FACOR ALLOYS LIMITED

CIN- L27101AP2004PLC043252
Corp. Office : FACOR HOUSE, A-45-50, Sector-16, Noida, Dist. Gautam Buddh Nagar, Uttar Pradesh-201 301 India
Phone: +91-120-417 1000 Fax: +91-120-425 6700,
E-Mail: facoralloys@facor.in; Website: www.facoralloys.in

24th August, 2020

The Manager,
The Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Scrip Code- 532656

Dear Sir,

Sub: **Submission of Annual Report of Facor Alloys Ltd. for the financial year 2019-20.**

Ref: **Regulation 34(1) of SEBI (LODR) Regulations, 2015.**

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the company for the financial year 2019-20 containing therein the Auditors'/ Directors' Report, Corporate Governance, Management Discussion & Analysis, Notice of AGM etc., for information of the shareholders.

The aforesaid Annual Report is also available on the website of the Company at www.facoralloys.in which can directly be accessed and downloaded by clicking on the following link:

http://facoralloys.in/assets/pdf/annual_report/Annual%20Report%20FAL_2019-2020.pdf

We request you to take the above on your record.

Thanking you,

Yours' faithfully
For FACOR ALLOYS LTD.

(Piyush Agarwal)
Company Secretary
M'ship No- A25165

Encl: As above

SEVENTEENTH ANNUAL REPORT 2019-20

FACOR ALLOYS LIMITED

CORPORATE INFORMATION

Board of Directors

R.K. Saraf
Chairman & Managing Director

Ashim Saraf
Joint Managing Director

Anurag Saraf
Joint Managing Director

Rohit Saraf
Non-Executive Director

K. Jayabharat Reddy
Non-Executive Indenpendent Director

A. S. Kapre
Non-Executive Indenpendent Director

K. L. Mehrotra
Non-Executive Indenpendent Director

Mrs. Urmila Gupta
Non-Executive Indenpendent Director

Executives

M.D. Saraf
President

M.S.S. Sarma
Chief Executive

O.P. Saraswat
Dy. Chief Financial Officer

Piyush Agarwal
Company Secretary

Bankers
Bank of India
Central Bank of India
State Bank of India
Syndicate Bank

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

Statutory Auditors
K K Mankeshwar & Co.
Chartered Accountants

Internal Auditors
Rao & Kumar
Chartered Accountants

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

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

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NOTICE

Notice is hereby given that the **17th ANNUAL GENERAL MEETING** of the Members of Facor Alloys Ltd. will be held on Tuesday, the 15th day of September, 2020 at 12:00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31st March, 2020.

2. To appoint a Director in the place of Mr. Anurag Saraf (DIN 00009631), who retires by rotation and being eligible, offers himself for re-appointment.

As Special Business:

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

   "RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct audit of cost records for the financial year ended 31st March, 2021.

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

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

   "RESOLVED THAT in suppression of the Special Resolution passed by the members of the Company at their 16th Annual General Meeting held on 28.09.2019, pursuant to provisions of Section 94 (1) and other applicable provisions of Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable rules formed there under (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors for keeping the Register of members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of members and other security holders, at the office of the Registrar And Share Transfer Agent of the Company i.e. M/s Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi-110020 and at such places within the NCT of Delhi where the Registrar and Share Transfer Agent may shift its office from time to time.

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

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.

3. Corporate members intending to attend the AGM through authorized representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to tumul11@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Items No. 3-4 of the notice set out above is annexed hereto.

6. The relevant details of Director seeking re-appointment under Item No. 2 of this Notice pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard 2 on General Meetings is set out in the Report on Corporate Governance annexed herewith forming part of the Annual Report.

7. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2020 to 15th September, 2020 (both days inclusive).

8. The remote e-voting period commences on Saturday, September 12, 2020 (10:00 am) and ends on Monday, September 14, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 08, 2020, may cast their vote by remote e-voting

9. Shareholders can claim back the amount of unpaid dividend pertaining to the financial year 2008-09 to 2010-11 along with shares transferred to "Investor Education and Protection Fund" pursuant to the provisions of Section 124 of the Companies Act, 2013, on expiry of seven years from the date of transfer to unpaid dividends A/c after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

   Also, pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed dividend amounts and shares transferred to the IEPF Authority on the website of the Company.

