
Equity Shares Held	No. of shareholders	No. of shares held	No. of shareholders held	No. of shares
Physical Mode	21616	733421	21741	737435
Electronic Mode	26235	184534820	27241	184530806
Total:	47851	185268241	49982	185268241

Shareholding pattern as on 31st March :

	2013-2014		2012-2013	
Category	No. of shares held	Percentage of Shares held	No. of shares held	Percentage of Shares
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	11126714	6.01	13235323	7.14
Others	35154518	18.98	33045909	17.85
Total:	185268241	100.00	185268241	100.00

Plant Locations:**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. : +91-6784-250311/250598/251312
Fax No.: +91-6784-251782
E-mail : facormines@dataone.in

Address for Correspondence:**For matters relating to Company's Shares****Link Intime India Pvt. Ltd.**

C-13 Pannalal Silk Mills
Compund, LBS Road,
Bhandup (W), Mumbai -400 078
Phone No. 022-2594 6970
E-mail: rnt.helpdesk@linkintime.co.in

For other matters**Corporate Office:**

Ferro Alloys Corporation Ltd.
FACOR HOUSE, Plot No. A-45 to A-50
Ground Floor, Sector 16, NOIDA - 201 301
Tel.No. : +91-120- 4171000
Fax No.: +91-120-4256700
E-mail : facordelhi@facorgroup.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

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 Re.1/- each fully paid up of all the above referred three companies in lieu of the old shares of ₹ 10/- each of FACOR were issued and mailed to the shareholders of the Company at their then registered addresses under cover of Registered Letter dated 31st 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 5All 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, 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.

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, 2014.

Place: Noida, U.P.

R.K. Saraf

Date : 26th July, 2014

Chairman & Managing Director

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, 2014, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges.

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

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

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

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

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

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

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

Place : Noida, UP
Date : 26th July, 2014

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 2014, Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

For SALVE & CO.Chartered Accountants,
(Regn. No. 109003 W)**C. A. K. P. Sahasrabudhe**

Partner

Membership No. 7021

Place : Noida, UP

Date : 29th May, 2014.

ANNEXURE TO AUDITORS' REPORT:

The Annexure referred to in our report to the members of Ferro Alloys Corporation Ltd. ('the Company') for the year ended 31st March 2014.

We report that :

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- c) The Company has not disposed 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 any 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 ₹ 769.71 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 ₹ 773.30 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 31st March, 2014 for a period of more than 6 months from the date they became payable.

- b) The disputed statutory dues aggregating to ₹ 5194.00 lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:-

Nature of dues	₹ /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
DUTY	1.13	Customs Excise & Service Tax Appellate Tribunal, Kolkata	1999-00 & 2000-01
	137.84	Asst. Commissioner, Central Excise, Customs & 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	
	61.18	Hon'ble High Court, Odisha	1995-96, 1997-98
	8.15	Jt. Secretary (Review) MOF, GOI, CBEC, Delhi	1994-95
EXCISE	2.20	Asst. Commissioner, Central Excise, Customs & Service Tax, Balasore	1981
DUTY	22.88	Central Excise & Service Tax Appellate Tribunal, West Zone Bench, Mumbai	2001-02 & 2002-03
	1190.47	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
	39.10	Jt. Commissioner, Central Excise, Customs & Service Tax, Bhubaneswar-1	2011-12, 2012-13
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
	1,393.56	Additional Commissioner, Sales Tax, Cuttack	1988-89, 1999-00, 2001-02, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 & 2011-12
	832.78	Commissioner of Sales Tax Central Zone, Cuttack	2007-08
ROYALTY	128.71	Dy. Director Mines, J.K. Road (Odisha)	2002-03, 2003-04, 2008-09 & 2009-10
DEMAND	564.19	Director (Mines), Ministry of Mines, New Delhi	2005-06
	38.82	Hon'ble High Court, Odisha	2009-10 & 2010-11
ENTRY TAX	231.83	Additional Commissioner of Sales Tax, Central Zone, Cuttack	2007-08
INTEREST	251.86	Hon'ble High Court, Odisha	2007-08
DEMAND	16.64	Dy. Director Mines, J.K. Road (Odisha)	2008-09 & 2009-10
TOTAL	5,194.00		

- x) The Company has no accumulated losses as on 31st March 2014 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. 109003 W)

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

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

BALANCE SHEET AS AT 31st MARCH, 2014



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FIFTY EIGHT
ANNUAL REPORT
2013-14

STANDALONE ACCOUNTS

(₹ in lacs)

	Note Nos	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,852.68	1,852.68
Reserves and Surplus	3	22,099.62	18,963.33
		23,952.30	20,816.01
Non-Current Liabilities			
Long-Term Borrowings	4	3,190.22	4,529.93
Deferred Tax Liabilities (Net)	5	145.77	210.53
Other Long-Term Liabilities	6	218.65	218.65
Long-Term Provisions	7	1,504.57	1,496.78
		5,059.21	6,455.89
Current Liabilities			
Short-Term Borrowings	8	6,172.73	7,663.69
Trade Payables	9	6,124.01	4,160.03
Other Current Liabilities	10	6,160.41	4,244.56
Short-Term Provisions	11	192.51	195.62
		18,649.66	16,263.90
TOTAL		47,661.17	43,535.80
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	8,683.95	7,196.55
Intangible Assets	12	15.65	550.09
Capital Work-in-Progress	12	1,023.04	1,547.59
		9,722.64	9,294.23
Non-Current Investments	13	18,733.60	16,152.03
Long-Term Loans and Advances	14	1,698.48	1,670.42
		30,154.72	27,116.68
Current Assets			
Inventories	15	8,103.00	7,267.40
Trade Receivables	16	4,042.97	4,651.38
Cash and Cash Equivalents	17	97.01	85.78
Short-Term Loans and Advances	18	5,149.72	4,335.85
Other Current Assets	19	113.75	78.71
		17,506.45	16,419.12
TOTAL		47,661.17	43,535.80
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 42		

As per our report of even date attached,

For SALVE & CO.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021

Noida, UP: 29th May, 2014

RITESH CHAUDHRY

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

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 31 st March, 2014	Year Ended 31 st March, 2013
INCOME			
Revenue from Operations	20	65,113.55	53,420.97
Other Income	21	166.01	404.34
Total Revenue		65,279.56	53,825.31
EXPENDITURE:			
Cost of Materials Consumed	22	24,727.96	18,054.42
Purchase of stock-in-Trade	23	-	335.06
Changes in Inventories of Finished Goods and Stock-in-Process	24	(644.14)	638.46
Employee Benefits Expense	25	4,307.53	3,781.08
Finance Costs	26	1,507.32	1,513.84
Depreciation and Amortisation Expense	27	926.60	919.25
Other Expenses	28	30,157.72	25,488.61
Total Expenses		60,982.99	50,730.72
Profit/(Loss) Before Tax		4,296.57	3,094.59
Tax Expenses			
Current Tax		1,260.90	590.74
Tax for Earlier Years		(35.86)	1.03
Deferred tax		(64.76)	(76.30)
		1,160.28	515.47
Profit/(Loss) for the year		3,136.29	2,579.12
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹)	29	1.69	1.39
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 42		

As per our report of even date attached,

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

For and on behalf of the Board

R.K. SARAF

Chairman & Managing Director

MANOJ SARAF

Managing Director

STANDALONE ACCOUNTS

(₹ in lacs)

	2013-14	2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	4,296.57	3,094.59
Adjustment for:		
Depreciation	978.77	958.93
Exchange difference on translation (Net)	(18.90)	(24.24)
Interest and Dividend Income	(136.05)	(102.89)
Finance Costs	1,507.32	1,513.84
Profit/Loss on Sale of Fixed Assets (Net)	6.44	(5.23)
	<u>2,337.58</u>	<u>2,340.41</u>
Operating Profit before Working Capital Changes	6,634.15	5,435.00
Adjustment for:		
Trade and Other Receivables	(308.55)	(3,171.43)
Inventories	(835.60)	376.52
Trade Payables	3,977.48	(1,645.52)
Others	0.05	0.21
	<u>2,833.38</u>	<u>(4,440.22)</u>
Cash Generated from Operations	9,467.53	994.78
Direct Taxes Paid/Adjusted	<u>(1,220.62)</u>	<u>(300.13)</u>
	<u>(1,220.62)</u>	<u>(300.13)</u>
Net Cash Flow from Operating Activities	8,246.91	694.65
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,423.69)	(1,113.97)
Sale of Fixed Assets	10.07	114.47
Purchase of Investments	(2,581.57)	(1,755.40)
Interest and Dividend Income	97.70	112.90
Net Cash Flow (used in) /from Investing Activities	(3,897.49)	(2,642.00)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long and Short Term Borrowings	(2,876.08)	2,771.36
Finance Costs Paid	(1,462.01)	(1,513.94)
Dividend/Corporate Tax on Dividend Paid	(0.05)	(0.20)
Net Cash Flow (used in)/from Financing Activities	(4,338.14)	1,257.22
Net Increase/(Decrease) in Cash and Cash Equivalents	11.28	(690.13)
Opening Balance of Cash and Cash Equivalents	66.56	756.69
Closing Balance of Cash and Cash Equivalents	77.84	66.56
Net Increase/(Decrease) in Cash and Cash Equivalents	11.28	(690.13)

As per our report of even date attached,

For SALVE & CO.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner
Membership No. 7021

Noida, UP: 29th May, 2014

RITESH CHAUDHRY

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

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 86% 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 :

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

(g) Investments :

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

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

(h) Current Assets :

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

(i) Revenue Recognition :

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

(j) Employee Benefits :

- (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.