   The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in / www.mca.gov.in.

10. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, for shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

11. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.

12. 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 their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

13. SEBI has vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 read with subsequent Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 mandated that request for effecting transfer of equity shares held in physical form will not be processed with effect from 01.04.2019 except in case of request received for transmission or transposition of securities. Hence, for the purpose of transfer of shares, conversion of physical shareholding into electronic mode i.e. in demat form shall be mandatory. Therefore, shareholders are requested to take action to dematerialize their shareholding in the company immediately.

14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form duly filled in and signed to the above Registrar & Transfer Agent. The Form can be had from the Share Department at the Corporate Office of the Company at Noida-201301 Dist. Gautam Buddh Nagar, Uttar Pradesh.

15. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (ten) days in advance of the Annual General Meeting through email on facoralloys@facor.in.

16. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services (India) Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE828GO1013.

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year ended 31st March, 2020 including notice of 17th AGM is being sent only through electronic mode to those Members whose e-mail address have registered with the Company. Those members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.facoralloys.in, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.

    In case you have not registered your email id with depository or RTA, you may register the same in the following manner:

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, i.e. MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN (Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depositary Participant (DP) and register your email address as per the process advised by DP.

18. **Voting through electronic means:**

    In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. For the sake of convenience, detailed procedure for e-voting is also available in the letter attached with this notice.

(I) INSTRUCTION FOR REMOTE E-VOTING, E-VOTING AT AGM AND JOINING OF AGM THROUGH VIDEO CONFERENCING

(i) The shareholders need to visit the e-voting website http://www.evotingindia.com/.

(ii) Click on "Shareholders" module.

(iii) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

	For Shareholders holding shares in Demat Form and Physical Form
PAN	**Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)** ● **Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/ PAN number which is mentioned in email..**
Dividend Bank Details OR Date of Birth (DOB)	**Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.** ● **If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).**

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the 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 shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(xi) Click on EVSN for the "Facor Alloys Limited".

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

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

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

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

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

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

(xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com

2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

(II) INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

(i) To join the meeting, the shareholders should log on to the e-voting website http://www.evotingindia.com/ and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your USER ID as informed in e-email

In the "last name" field - Enter your Name

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the 'webex meet' app from the respective play store.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:
   - Windows 7, 8 or 10
   - I3
   - Microphone, speaker
   - Internet speed minimum 700 kbps
   - **Date and time of computer should be current date and time**

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- **Please download webex application from play store**

NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

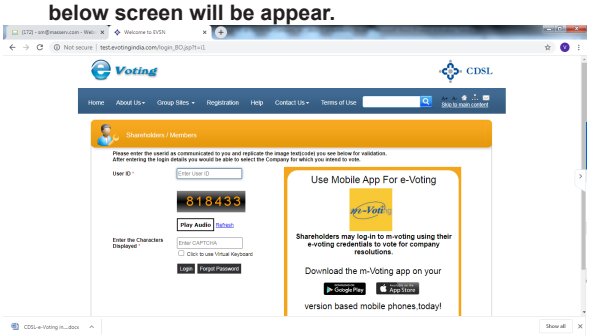
PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC:

(EXPLAINED USING SCREENSHOTS):

i. The shareholders should log on to the e-voting website http://www.evotingindia.com/.

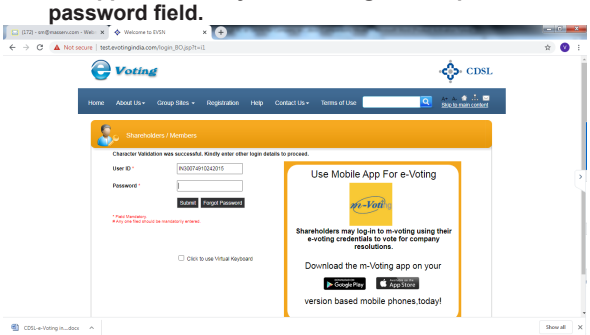
Below screen will be appear.

ii. Press Shareholders/Members tab, after which the below screen will be appear.

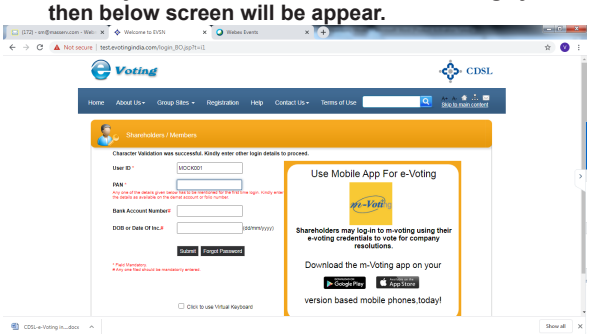


iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

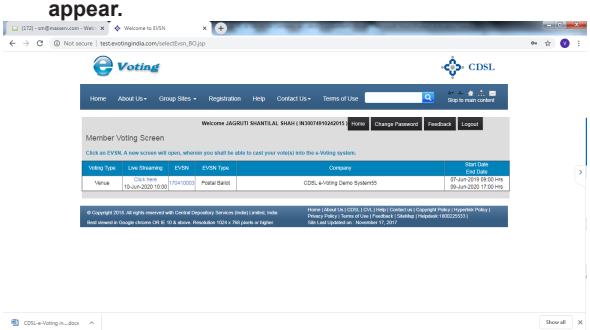
Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appear.

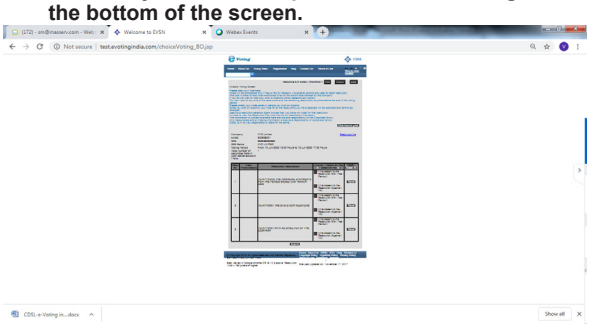


v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.

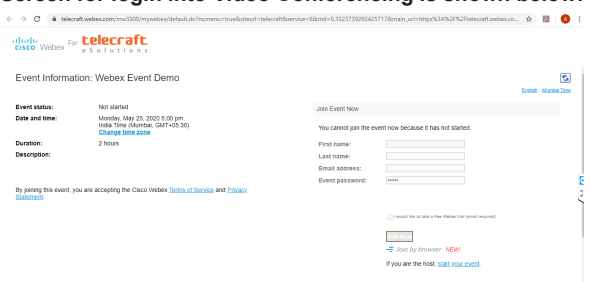


vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.



Screen for login into Video Conferencing is shown below:



Fill the details as:

In the "Name" field - Enter your USER ID as given in email

In the "last name" field - Enter your Name

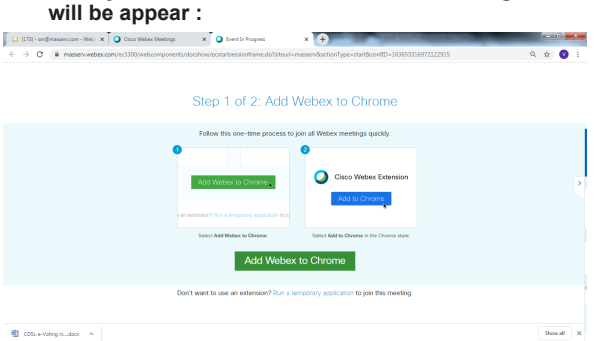
In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

vii. Once you click on 'Join now' tab, the following screen will be appear :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading webex driver, run the application and you will be directed to the AGM.

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

(IV) Mr. Tumul Maheshwari, a Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(V) The scrutiniser shall, not later than three days of conclusion of the meeting, submit a consolidated scrutinizer's report of the total votes cast in favour or against the resolutions, to the Chairman.

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

Dated: 14th August, 2020
Place: Noida (U.P.)

By order of the Board,
For Facor Alloys Ltd.

Piyush Agarwal
Company Secretary

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

ANNEXURE TO THE NOTICE

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

ITEM NO.3

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of Mr. Prakash Uppalapati, Cost Accountant as the Cost Auditor of the Company to conduct audit of cost records of the Company for the year ending 31st March, 2021, at a remuneration of Rs.50,000/- plus taxes and out-of-pocket expenses.