STANDALONE ACCOUNTS

(k) Borrowing Costs :

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

(l) Provision for Current and deferred Tax :

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

(m) Contingent liabilities :

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

	As at 31st March, 2014	(₹ in lacs) As at 31st March, 2013
2. SHARE CAPITAL		
Authorised Share Capital:		
220,000,000 (Previous Year - 220,000,000) Equity Shares of ₹ 1/- each	2200.00	2200.00
800,000 (Previous Year - 5,000,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	800.00	800.00
TOTAL	3000.00	3000.00
Issued, Subscribed and Paid up:		
185,268,241 (Previous Year - 185,268,241) Equity Shares of ₹ 1/- each fully paid-up	1852.68	1852.68
TOTAL	1852.68	1852.68

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	69,448,883	37.49%	69,448,883	37.49%
Mohinidevi Umashankar Saraf	15,672,291	8.46%	-	-
Cornell Corporation	-	-	14,472,291	7.81%

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	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.

STANDALONE ACCOUNTS

(₹ in lacs)

As at 31st March, 2014	As at 31st March, 2013
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3. RESERVES AND SURPLUS**Capital Reserve**

Balance as at the beginning and end of the year	439.24	439.24
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General Reserve:

Balance as per last Balance Sheet	12,100.00	12,100.00
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Add : Transferred from Statement of Profit and Loss	5,000.00	-
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	17,100.00	12,100.00
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Statement of Profit and Loss

Balance as at the beginning of the year	6,424.09	3,844.97
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Add: Profit/(Loss) for the year	3,136.29	2,579.12
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	9,560.38	6,424.09
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Less : Appropriations

Transferred to General Reserve	5,000.00	-
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	4,560.38	6,424.09
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TOTAL	22,099.62	18,963.33
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4. LONG-TERM BORROWINGS**Secured**

From Banks: Rupee Term Loan Account (Refer Note 4.1)	1,865.26	2,829.17
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Unsecured

From related parties (Refer Note 4.2)	769.71	1,179.71
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Others	540.00	500.00
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	1,309.71	1,679.71
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Deferred payment liabilities (Refer Note 4.3)	15.25	21.05
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	1,324.96	1,700.76
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TOTAL	3,190.22	4,529.93
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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 Rs.1414.58 lacs (Previous Year Rs.2829.17 lacs)

Secured by hypothecation of Metal Recovery Plant and second pari-passu charge on other fixed assets of the company and guaranteed by two directors - Rs.450.68 lacs (Previous Year Rs. NIL)

Terms of repayment : Payable in equal quarterly instalments.

4.2 Terms of repayment : Payable after 31st March, 2015

4.3 Terms of repayment : Payable in equal monthly instalments.

5. DEFERRED TAX LIABILITIES (NET)**Deferred Tax Liability:**

Difference between Book and Income Tax depreciation	447.15	494.34
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Deferred Tax Assets

Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	301.38	283.81
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Net Deferred Tax Liability	145.77	210.53
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STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
6. OTHER LONG-TERM LIABILITIES	218.65	218.65
TOTAL	218.65	218.65
7. LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	295.95	288.16
Others	1,208.62	1,208.62
TOTAL	1,504.57	1,496.78
8. SHORT-TERM BORROWINGS		
From Banks : (Secured)		
Cash Credit / Packing Credit Accounts (Refer Note 8.1)	4,242.85	4,206.01
Bills Discounted	1,929.88	3,457.68
TOTAL	6,172.73	7,663.69
8.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts, and other receivables and by way of second charge on fixed assets of the Company by deposit of title deeds in respect of immovable properties and guaranteed by two Directors.		
9. TRADE PAYABLES		
Trade Payables	6,124.01	4,160.03
TOTAL	6,124.01	4,160.03
Small scale industrial undertakings to whom ₹ 141 (Previous Year ₹ 1122) are due for a period exceeding 30 days have been identified based on the information available with the Company and are as follows :		
ESBI Hiflex Pvt. Ltd.		
10. OTHER CURRENT LIABILITIES		
Current maturities of long-term debts -		
Rupee Term Loan from Banks (Secured) (Refer Note 4.1)	1,858.36	1,768.23
Interest accrued but not due on borrowings	0.25	0.35
Interest accrued and due on borrowings	52.83	7.42
Unpaid dividends	18.32	18.37
Other Payables*	4,230.65	2,450.19
TOTAL	6,160.41	4,244.56
* Includes statutory dues, security deposits and advance from customers.		
11. SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	138.08	97.76
For Taxation	54.43	97.86
TOTAL	192.51	195.62

STANDALONE ACCOUNTS

12. FIXED ASSETS

(₹ in lacs)

Particulars	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	Upto 1.04.2013	For the Year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
(I) Tangible Assets										
Land Leased	17.39	—	—	17.39	—	—	—	—	17.39	17.39
Land Freehold	2,543.06	—	—	2,543.06	—	—	—	—	2,543.06	2,543.06
Buildings	3,561.72	1,110.12	—	4,671.84	1,805.86	103.51	—	1,909.37	2,762.47	1,755.86
Railway Sidings	86.58	—	—	86.58	82.25	—	—	82.25	4.33	4.33
Plant and Machineries	8,107.38	732.66	—	8,840.04	5,975.80	206.39	—	6,182.19	2,657.85	2,131.58
Office and Other Equipments	579.74	60.68	12.82	627.60	342.64	42.60	10.09	375.15	252.45	237.10
Furniture and Fixtures	242.93	9.97	7.18	245.72	146.91	10.18	2.33	154.76	90.96	96.02
Vehicles	977.73	34.81	17.43	995.11	566.52	81.65	8.50	639.67	355.44	411.21
	16,116.53	1,948.24	37.43	18,027.34	8,919.98	444.33	20.92	9,343.39	8,683.95	
Previous Year	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										
Goodwill	5,344.39	—	—	5,344.39	4,794.30	534.44	—	5,328.74	15.65	
Previous Year	5,344.39	—	—	5,344.39	4,259.87	534.43	—	4,794.30		550.09
Capital Work-in-Progress									1,023.04	1,547.59
Total:									9,722.64	9,294.23

(₹ in lacs)

13. NON-CURRENT INVESTMENTS

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

Trade Investments : (At Cost)

In Equity Shares of Subsidiary Companies - Unquoted, fully paid up		
178,100,000 (Previous Year - 153,124,369) Facor Power Limited of ₹ 10/- each	18,618.21	16,120.65
100,000 (Previous Year - 100,000) Facor Realty & Infrastructure Ltd. of ₹ 10/- each	10.00	10.00
102,001 (Previous Year 7,001) Facor Energy Ltd. of GBP 1 each	89.63	5.62
	18,717.84	16,136.27
In Equity Shares of Associated Companies- 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
	10.00	10.00
Others - 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	1.05	1.05
7 Years National Savings Certificates	0.05	0.05
Deposited with Government/Semi Government Authorities as Security Deposit.	1.10	1.10
TOTAL	18,733.60	16,152.03
Aggregate cost of Quoted Investments	10.00	10.00
Market Value of Quoted Investments	9.25	10.55
Aggregate amount of Unquoted Investments	18,723.60	16,142.03

14. LONG-TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

Capital Advance	113.33	96.53
Security Deposits	1,585.15	1,573.89
TOTAL	1,698.48	1,670.42