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

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

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

ITEM NO.4

The Company at its 16th Annual General Meeting held on Saturday, the 28th September, 2019, had resolved to keep the Register of Members together with the index of members at the premises of M/s. Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi-110020, the new Registrar & Transfer Agent (RTA) an appointment of which had approved by the Board of Directors, in place of the existing RTA i.e. M/s. MAS Services Limited in order to provide better services to the shareholders.

However, the process of change of RTA could not be completed due to delay in fulfillment of procedural requirements and M/s Mas Services Ltd. is still continuing to act as the Registrar & Transfer Agent of the Company.

The Company had in detailed discussions with the existing RTA i.e. M/s Mas Services Ltd. regarding service related issues and received assurance to overcome the same besides ensuring an uninterrupted services in the future.

Accordingly, the Board has decided to continue to avail the services of the existing Registrar & Transfer Agents (RTA) i.e. M/s Mas Services Limited, New Delhi relating to all work of the Company's share registry in terms of both physical and electronic.

The Company seeks approval of the members for keeping the Register of members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of members and other security holders, at the office of the Registrar and Share Transfer Agent of the Company i.e. M/s Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi-110020 and at such places within the NCT of Delhi where the Registrar and Share Transfer Agent may shift its office from time to time.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item no. 4.

Dated: 14th August, 2020
Place: Noida (U.P.)

By order of the Board,
For Facor Alloys Ltd.

Piyush Agarwal
Company Secretary

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

DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **17th ANNUAL REPORT** on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS

₹ in Lakh

Particulars	Standalone		Consolidated	
	2019-20	2018-19	**2019-20**	**2018-19**
Gross Revenue from operations	**29139.31**	36,104.24	**29139.31**	**36,104.24**
Other Income	**2842.20**	440.44	**3095.11**	**852.04**
Total Revenue	**31981.51**	36,544.68	**32234.42**	**36,956.28**
Operating expenses	**29692.01**	33,256.37	**29767.25**	**33,306.81**
Profit before interest, Depreciation, Tax and Amortization (EBIDTA)	**2289.50**	3,288.31	**2467.17**	**3,649.47**
Finance Costs	**379.93**	1,363.63	**403.66**	**1,444.09**
Depreciation and amortization expenses	**239.02**	217.52	**256.57**	**204.14**
Profit/(Loss) before exceptional item and tax	**1670.55**	1,707.16	**1806.94**	**2001.24**
Exceptional item	**559.39**	(130.75)	**559.39**	**(130.75)**
Profit/(Loss) before taxation	**2229.94**	1,576.41	**2366.33**	**1,870.49**
Taxation (including Deferred Tax)	**1201.83**	379.31	**1201.83**	**379.31**
Profit/(Loss)after Taxation (PAT)	**1028.11**	1,197.10	**1164.50**	**1,491.18**
Other Comprehensive Income	**(104.05)**	(84.32)	**1023.02**	**(591.95)**
Total Comprehensive Income for the period Comprising profit/(loss) & Other comprehensive Income for the period	**924.06**	1,112.78	**2187.52**	**899.23**

OVERALL PERFORMANCE

During the year under consideration, Company achieved the production of 66500 M.T. as against 82340 M.T. in the previous year recording a surge/ downfall of 19.24%.

The demand for ferro alloys principally is determined by developments within the Stainless Steel industry.

The global ferrochrome market size was valued at USD 16.77 billion in 2018 and is predicted to grow at a CAGR of 4.6% from 2019 to 2030. Increasing stainless steel production around the globe is a significant factor driving the market growth.

The Asia Pacific is mainly driven by the increasing production of stainless steel in China and India. Ferrochrome is widely used to manufacture stainless steel as it is resistant to corrosion and has an aesthetic appearance. As per the International Stainless Steel Forum, melt shop production of stainless steel in Asia has reached 34,901 thousand metric tons in 2018 from 25,361 thousand metric tons in 2012.

Exports are at Rs.145.32 crores as against Rs.124.41 crores in the previous year and during the year under review, foreign currency earnings in rupee terms was Rs 6.37 crores. The Company derived 49.89% of its total sales from exports.

On account of above and other factors including lower sales realization, the profit before tax was at Rs.16.71 crore as compared to Rs.17.07 crore in the previous year.