STANDALONE ACCOUNTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
15. INVENTORIES		
(As per Inventory taken, valued and as certified by the Management)		
(At cost unless otherwise stated)		
Raw Materials (includes in transit ₹ 26.23 lacs, Previous Year ₹ Nil)	3,022.38	2,697.26
Stock-in-Process (At Cost or Net realisable value whichever is lower)	178.58	130.45
Finished Goods (At Cost or Net realisable value whichever is lower)	4,463.76	3,867.75
Stores and Spare Parts (includes in transit ₹ 10.56 lacs, Previous Year ₹ 9.55 lacs)	407.14	529.47
Loose Tools	31.14	42.47
TOTAL	8,103.00	7,267.40
16. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	33.26	73.76
Others	4,009.71	4,577.62
TOTAL	4,042.97	4,651.38
17. CASH AND CASH EQUIVALENTS		
Cash in hand	13.69	8.04
Cheques in hand	1.95	–
With Scheduled Banks:		
In Current Accounts	62.20	58.52
In Current Accounts - For Unpaid Dividend	19.17	19.22
TOTAL	97.01	85.78
18. SHORT- TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	117.68	186.86
Others	5,032.04	4,148.99
TOTAL	5,149.72	4,335.85
19. OTHER CURRENT ASSETS		
Interest accrued on Deposits	111.82	76.67
Claims Recoverable	1.93	2.04
TOTAL	113.75	78.71
20. REVENUE FROM OPERATIONS		
Sale of products, less returns	64,646.25	50,472.47
Sale of Services	–	3,239.39
	64,646.25	53,711.86
Less: Excise Duty	1,383.34	1,924.73
	63,262.91	51,787.13
Add: Export Incentives	1,850.64	1,633.84
TOTAL	65,113.55	53,420.97
	Gross Sales	
	Year Ended	Year Ended
	31st March, 2014	31st March, 2013
20.1 PARTICULARS OF SALE OF PRODUCTS		
Ferro Alloys	51,667.48	36,662.70
Chrome Ore	12,954.84	13,779.91
Off Grade / By-products	23.93	29.86
Services rendered (Conversion Charges)	–	3,239.39
TOTAL	64,646.25	53,711.86

		STANDALONE ACCOUNTS	
		(₹ in lacs)	
		Year Ended 31st March, 2014	Year Ended 31st March, 2013
21. OTHER INCOME			
Interest Income:			
Interest on Deposits		6.39	0.51
Other Interest		129.66	102.38
Miscellaneous receipts		45.43	37.66
Profit /(Loss) on Fixed Assets Sold/Discarded (Net)		(6.44)	5.23
Foreign Exchange Gain		-	254.01
Liabilities/Provisions no longer required written back (Net)		(9.03)	4.55
TOTAL		166.01	404.34
22. COST OF MATERIALS CONSUMED			
Opening stock of Materials		2,697.26	2,464.68
Add: Purchases (Refer Note 31)		25,053.08	18,287.00
		27,750.34	20,751.68
Less: Closing stock of Materials		3,022.38	2,697.26
Cost of Materials Consumed		24,727.96	18,054.42
22.1 PARTICULARS OF MATERIALS CONSUMED			
Chrome Ore/Concentrate/Others		16,303.09	10,973.15
Coke and Coal		7,760.26	6,360.24
Quartz		119.53	79.74
Carbon paste/Electrode paste		513.98	459.92
Miscellaneous		31.10	181.37
TOTAL		24,727.96	18,054.42
23. PURCHASE OF STOCK IN TRADE			
Traded Goods		-	335.06
TOTAL		-	335.06
24. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN PROCESS			
Closing stock			
Finished Goods	4,463.76	3,867.75	
Stock-in-Process	178.58	130.45	
	4,642.34		3,998.20
Opening stock:			
Finished Goods	3,867.75	4,454.07	
Stock-in-Process	130.45	182.59	
	3,998.20		4,636.66
Decrease/(Increase) in Inventories		(644.14)	638.46
25. EMPLOYEE BENEFITS EXPENSE			
Salaries, Wages and Bonus		2,995.88	2,635.87
Contribution to Provident and Other Funds		509.55	462.29
Welfare Expenses		490.70	430.30
Directors' Remuneration		311.40	252.62
TOTAL		4,307.53	3,781.08

STANDALONE ACCOUNTS		
(₹ in lacs)		
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
26. FINANCE COSTS		
Interest:		
On Fixed Loan	537.34	674.80
On Others	930.84	835.01
	1,468.18	1,509.81
Other Borrowing Costs	39.14	4.03
TOTAL	1,507.32	1,513.84
27. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	392.16	384.82
Amortisation	534.44	534.43
TOTAL	926.60	919.25
Depreciation is excluding ₹ 52.17 lacs (Previous Year ₹ 39.68 lacs) considered under cost of material consumed (Refer Note 31)		
28. OTHER EXPENSES		
Power and Fuel	14,570.22	12,593.31
Mining, Handling and other Production Expenses	5,146.31	4,957.62
Freight, Shipment and Sales Expenses	2,766.10	1,453.11
Royalty	1,875.62	1,739.40
Stores and Spares	182.55	237.58
Works Expenses	1,316.76	1,372.87
Transport Expenses	196.04	203.22
Repairs and Maintenance to Plant and Machinery	1,144.67	1,177.17
Repairs and Maintenance to Buildings	1,831.77	1,094.91
Insurance	32.78	29.83
Rent	193.05	179.71
Rates and Taxes	75.65	75.89
Commission and Brokerage on Sales	676.86	308.29
Donations	9.50	4.80
Payments to Auditors	8.36	7.40
Directors' Sitting Fees	3.20	4.05
Foreign Exchange Loss	4.88	-
Miscellaneous Expenses	123.40	49.45
TOTAL	30,157.72	25,488.61
28.1 PAYMENTS TO AUDITORS		
(A) Statutory Auditor		
Audit Fees	4.25	3.85
Tax Audit Fees	0.15	0.15
Certification and Consultation Fees	0.27	0.18
Reimbursement of Expenses	2.02	1.68
Sub-Total (A)	6.69	5.86
(B) Cost Auditor		
Audit Fees	0.60	0.60
Management Services	0.50	0.50
Certification and Consultation Fees	0.24	0.24
Reimbursement of Expenses	0.33	0.20
Sub-Total (B)	1.67	1.54
TOTAL (A + B)	8.36	7.40

STANDALONE ACCOUNTS
(₹ in lacs)

Year Ended 31st March, 2014	Year Ended 31st March, 2013
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29. EARNING PER SHARE (BASIC AND DILUTED)

(i) Net Profit after Tax	3,136.29	2,579.12
(ii) Weighted average number of equity shares (Nos. in lacs)	1,852.68	1,852.68
(iii) Earning per Share: (₹ per share)	1.69	1.39

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

Defined Contribution Plan :

Amount of ₹ 245.23 (Previous Year ₹ 246.31) 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	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	1,395.13	385.92	1,171.37	337.06
Interest Cost	111.61	30.87	93.71	26.96
Current Service Cost	70.69	31.51	63.04	27.72
Actuarial Losses/(Gains)	187.50	82.08	154.40	60.89
Benefits Paid	(166.62)	(96.34)	(87.39)	(66.71)
Present value of Defined Benefit Obligation at the close of the year	1,598.31	434.04	1,395.13	385.92

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the beginning of the year	1,155.12	-	1,059.97	-
Add : Expected Return on Plan Assets	92.41	-	84.80	-
Add/(Less) : Actuarial Gains/(Losses)	179.70	-	97.74	-
Add : Contributions	120.00	-	-	-
Less : Benefits Paid	(166.62)	-	(87.39)	-
Fair Value of Plan Assets at the close of the year	1,380.61	-	1,155.12	-

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,598.31	434.04	1,395.13	385.92
Less : Fair Value of Plan Assets	1,380.61	-	1,155.12	-
Present Value of unfunded obligation	217.70	434.04	240.01	385.92

STANDALONE ACCOUNTS

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

(₹ in lacs)

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Current Service Cost	70.69	31.51	63.04	27.72
Interest Cost	111.61	30.87	93.71	26.96
Expected return on Plan Asset	(92.41)	–	(84.80)	–
Net actuarial loss/(gain)	7.80	82.08	56.66	60.89
Net periodic cost	97.69	144.46	128.61	115.57

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

(₹ in lacs)

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Mortality table	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)
Discount Rate	8%	8%	8%	8%
Salary Escalation Rate	5%	5%	5%	5%

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

(₹ in lacs)

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	240.01	385.92	111.40	337.06
Expenses as above	97.69	144.46	128.61	115.57
Contributions Paid	(120.00)	(96.34)	–	(66.71)
Closing net liability	217.70	434.04	240.01	385.92

(g) Other Disclosures :

(₹ in lacs)

Particulars	2013-14		2012-13		2011-12		2010-11	
	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment	Gratuity	PL Encashment
Defined Benefit Obligation	1,598.31	434.04	1,395.13	385.92	1,171.37	337.06	1,009.98	301.33
Plan Assets	1,380.61	–	1,155.12	–	1,059.97	–	966.03	–
Surplus/(Deficit)	(217.70)	(434.04)	(240.01)	(385.92)	(111.40)	(337.06)	(43.95)	(301.33)

(₹ in lacs)

31. Raw Material Purchases include following being processing expenses:

	2013-14	2012-13
Power and Fuel	82.36	56.21
Salaries and other benefits to employees	123.76	103.45
Operating and other expenses	859.84	541.00
Depreciation	52.17	39.68
	<u>1,118.13</u>	<u>740.34</u>

STANDALONE ACCOUNTS

(₹ in lacs)

	2013-14		2012-13	
	₹ in lacs	Percentage	₹ in lacs	Percentage
32. (a) 1. Value of Consumption of imported Raw Materials	2,942.41	11.90	1,501.04	8.31
2. Value of Consumption of indigenous Raw Materials	21,785.55	88.10	16,553.38	91.69
	<u>24,727.96</u>	<u>100.00</u>	<u>18,054.42</u>	<u>100.00</u>
(b) 1. Value of Consumption of imported Components and Spare Parts:	257.65	8.82	166.67	7.14
2. Value of Consumption of indigenous Components and Spare Parts:	2,662.80	91.18	2,166.73	92.86
	<u>2,920.45</u>	<u>100.00</u>	<u>2,333.40</u>	<u>100.00</u>
33. C.I.F. Value of Imports :				(₹ in lacs)
			<u>2013-14</u>	<u>2012-13</u>
(a) Raw Materials			3,195.96	1,208.67
(b) Components, Stores and Spare Parts			205.92	126.51
TOTAL			<u>3,401.88</u>	<u>1,335.18</u>
34. Expenditure in Foreign Currency :				
(i) Commission on Sales			658.83	257.98
(ii) Legal & Professional Charges			-	81.66
(iii) Interest			-	28.48
(iv) Travelling Expenses			27.02	17.02
(v) Subscription			11.04	8.48
(vi) Miscellaneous			10.61	8.66
TOTAL			<u>707.50</u>	<u>402.28</u>
35. Earnings in Foreign Exchange on account of Export of Goods on F.O.B. basis			42,344.63	23,351.09
36. 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.				
37. Contingent Liabilities and Commitments				
(I) Contingent Liabilities :				
(a) Claims against the Company not acknowledged as debts, since disputed ₹ 4,848.54 lacs (Previous Year ₹ 3,933.25 lacs). Amounts paid under protest ₹ 352.83 lacs (Previous Year ₹ 282.83 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 ₹ 848.49 Lacs (Previous Year ₹ 243.51 lacs).				
38. (a) The Company has given corporate guarantee to Rural Electrification Corporation Ltd. (REC) in connection with granting a facility of Term Loan of ₹ 46,704 Lacs (Previous Year ₹ 39,768 Lacs) to Facor Power Ltd. (FPL). The Company has also pledged 15,10,74,299 shares (Previous Year 8,68,24,299 shares) with REC out of 17,81,00,000 shares (Previous Year 15,31,24,369 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) for providing Working Capital Facilities to FPL.				

STANDALONE ACCOUNTS

39. Details on Segment Reporting:

(₹ in lacs)

DESCRIPTION	FERRO ALLOYS		CHROME ORE		CONSOLIDATED TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1) REVENUE						
External Sales	51,009.80	38,702.49	2,821.80	5,229.57	53,831.60	43,932.06
Inter Segment Sales	-	-	9,431.31	7,855.07	9,431.31	7,855.07
Total Revenue	51,009.80	38,702.49	12,253.11	13,084.64	63,262.91	51,787.13
2) RESULT						
Segment Result before Interest & Tax	4,920.32	3,005.22	883.57	1,603.21	5,803.89	4,608.43
Unallocated Expenses					-	-
Finance Costs	(1,221.19)	(1,222.96)	(286.13)	(290.88)	(1,507.32)	(1,513.84)
Tax Expense					(1,160.28)	(515.47)
Profit / (Loss) from ordinary activities					3,136.29	2,579.12
Extraordinary Loss					-	-
NET PROFIT / (LOSS)			3,136.29	2,579.12		
3) OTHER INFORMATION						
Segment Assets	9,178.68	7,545.25	19,748.89	19,838.52	28,927.57	27,383.77
Unallocated Corporate Assets					18,733.60	16,152.03
Total Assets					47,661.17	43,535.80
Segment Liabilities	9,316.03	7,051.64	4,277.97	3,080.30	13,594.00	10,131.94
Unallocated Corporate Liabilities					218.52	326.76
Total Liabilities					13,812.52	10,458.70
Capital Expenditure	927.73	459.89	495.96	654.08	1,423.69	1,113.97
Depreciation / Amortisation	504.22	555.01	474.55	403.92	978.77	958.93
Non Cash expenditure other than Depreciation / Amortisation	4.76	2.28	11.11	0.70	15.87	2.98

40. 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) Vinod Saraf | Joint Managing Director |
| iv) Rohit Saraf | Joint Managing Director |
| v) Ashish Saraf | Joint Managing Director |

D. Relative of a Key Management Personnel :

- i) Mrs. Priti Saraf

STANDALONE ACCOUNTS

(₹ in lacs)

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

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
i) Sale of Goods			3,026.12	5,566.79	-	-
ii) Purchase of Goods	12,848.93	9,545.94	-	335.06	-	-
iii) Rent paid	-	-	85.91	86.77	15.00	15.00
iv) Interest paid	-	-	50.06	50.90	-	-
v) Interest received	-	-	-	12.62	-	-
vi) Donation paid	-	-	2.00	-	-	-
vii) Short Term Loans & Advances given	(69.06)	143.15	(0.11)	(129.01)		
viii) Clearing & forwarding and other service charges	-	-	16.20	9.68	-	-
ix) Long Term Borrowings	-	-	(410.00)	-	-	-
x) Other Current Liabilities	-	-	2,026.82	689.65	-	-
xi) Directors' remuneration	-	-	-	-	322.98	267.23
xii) Share Application Pending Allotment	-	-	-	-		
xiii) Investments	2,581.57	1,755.40	-	-	-	-
xiv) Balances outstanding at the year end						
a) Short Term Loans & Advances	101.99	171.06	15.68	15.80	-	-
b) Trade Payable	465.88	315.83	1.02	335.06	-	-
c) Trade Receivable	-	-	-	-	-	-
d) Long Term Borrowings	-	-	769.71	1,179.71	-	-
e) Other Current Liabilities	-	-	2,030.72	693.54		
f) Managerial Remuneration Payable:			-	-	231.72	167.56

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

42. 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. 7021Noida, UP: 29th May, 2014

RITESH CHAUDHRY

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

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") its subsidiaries, associates which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (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 ₹ 66,463.79 Lacs as at 31st March, 2014, total revenues of ₹ 12,429.25 Lacs and net cash flows amounting to ₹ 17.94 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.

The consolidated financial statements also reflect the group's share of loss of ₹ 0.06 Lacs in respect of the consolidated profits of an associate, for the year ended 31st March, 2014, whose financial statements have been audited by other auditor. Our opinion in so far as it relates to the amount included in respect of this associate is based solely on the report of the other auditor furnished to us.

For SALVE & CO.

Chartered Accountants,
(Regn. No. 109003 W)

C. A. K. P. Sahasrabudhe

Partner

Membership No. 7021

Place : Noida, UP

Date : 29th May, 2014.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014



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ANNUAL REPORT
2013-14

CONSOLIDATED ACCOUNTS

(₹ in lacs)

	Note Nos		As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	1,852.68		1,852.68
Reserves and Surplus	3	14,188.18		14,054.13
			16,040.86	15,906.81
Minority Interest				
			1,212.78	1,739.26
Non-Current Liabilities				
Long-Term Borrowings	4	45,648.40		39,473.11
Deferred Tax Liabilities (Net)		145.77		210.53
Other Long-Term Liabilities	5	632.48		788.55
Long-Term Provisions	6	1,534.25		1,525.75
			47,960.90	41,997.94
Current Liabilities				
Short-Term Borrowings	7	8,683.19		11,700.56
Trade Payables	8	7,500.54		5,835.05
Other Current Liabilities	9	16,679.65		13,053.84
Short-Term Provisions	10	196.16		198.12
			33,059.54	30,787.57
TOTAL			98,274.08	90,431.58
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	11	64,964.18		40,605.97
Intangible Assets	11	3,712.28		2,988.37
Capital Work-in-Progress	11	8,022.13		26,106.23
		76,698.59		69,700.57
Non-Current Investments	12	14.86		14.92
Long-Term Loans and Advances	13	1,896.88		2,587.44
Other Non- Current Assets	14	146.71		144.13
			78,757.04	72,447.06
Current Assets				
Inventories	15	9,531.73		8,257.43
Trade Receivables	16	4,076.05		4,671.50
Cash and Cash Equivalents	17	345.74		316.57
Short-Term Loans and Advances	18	5,388.26		4,601.92
Other Current Assets	19	175.26		137.10
			19,517.04	17,984.52
TOTAL			98,274.08	90,431.58
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

Noida, UP: 29th May, 2014

RITESH CHAUDHRY

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

MANOJ SARAF

Managing Director

CONSOLIDATED ACCOUNTS

(₹ in lacs)