The COVID-19 pandemic has disrupted business operations due to lockdown and other emergency measures imposed by the government. The operations of the Company were impacted due to shutdown of plants and offices following national lockdown. The manufacturing facilities were closed on 24th March, 2020. The Company has resumed its partial manufacturing operations from 23rd April, 2020. The management has considered the possible effects that may impact the carrying amounts of property, plant and equipment, trade receivables, inventories, investments, loans and other assets. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different in the future course of action. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

DIVIDEND

In view of the insignificant profit, the Directors regret their inability to recommend any dividend for the financial year ended 31st March 2020 on Equity Shares of the company.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2020 is ₹19.55 crores. During the year under review, the Company has not issued any further shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

The equity shares of the Company are listed on BSE Limited.

EXTRACT OF THE ANNUAL RETURN

In accordance with the Companies Act, 2013, an extract of the annual return in the prescribed format is appended to the Board's report as **Annexure-1**. The same is available on website of the Company www.facoralloys.in.

NUMBER OF MEETINGS OF THE BOARD

The Board met five times in FY 2019-20 viz. on 17th May, 2019, 24th June, 2019, 14th August, 2019, 14th November, 2019 and 12th February, 2020. The maximum interval between any two meetings did not exceed 120 days.

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries and Associates' (in updated Form AOC-1) is given in the Note no-39 of the consolidated financial statements. The company will make available the Annual Accounts of the subsidiary companies and related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the Company and that of the respective subsidiary companies as well will also be kept open for inspection at the Registered Office of the Company. Further, the Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards read with requirements set out under schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

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

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

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2020 on a going concern basis;

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

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

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration (hereinafter referred to as "Nomination & Remuneration Policy") including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178, is attached as **Annexure-2** to this Report.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration no.106009W) were appointed as Statutory Auditors for a term of 5 years to hold office from the conclusion of 14th AGM held on 20th September, 2017 upto the conclusion of the 19th AGM to be held in 2022.

The statutory auditor has confirmed their eligibility and submitted the certificate in writing that they are not being disqualified to hold the office of the statutory auditor.

The Auditors' Report to the Shareholders on the Standalone & Consolidated Audited Financial Results for the year under review has expressed unqualified opinion in the respective audit reports for the financial year 2019-2020. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company.

SECRETARIAL AUDITORS

The Company has appointed Mr. Umesh Chand Sharma of Umesh Chand Sharma & Co., New Delhi, Company Secretaries to conduct secretarial audit and his Report on Company's Secretarial Audit is appended to this Report as **Annexure-3**.

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

COST AUDITOR

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are applicable for the business activities carried out by the Company during the period under review.

Mr. Prakash Uppalapati, Cost Accountant has been appointed by the Board as Cost Auditor of the Company to conduct audit of cost records for the year ended 31st March 2020. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under. Members are requested to consider the ratification of the remuneration payable to Mr. Prakash Uppalapati.

There are no qualifications, reservations or adverse remarks or disclaimers made in the Cost Audit Report for the financial year 2019-2020.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided any guarantee, made a loan and investment pursuant to Section 186 of the Companies Act, 2013 during the Financial Year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report, except as specifically given elsewhere in the Annual Report.

DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

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

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

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

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

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

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

RISK MANAGEMENT POLICY

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

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

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

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints has been received by the committee during the year under review.

CORPORATE SOCIAL RESPONSIBILITY

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

During the year under review, it is the very first time when the Company is mandatorily required to make CSR spending of 2% of the average net profit for last three financial years as per the applicable provisions.

In view of the same, the Company has made the requisite CSR spending on the specified activities during the financial year ended 31.03.2020, the details of which is provided in **Annexure-5**.

ANNUAL BOARD EVALUATION

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

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

In the opinion of the Board, the independent directors possessing the necessary skills like integrity, expertise and experience (including the proficiency) etc. for being appointed on the Board of the Company.

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

During the year under review, there is no outstanding amount of dividend which remained unpaid or unclaimed for a period of seven years and equity shares whose dividend were unclaimed/unpaid for seven consecutive years required to be transferred to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The details of shares/shareholders in respect of which dividend has not been claimed and transferred to the IEPF, as required are provided on our website www.facoralloys.in and on the website of the Ministry of Corporate Affairs.

Any person, whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim his/her refunds from the IEPF authority. The detailed procedure for claiming shares and/or Dividend Amount is available on the website of IEPF (www.iepf.gov.in).