	Note Nos	Year Ended 31st March, 2014	Year Ended 31st March, 2013
INCOME			
Revenue from Operations	20	65,196.76	53,522.17
Other Income	21	194.22	438.07
Total Revenue		65,390.98	53,960.24
EXPENDITURE:			
Cost of Materials Consumed	22	34,027.36	25,998.14
Purchase of Stock-in-Trade	23	-	335.06
Changes in Inventories of Finished Goods and Stock-in-Process	24	(644.14)	638.46
Employee Benefits Expense	25	4,807.71	4,158.10
Finance Costs	26	5,693.25	4,740.93
Depreciation and Amortisation Expense	27	2,862.78	2,545.23
Other Expenses	28	19,128.16	17,228.10
Total Expenses		65,875.12	55,644.02
Profit/(Loss) Before Tax		(484.14)	(1,683.78)
Tax Expenses			
Current Tax		1,260.90	590.74
Tax for Earlier Years		(35.86)	1.03
Deferred Tax		(64.76)	(76.30)
		1,160.28	515.47
Profit/(Loss) after Tax but before share of Profit / Loss from ... Associate & Minority Interest		(1,644.42)	(2,199.25)
Share of Profit / (Loss) from Associate After Tax		(0.06)	0.16
Minority Interest		(666.46)	(740.38)
Profit/(Loss) For the Year		(978.02)	(1,458.71)
Earning per equity share of face value of ₹ 1/- each			
Basic and Diluted (in ₹)	29	(0.53)	(0.79)
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

Noida, UP: 29th May, 2014

RITESH CHAUDHRY

General Manager (Legal)
& Company Secretary

Noida, UP: 29th May, 2014

For and on behalf of the Board,

R.K. SARAF

Chairman & Managing Director

MANOJ SARAF

Managing Director

	2013-14	2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	(484.14)	(1,683.78)
Add: Income from associate after Tax	(0.06)	0.16
Adjustment for:		
Depreciation	2,914.94	2,584.91
Exchange difference on translation (Net)	(18.90)	(24.24)
Interest and Dividend Income	(160.89)	(112.80)
Finance Costs	5,693.25	4,740.93
Sale of project scrap	(2.61)	(19.03)
Rental Income	(0.80)	(4.79)
Profit/Loss on Sale of Fixed Assets (Net)	13.39	(5.23)
	8,438.38	7,159.75
Operating Profit before Working Capital Changes	7,954.18	5,476.13
Adjustment for:		
Trade and Other Receivables	420.90	(1,425.84)
Inventories	(1,274.30)	(302.78)
Trade Payables	5,234.60	6,291.85
Others	1.99	1,594.98
	4,383.19	6,158.21
	12,337.37	11,634.34
Cash Generated from Operations		
Direct Taxes Paid/Adjusted	(1,220.62)	(300.13)
	(1,220.62)	(300.13)
Net Cash Flow from Operating Activities	11,116.75	11,334.21
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets and Capital work in progress	(8,679.08)	(11,893.40)
Addition to Intangibles	(1,258.35)	(564.68)
Sale of Fixed Assets	11.07	114.47
Purchase of Investments	0.06	1.24
Interest and Dividend Income	123.16	106.06
Net Cash Flow (used in) /from Investing Activities	(9,803.14)	(12,236.31)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long and Short Term Borrowings	3,157.92	4,213.59
Other Non- Current Assets	(2.58)	(27.14)
Finance Costs Paid	(5,693.25)	(4,740.93)
Miscellaneous Expenditure/Income	3.41	23.82
Cash Flow used in Financing Activities	(2,534.50)	(530.66)
Adjustment to networth on consolidation		
i) Foreign Currency Translation Reserve	(6.30)	(2.99)
ii) Adjustment to minority interest	-	220.00
iii) Adjustment on account of consolidation	1,258.35	518.50
	1,252.05	735.51
	(1,282.45)	204.85
Net Increase/(Decrease) in Cash and Cash Equivalents	31.16	(697.25)
Opening Balance of Cash and Cash Equivalents	88.86	786.11
Closing Balance of Cash and Cash Equivalents	120.02	88.86
Net Increase/(Decrease) in Cash and Cash Equivalents	31.16	(697.25)

As per our report of even date attached,

For SALVE & CO.

Chartered Accountants
(Regn.No. 109003W)

C.A. K.P. SAHASRABUDHE

Partner

Membership No. 7021

Noida, UP: 29th May, 2014

RITESH CHAUDHRY

General Manager (Legal)

& Company Secretary

Noida, UP: 29th May, 2014

For and on behalf of the Board

R.K. SARAF

Chairman & Managing Director

MANOJ SARAF

Managing Director

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 and associate companies in terms of Accounting Standard 21 & Accounting Standard 23 notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

Subsidiary Companies

Sl. No.	Name of the Subsidiary	Proportion of ownership & Voting Power	Country of Incorporation
1.	Facor Realty & Infrastructure Ltd. (FRIL)	100.00%	India
2.	Facor Power Limited (FPL)	86.00%	India
3.	Facor Energy Limited (FEL)	100.00%	Guernsey

Associate Company

Sl. No.	Name of the Associate	Proportion of ownership & Voting Power	Country of Incorporation
1.	Boula Platinum Mining Private Limited	30.00%	India

FPL is engaged in generation and supply of Power and is setting up a 100 MW (2*50MW) 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 second phase of the Project (2nd Turbine of 50 MW and 2nd Boiler) has been commissioned and synchronized on 11th March, 2014. 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.
- (i) Investments in Associate Company has been accounted under the equity method as per (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements".
- (j) The difference between the cost of investments in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (B) Investments other than 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.

CONSOLIDATED ACCOUNTS

(₹ in lacs)

2. SHARE CAPITAL

Authorised Share Capital:

	As at 31st March, 2014	As at 31st March, 2013
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
TOTAL	3000.00	3000.00

Issued, Subscribed and Paid up:

185,268,241 (Previous Year - 185,268,241) Equity Shares of ₹ 1/- each fully paid-up	1852.68	1852.68
TOTAL	1,852.68	1,852.68

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

Name of the Shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Rai Bahadur Shreeram and Company Private Limited	69,448,883	37.49%	69,448,883	37.49%
Mohinidevi Umashankar Saraf	15,672,291	8.46%	-	-
Cornell Corporation	-	-	14,472,291	7.81%

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

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

(₹ in lacs)

As at 31 st March, 2014	As at 31 st March, 2013
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3. RESERVES AND SURPLUS**Capital Reserve**

Balance as at the beginning and end of the year	439.24	439.24
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Foreign Currency Translation Reserve:

Balance as at the beginning of the year	(2.82)	0.17
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Add: Movement during the year	(6.30)	(2.99)
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Balance as at the end of the year	(9.12)	(2.82)
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General Reserve:

Balance as at the beginning of the year	12,100.00	12,100.00
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Add : Transferred from Statement of Profit & Loss	5,000.00	–
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Balance as at the end of the year	17,100.00	12,100.00
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Statement of Profit and Loss

Balance as at the beginning of the year	1,517.71	2,471.95
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Add: Profit/(Loss) for the year	(978.02)	(1,458.71)
---------------------------------------	----------	------------

Less: Transferred to Goodwill on Consolidation	1,258.35	518.50
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Change in Minority Interest	139.98	14.03
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Appropriations:

Transferred to General Reserve	5,000.00	–
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6,398.33		532.53
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(4,859.65)		(954.24)
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Balance as at the end of the year	(3,341.94)	1,517.71
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TOTAL	14,188.18	14,054.13
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4. LONG-TERM BORROWINGS**Secured**

From Banks & Financial Institution : Rupee Term Loan Account

– From Banks (Refer Note 4.1)	1,865.26	2,829.17
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– From Rural Electrification Corporation Limited (Refer Note 4.2 (a) and (b))	42,458.18	34,943.18
---	-----------	-----------

	44,323.44	37,772.35
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Unsecured

From related parties (Refer Note 4.3)	769.71	1,179.71
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Others	540.00	500.00
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1,309.71		1,679.71
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Deferred payment liabilities (Refer Note 4.4 (a) and (b))	15.25	21.05
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1,324.96		1,700.76
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TOTAL	45,648.40	39,473.11
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4.1 – Loan of ₹ 1,414.58 Lacs (Previous Year ₹ 2,829.17 lacs) Secured by first pari passu charge on fixed assets of the Company and second charge on current assets and guaranteed by two Directors.

– Loan of ₹ 450.68 Lacs (Previous Year ₹ NIL) Secured by hypothecation of Metal Recovery Plant and second pari-passu charge on other fixed assets of the company and guaranteed by two directors.

– Terms of repayment: Payable in equal quarterly instalments

4.2 (a) Loan of ₹ 42,458.18 (Previous Year ₹ 34,943.18 lacs) from Rural Electrification Corporation Limited (REC) is secured by first charge on all present & future immoveable properties except leasehold lands, moveable fixed assets including project assets, book debts, commission receivables, intangibles, goodwill, uncalled capital. It is further secured by first charge on all insurance contracts / insurance

CONSOLIDATED ACCOUNTS

proceeds including the insurance contracts related to the project within a period of six months from the date of initial disbursement and contractors guarantee, performance bond & letter of credit. Pledge of 76% (previous year 51%) fully paid up share capital of the project as collateral security and personal guarantee of two Promoter Directors.

- (b) Term loan from REC is re-payable in 44 equal quarterly instalment. Interest of ₹ 3,155.97 lacs due on term loan is outstanding for the period September 30, 2013 to March 30, 2014 (previous year ₹ 2,449.72 lacs for the period September 30, 2012 to March 30, 2013).

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
4.3 Terms of repayment : Payable after 31 st March, 2015.		
4.4 (a) Vehicle loan is secured against hypothecation of sepecified vehicles.		
(b) Terms of repayment : Payable in equal monthly instalments.		
5. OTHER LONG-TERM LIABILITIES	632.48	788.55
TOTAL	632.48	788.55
6. LONG-TERM PROVISIONS		
Provision for Employee Benefits:		
P.L.Encashment (Unfunded)	309.43	303.64
Gratuity	16.20	13.49
Others	1,208.62	1,208.62
TOTAL	1,534.25	1,525.75
7. SHORT-TERM BORROWINGS		
From Banks: (Secured)		
Cash Credit / Packing Credit Accounts } (Refer Note 7.1 & 7.2)	5,762.92	5,733.38
Bills Discounted	1,929.88	3,457.68
TOTAL	7,692.80	9,191.06
Unsecured :		
Loan from Related Parties	523.89	1,290.00
Deposits	466.50	1,219.50
TOTAL	8,683.19	11,700.56
7.1 Cash Credit facility of ₹ 1,520.07 lacs (Previous Year ₹ 1,527.37 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 ₹ 6,172.73 lacs (Previous Year ₹ 7,663.69 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.		
8. TRADE PAYABLES		
Trade Payables	7,500.54	5,835.05
TOTAL	7,500.54	5,835.05

CONSOLIDATED ACCOUNTS

(₹ in lacs)

As at
31st March, 2014

As at
31st March, 2013

9. OTHER CURRENT LIABILITIES

Current maturities of long-term debts -

Rupee Term Loan from Banks & Financial Institution (Secured)	6,104.18	4,325.05
Deferred payment liabilities	18.33	65.84
Interest accrued but not due on borrowings	30.26	33.31
Interest accrued and due on borrowings	3,208.80	2,457.14
Unpaid dividends	18.32	18.37
Other payables *	7,299.76	6,154.13
TOTAL	16,679.65	13,053.84

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

10. SHORT-TERM PROVISIONS

Provision for Employee Benefits:

P.L.Encashment (Unfunded)	139.96	100.20
Gratuity	1.77	0.06
For Taxation	54.43	97.86
TOTAL	196.16	198.12

11. FIXED ASSETS

(₹ in lacs)

Particulars	GROSS BLOCK AT COST			DEPRECIATION				NET BLOCK		
	As at 1.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	Upto 1.04.2013	For the Year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
(I) Tangible Assets:										
Land Leased	135.55	-	-	135.55	1.63	1.19	-	2.82	132.73	133.92
Land Freehold	3,135.58	-	-	3,135.58	-	-	-	-	3,135.58	3,135.58
Buildings	11,334.29	2,762.70	-	14,096.99	2,145.60	371.54	-	2,517.14	11,579.85	9,188.69
Railways Sidings	86.58	-	-	86.58	82.25	-	-	82.25	4.33	4.33
Plant and Machinery	35,306.99	23,881.50	-	59,188.49	8,067.26	1,856.79	-	9,924.05	49,264.44	27,239.73
Office and Other Equipments	622.90	70.45	12.82	680.53	359.94	43.68	10.09	393.53	287.00	262.96
Furniture and Fixtures	282.87	13.72	17.98	278.61	160.31	13.99	5.18	169.12	109.49	122.56
Vehicles	1,100.61	34.81	17.43	1,117.99	582.41	93.32	8.50	667.23	450.76	518.20
	52,005.37	26,763.18	48.23	78,720.32	11,399.40	2,380.51	23.77	13,756.14	64,964.18	40,605.97
Previous Year	49,027.78	3,207.19	229.60	52,005.37	9,469.29	2,050.47	120.36	11,399.40	40,605.97	
(II) Intangible Assets :										
Goodwill	7,782.67	1,258.35	-	9,041.02	4,794.30	534.44	-	5,328.74	3,712.28	2,988.37
Previous Year	7,217.99	564.68	-	7,782.67	4,259.87	534.43	-	4,794.30	2,988.37	
Capital Work-in-Progress :									8,022.13	26,106.23
Total									76,698.59	69,700.57

CONSOLIDATED ACCOUNTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
12. NON-CURRENT INVESTMENTS		
Trade Investments : (At Cost)		
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
	10.00	10.00
In Equity Shares of Associate Company - Unquoted, fully paid up		
466,164 (Previous Year - 466,164) Boula Platinum Mining Pvt. Ltd. of ₹ 1 each (Refer Note 12.2)	4.66	4.66
Add: Share of Profit / (Loss) net	(1.30)	(1.24)
	3.36	3.42
In Government Securities : Unquoted		
6 Years National Savings Certificates	1.45	1.45
7 Years National Savings Certificates	0.05	0.05
	1.50	1.50
TOTAL	14.86	14.92
12.1 Aggregate cost of Quoted Investments	10.00	10.00
Market Value of Quoted Investments	9.25	10.55
Aggregate amount of Unquoted Investments	4.86	4.92
12.2 Goodwill arising at acquisition is limited to acquisition value of Rs.4.66 Lacs		
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Capital Advance	123.37	817.55
Security Deposits	1,765.44	1,761.26
Prepaid Expenses	8.07	8.63
TOTAL	1,896.88	2,587.44
14. OTHER NON-CURRENT ASSETS		
Unamortised Expenses	146.71	144.13
TOTAL	146.71	144.13
15. INVENTORIES		
(As per Inventory taken, valued and as certified by the Management) (At cost unless otherwise stated)		
Raw Materials (includes in transit ₹ 813.62 lacs, Previous Year ₹ 773.23 lacs)	4,385.27	3,629.91
Stock-in-Process (At Cost or Net realisable value whichever is lower)	178.58	130.45
Finished Goods (At Cost or Net realisable value whichever is lower)	4,463.76	3,867.75
Stores and Spare Parts (includes in transit ₹ 10.56 lacs Previous Year ₹ 9.55 lacs)	472.98	586.85
Loose Tools	31.14	42.47
TOTAL	9,531.73	8,257.43
16. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	41.17	73.76
Others	4,034.88	4,597.74
TOTAL	4,076.05	4,671.50

CONSOLIDATED ACCOUNTS

(₹ in lacs)

	As at 31st March, 2014	As at 31st March, 2013
17. CASH AND CASH EQUIVALENTS		
Cash in hand	15.92	9.68
Cheques in Hand	1.95	–
With Scheduled Banks:		
In Current Accounts	102.15	79.18
In Current Accounts- For Unpaid Dividend	19.17	19.22
Bank Deposits (held as margin money/ security deposits)	206.15	208.09
Bank Deposits (held as a margin money/ security deposits	0.40	0.40
and having original maturity more than 12 months)		
TOTAL	345.74	316.57
17.1 Bank deposits of ₹ 54.06 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.		
17.2 Bank deposits of ₹ 152.09 lacs (Previous Year ₹ 153.73 lacs) represent margin money for Bank Guarantees and Letter of Credits issued by Bank.		
17.3 An amount of ₹ 0.40 lacs (Previous Year ₹ 0.40 lacs) has been deposited with Mining Department, Odisha		
18. SHORT- TERM LOANS AND ADVANCES		
	As at 31st March, 2014	As at 31st March, 2013
(Unsecured and Considered Good)		
Loans and Advances to Related Parties	15.69	15.81
Others:		
Balance with Government Authorities	11.89	10.08
Prepaid expenses	53.00	25.34
Others	5,307.68	4,550.69
TOTAL	5,388.26	4,601.92
19. OTHER CURRENT ASSETS		
Interest accrued on Deposits	137.46	99.73
Claims Recoverable	1.93	2.04
Unamortised Expenses	35.87	35.33
TOTAL	175.26	137.10
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
20. REVENUE FROM OPERATIONS		
Sale of products, less returns	64,729.46	50,573.67
Sale of Services	–	3,239.39
	64,729.46	53,813.06
Less: Excise Duty	1,383.34	1,924.73
	63,346.12	51,888.33
Add: Export Incentives	1,850.64	1,633.84
TOTAL	65,196.76	53,522.17

CONSOLIDATED ACCOUNTS

(₹ in lacs)

20.1 PARTICULARS OF SALE OF PRODUCTS

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	Gross	Sales
Ferro Alloys	51,667.48	36,662.70
Chrome Ore	12,954.84	13,779.91
Power	83.21	101.20
Off Grade / By-products	23.93	29.86
Services rendered (Conversion Charges)	-	3,239.39
TOTAL	64,729.46	53,813.06
	Year Ended 31st March, 2014	Year Ended 31st March, 2013

21. OTHER INCOME

Interest Income:

Interest on Deposits	31.22	10.41
Other Interest	129.67	102.39
Miscellaneous receipts	45.42	37.66
Profit /(Loss) on Fixed Assets Sold/Discarded (Net)	(13.39)	5.23
Foreign Exchange Gain	-	254.01
Liabilities/Provisions no longer required written back (Net)	(2.11)	4.55
Sale of project scrap	2.61	19.03
Rental Income	0.80	4.79
TOTAL	194.22	438.07

22. COST OF MATERIALS CONSUMED

Opening stock of Materials	3,614.13	2,770.86
Add: Purchases	34,785.90	26,841.41
	38,400.03	29,612.27
Less: Closing stock of Materials	4,372.67	3,614.13
Cost of Materials Consumed	34,027.36	25,998.14

23. PURCHASE OF STOCK IN TRADE

Traded Goods	-	335.06
TOTAL	-	335.06

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

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Closing stock:		
Finished Goods	4,463.76	3,867.75
Stock-in-Process	178.58	130.45
	4,642.34	3,998.20
Opening stock:		
Finished Goods	3,867.75	4,454.07
Stock-in-Process	130.45	182.59
	3,998.20	4,636.66
Decrease/(Increase) in Inventories	(644.14)	638.46

CONSOLIDATED ACCOUNTS

(₹ in lacs)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	3,425.60	2,983.13
Contribution to Provident and Other Funds	534.28	483.05
Welfare Expenses	497.66	434.28
Directors' Remuneration	350.17	257.64
TOTAL	4,807.71	4,158.10
26. FINANCE COSTS		
Interest:		
On Fixed Loan	4,716.64	3,898.64
On Others	930.84	835.01
	5,647.48	4,733.65
Other Borrowing Costs	45.77	7.28
TOTAL	5,693.25	4,740.93
27. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	2,328.34	2,010.80
Amortisation	534.44	534.43
TOTAL	2,862.78	2,545.23
28. OTHER EXPENSES		
Power and Fuel	2,224.18	3,469.96
Mining, Handling and other Production Expenses	5,146.31	4,957.62
Freight, Shipment and Sales Expenses	2,766.10	1,453.11
Royalty	1,875.62	1,739.40
Stores and Spares	331.10	262.24
Works Expenses	2,157.45	1,975.58
Transport Expenses	196.04	203.22
Repairs and Maintenance to Plant and Machinery	1,191.76	1,194.05
Repairs and Maintenance to Buildings	1,873.47	1,106.58
Insurance	68.61	59.69
Rent	218.58	207.85
Rates and Taxes	92.09	84.56
Commission and Brokerage on Sales	676.86	308.29
Donations	9.50	4.80
Payments to Auditors	17.55	16.51
Directors' Sitting Fees	3.20	4.05
Foreign Exchange Loss	4.88	-
Miscellaneous Expenses	274.86	180.59
TOTAL	19,128.16	17,228.10
29. EARNING PER SHARE BASIC AND DILUTED		
(i) Net Profit after Tax	(978.02)	(1,458.71)
(ii) Weighted average number of equity shares (Nos. in lacs)	1,852.68	1,852.68
(iii) Earning per Share: (₹ per share)	(0.53)	(0.79)

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

Particulars / Name of the Subsidiary Company	Facor Realty and Infrastructure Limited	Facor Power Limited	Facor Energy Limited
Financial Year ended on	31.03.2014	31.03.2014	31.03.2014
Capital	10.00	20,710.00	101.87
Reserves	-	(12,049.09)	(196.39)
Total Assets	13.32	66,445.26	5.21
Total Liabilities	13.32	66,445.26	5.21
Details of Investment			
- Investment in Government Securities	-	0.40	-
Turnover	-	12,429.25	-
Profit / (Loss) before Taxation	-	(4,759.45)	(21.26)
Provision for taxation	-	-	-
Profit / (Loss) after Taxation	-	(4,759.45)	(21.26)
Proposed Dividend	-	-	-
Exchange Rate used	-	-	99.88
Local Currency	INR	INR	GBP

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

In respect of the defined benefit plans of the Group, an amount of ₹ 271.45 lacs (Previous Year ₹ 267.65 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	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present value of Defined Benefit Obligation at the beginning of the year	1,408.68	403.84	1,178.84	349.35
Interest Cost	112.83	32.48	94.41	28.09
Current Service Cost	75.82	36.00	67.45	33.85
Actuarial Losses/(Gains)	188.01	85.32	155.37	60.47
Benefits Paid	(169.06)	(108.24)	(87.39)	(67.92)
Present value of Defined Benefit Obligation at the close of the year	1,616.28	449.40	1,408.68	403.84

(b) Changes in the Fair Value of Plan Assets

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Fair Value of Plan Assets at the beginning of the year	1,155.12	-	1,059.97	-
Add : Expected Return on Plan Assets	92.41	-	84.80	-
Add/(Less) : Actuarial Gains/(Losses)	179.70	-	97.74	-
Add : Contributions	120.00	-	-	-
Less : Benefits Paid	(166.62)	-	(87.39)	-
Fair Value of Plan Assets at the close of the year	1,380.61	-	1,155.12	-

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- (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	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,616.28	449.40	1,408.68	403.84
Less : Fair Value of Plan Assets	1,380.61	-	1,155.12	-
Present Value of unfunded obligation	235.67	449.40	253.56	403.84

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Present Value of Defined Benefit Obligation	1,616.28	449.40	1,408.68	403.84
Current Service Cost	75.82	36.00	67.45	33.85
Interest Cost	112.83	32.48	94.41	28.09
Expected return on Plan Asset	(92.41)	-	(84.80)	-
Net actuarial loss/(gain)	8.31	85.32	57.64	60.47
Net periodic cost	104.55	153.80	134.70	122.41

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Mortality table	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)	LIC a (1994-96)
Discount Rate	8% - 9%	8% - 9%	8% - 8.25%	8% - 8.25%
Salary Escalation Rate	5%	5%	5%	5%

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

Particulars	2013-14		2012-13	
	Gratuity	PL Encashment	Gratuity	PL Encashment
Opening net liability	253.56	403.84	118.86	349.35
Expenses as above	104.55	153.80	134.70	122.41
Contributions Paid	(122.44)	(108.24)	-	(67.92)
Closing net liability	235.67	449.40	253.56	403.84

32. Contingent Liabilities and Commitments

- (I) Contingent Liabilities :

- Claims against the Company not acknowledged as debts, since disputed ₹ 4,878.39 lacs (Previous Year ₹ 3,933.25 lacs). Amounts already paid under protest ₹ 352.83 lacs (Previous Year ₹ 282.83 lacs) have been debited to Advance Account.
- 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.
- Bank Guarantees outstanding at the year end ₹ 339.05 lacs (Previous Year ₹ 289.35 lacs).
- Letter of Credit outstanding at the year end ₹ NIL (Previous Year ₹ 125.06 lacs)

- (II) Capital and other Commitments:

- Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ₹ 2,173.56 lacs (Previous Year ₹ 5,159.52 lacs).

CONSOLIDATED ACCOUNTS

(₹ in lacs)

33. Details on Segment Reporting:

DESCRIPTION	FERRO ALLOYS				CHROME ORE			CONSOLIDATED TOTAL		
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1) REVENUE										
External Sales	51,009.80	38,702.49	2,821.80	5,229.57	83.21	101.20	-	-	53,914.81	44,033.26
Inter Segment Sales	-	-	9,431.31	7,855.07	12,346.04	9,123.35	-	-	21,777.35	16,978.42
Total Revenue	51,009.80	38,702.49	12,253.11	13,084.64	12,429.25	9,224.55	-	-	75,692.16	61,011.68
2) RESULT										
Segment Result before Interest & Tax	4,920.32	3,005.22	883.57	1,603.21	(573.52)	(1,422.60)	(21.26)	(128.68)	5,209.11	3,057.15
Unallocated Expenses										
Finance Costs	(1,221.19)	(1,222.96)	(286.13)	(290.88)	(4,185.93)	(3,227.09)	-	-	(5,693.25)	(4,740.93)
Tax Expense	-	-	-	-	-	-	-	-	(1,160.28)	(515.47)
Profit/(Loss) from ordinary activities	-	-	-	-	-	-	-	-	(1,644.42)	(2,199.25)
Extraordinary Loss	-	-	-	-	-	-	-	-	-	-
NET PROFIT / (LOSS)	-	-	-	-	-	-	-	-	(1,644.42)	(2,199.25)
3) OTHER INFORMATION										
Segment Assets	9,178.68	7,545.25	19,748.89	19,838.52	66,444.86	61,247.26	18.53	21.11	95,390.96	88,652.14
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	18,734.00	16,152.43
Total Assets	-	-	-	-	-	-	-	-	114,124.96	104,804.57
Segment Liabilities	9,316.03	7,051.64	4,277.97	3,080.30	9,560.28	11,297.49	23.14	71.23	23,177.42	21,500.66
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	218.52	326.76
Total Liabilities	-	-	-	-	-	-	-	-	23,395.94	21,827.42
Capital Expenditure	927.73	459.89	495.96	654.08	7,255.40	10,779.43	-	-	8,679.09	11,893.40
Depreciation / Amortisation	504.22	555.01	474.55	403.92	1,936.18	1,625.97	-	-	2,914.95	2,584.90
Non Cash expenditure other than Depreciation / Amortisation	4.76	2.28	11.11	0.70	-	-	-	-	15.87	2.98

40. 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 (Pvt.) Ltd. |
| 9. Saraf Bandhu Pvt. Ltd. | 10. Facor Solar Limited |
| 11. Facor Energy India Ltd. | 12. Vineet Infin Private Limited |
| 13. Boula Platinum Mining Pvt. Ltd. | |

B. Key Management Personnel :

- | | |
|--------------------|---------------------------------------|
| i) R.K. Saraf | Chairman & Managing Director |
| ii) Manoj Saraf | Managing Director |
| iii) Vinod Saraf | Joint Managing Director |
| iv) Rohit Saraf | Joint Managing Director |
| v) Ashish Saraf | Joint Managing Director |
| vi) N.D.Saraf | Director |
| vii) Vineet Saraf | Executive Director |
| viii) Yogesh Saraf | Executive Director |
| ix) Anurag Saraf | Director |
| x) Raju Thapar | General Manager (F&A) & Co. Secretary |

C. Relative of a Key Management Personnel :

- i) Mrs. Priti Saraf
ii) Mrs. Sunanda Devi Saraf

CONSOLIDATED ACCOUNTS

(₹ in lacs)

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

Particulars	With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2013-14	2012-13	2013-14	2012-13
i) Sale of Goods	3,026.12	5,566.79	-	-
ii) Purchase of Goods	-	335.06	-	-
iii) Purchase of Vehicles	-	29.16	-	-
iv) Rent paid/(received)	88.26	81.97	33.00	18.00
v) Interest paid	121.21	54.95	-	-
vi) Interest received	-	12.62	-	-
vii) Donation paid	2.00	-	-	-
viii) Short term Loan & Advances given	(0.11)	(129.01)	-	-
ix) Clearing & forwarding and other service charges	16.20	9.68	-	-
x) Long Term Borrowings	(410.00)	-	-	-
xi) Other Current Liabilities	2,026.82	689.65	-	-
xii) Director's remuneration	-	-	361.75	273.07
xiii) Salary & perquisites / benefits	-	-	26.19	21.49
xiv) Share Application Pending Allotment	-	(220.00)	-	-
xv) Issue of Shares	-	220.00	-	-
xvi) Reimbursement of expenses	0.62	0.33	-	-
xvii) Short term Borrowings	500.00	1,290.00	-	-
xviii) Personal Guarantee	-	-	13,872.00	-
xiv) Balances outstanding at the year end				
a) Short Term Loan & Advances	20.73	20.85	-	-
b) Trade Payable	1.02	335.06	-	-
c) Other Long-Term Liabilities	218.65	218.65	-	-
d) Long Term Borrowings	769.71	1,179.71	-	-
e) Short Term Borrowings	523.89	1,294.05	-	-
f) Other Current Liabilities	2,033.79	722.70	-	-
g) Managerial Remuneration Payable	-	-	231.72	167.56
h) Personal Guarantee	-	-	101,808.00	87,936.00

35. Previous Year's figures have been re-grouped, rearranged and recasted 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. 7021Noida, UP: 29th May, 2014

RITESH CHAUDHRY

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

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
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
E-mail : facorho@facorgroup.in
Fax : 91-7183-232271

Mining Complex**Bhadrak**

Laxmi Bhawan, Kuans,
Bhadrak - 756 100
Dist : Bhadrak (Odisha)
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facormines@facor.in
Fax : 91-6784-251782

Corporate Office**Noida**

Facor House, A-45-50,
Sector 16, Noida - 201 301
Dist. Gautam Buddh Nagar, U.P.
Phone: 91-120-4171000
Fax:- 91-120-4256700
E-mail: facordelhi@facorgroup.in

Mr. Ishwar Das

Manager [Administration]

Regional Office:**Mumbai :**

Marathon Innove IT Park,
B-Wing, Unit No. 403, 4th Floor,
Ganpat Rao Kadam Marg,
Lower Parel, Mumbai - 400 013
Phone : 91-22-24918155
Fax : 91-22-24918157
E-mail:- beetal@beetalfinancial.com

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
E-mail : facoralloys@vsnl.net
Fax : 91-44-28411097

Mr. R.G. Chari

General Manager [South Zone]

Other Offices:**Visakhapatnam:**

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Phone : 91-891-2569011 / 2569013
2568003
E-mail : facoralloys@eth.net
facorvizag@facorgroup.in
Fax : 91-891-2564077

Mr. Naresh Kumar

Dy. General Manager [Finance]

Nagpur:

Shreeram Bhawan
Ramdaspeth
Nagpur- 440 010
Phone : 91-712-2436920-23
Fax : 91-712-2432295

Shri H.S.Shah

Dy. General Manager

Bhubaneswar:

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

Shri M.V.Rao

Resident Manager

FERRO ALLOYS CORPORATION LIMITED

Registered Office & Works: D.P. Nagar, Randia-756135. Dist. Bhadrak, Odisha, India

• T + 91-6784-240 320 • F +91-6784-240 626 • E.: facorcpc@gmail.com

Website: www.facorgroup.in

PROXY FORM

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

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

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

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Fifty Eighth Annual General Meeting of the Company, to be held on Wednesday, the 10th September, 2014 at 12.00 noon. at D.P. Officers Club, Randia and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014
2.	Re-appointment of Mr. Rohitkumar Narayandasji Saraf, as Director who retires by rotation
3.	Re-appointment of Mr. Ashish Ramkisan Saraf, as Director who retires by rotation
4.	Appoint Auditors and fix their remuneration
Special Business	
5.	Consider and approve Appointment of Mr. Sridhar Srinivasan as Independent Director
6.	Consider and approve Appointment of Mr. Anand Sadashiv Kapre as Independent Director
7.	Consider and approve Appointment of Mr. Pinaki Misra as Independent Director
8.	Consider and approve Appointment Mr. Navinchandra Laljibhai Ajwalia as Independent Director
9.	Consider and approve Appointment of Mr. Sudhansu Bhusan Misra as Independent Director
10.	Consider and approve Appointment of Mr. Mahendra Bhawanji Thaker as Independent Director
11.	Consider and approve Appointment of Mr. Kesharao Atmaram Pardhi as Independent Director
12.	Appointment of Mr. Vineet Vitthaladas Saraf as an Director liable to retire by rotation
13.	Re-appointment of Mr. Ashish Ramkisan Saraf as Joint Managing Director
14.	Re-appointment of Mr. Rohit Kumar Narayandasji Saraf as Joint Managing Director
15.	Appointment of Mr. Vinod Saraf as President
16.	To approve borrowing limits of the Company
17.	To create security over assets of the Company
18.	Remuneration of Cost Auditors'

Signed thisday of2014

Signature of Shareholder:

Signature of Proxy holder:

Affix
Revenue
Stamp

NOTE:

1. This form of Proxy, in order to be effective, should be deposited duly completed at the Registered Office of the Company, at D.P. Nagar, Randia - 756 135 (Odisha), not less than FORTY-EIGHT (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Fifty Eighth Annual General Meeting.



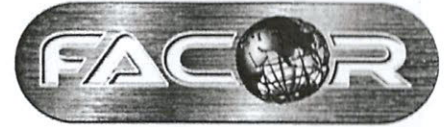
Ferro Alloys Corporation Limited

CIN : L45201OR1955PLC008400

Registered Office & Works: D.P. Nagar, Randia-756135. Dist. Bhadrak, Odisha, India

Phone + 91-6784-240 320 Fax +91-6784-240 626

Email : facorcpp@gmail.com, Website: www.facorgroup.in



DEL/SEC/119
29th May, 2014

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.,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
MUMBAI – 400 001

Dear Sir,

SCRIP CODE : 500141

CIN NO. L45201OR1955PLC008400

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
2.	Annual Financial Statements for the year ended.	31 st March, 2014
3.	Type of Audit observation	Unqualified / Matter of Emphasis
4.	Frequency of observation	Not Applicable
5.	To be signed by: A) Chairman & Managing Director B) Director [Finance] & CFO C) Auditor of the Company D) Audit Committee Chairman	

FERRO ALLOYS CORPORATION LIMITED

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