The Nodal Officer for the purpose of IEPF is Company Secretary and the website address is www.facoralloys.in.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

PUBLIC DEPOSITS

During the year under review, the Company has not invited any deposit from public.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the

year under review, there were no employees receiving remuneration in excess of ₹102,00,000/- per annum or ₹8,50,000/- per month requiring disclosure.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The shareholders of the company in its 16th Annual General Meeting held on 28th September, 2019, have re-appointed Mr. R. K. Saraf as the Managing Director & Mr. Ashim Saraf and Mr. Anurag Saraf as the Joint Managing Directors for a period of 3 (three) starting from 01st April, 2019.

The first term of office of Mrs. Urmila Gupta as Independent Woman Director, was concluded on 12th February, 2020 and on recommendation of the Board, the shareholders of the company in its 16th Annual General Meeting held on 28th September, 2019 has re-appointed Mrs. Urmila Gupta as an Independent Woman Director of the Company for a second term of 5 (five) consecutive years with effect from 13th February, 2020 to 12th February, 2025 on the Board of the Company.

Currently, Mr. R. K. Saraf (Managing Director), Mr. Ashim Saraf & Mr. Anurag Saraf (Joint Managing Directors), Mr. O. P. Saraswat (Dy. CFO) and Mr. Piyush Agarwal (Company Secretary & Compliance Officer) are the key managerial personnel of the Company.

During the year under review, Mr. Piyush Agarwal has been appointed as the Company Secretary & Compliance Officer to hold office with effect from 15th November, 2019. Mr. S. S. Sharma the earlier Company Secretary & Compliance Officer was superannuated and hold office upto 14th November, 2019.

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.

REPORTING OF FRAUDS BY AUDITORS OF THE COMPANY

During the year under review, none of the Auditors of the company has reported to the audit committee under Section 143 (12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

CORPORATE GOVERNANCE

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

COMMITTEES OF THE BOARD

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

Details on the composition of other committees of the Board are provided in the corporate governance report and majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) respectively relating to Meetings of the Board and its Committees including general meetings of the company which are mandatory in nature.

INDUSTRIAL RELATIONS

During the year under review, the overall industrial relations in the Company remained cordial.

ACKNOWLEDGEMENT AND APPRECIATION

We thank our customers, vendors, investors, bankers, employees and all other stakeholders for their continued support during the year. We place on record our appreciation of the contribution made by our employees and workmen at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. The Company sincerely thanks the Central & State Governments for their continued support and warm co-operation extended towards the business as well as the Company's social functions.

On behalf of Board of Directors,

for Facor Alloys Ltd.

Place : Noida (U.P.)
Dated : 14th August, 2020

R.K. SARAF
Chairman & Managing Director

PARTICULARS OF REMUNERATION

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

The information required under Section 197 of the Act and the Rules made there under, in respect of employees of the Company is as under:-

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

Name of the Director	Ratio
Mr. R.K.Saraf	3.98:1
Mr. Ashim Saraf	4.71:1
Mr. Anurag Saraf	4.82:1
Mr. K Jaybharat Reddy	0.10:1
Mr. A.S.Kapre	0.18:1
Mr. Kishan Lal Mehrotra	0.16:1
Mrs. Urmila Gupta	0.06:1
Mr. Rohit Saraf	0.07:1

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

Name of the Director	% increase /(Decrease)
Mr. R.K.Saraf	0.26%
Mr. Ashim Saraf	0.25%
Mr. Anurag Saraf	-0.22%
Mr. K Jaybharat Reddy	50.00%
Mr. A.S.Kapre	14.29%
Mr. Kishan Lal Mehrotra	-6.67%
Mrs. Urmila Gupta	-44.44%
Mr. Rohit Saraf	200.00%
Other KMP	
Dy. Chief Financial Officer	3.86%
Company Secretary	34.66%

iii) The percentage increase in the median remuneration of the employees in the financial year 2019-20: 0.22%

iv) The number of permanent employees on the rolls of the Company: 378

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average increase in the salaries of employees other than managerial personnel in the last financial year i.e. 2019-20 was (-) 6.71% and percentage increase in the managerial remuneration for the same financial year was 0.24%.

vi) The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

ANNEXURE-1

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27101AP2004PLC043252
ii) Registration Date	14.05.2004
iii) Name of the Company	Facor Alloys Limited
iv) Category/Sub-Category of the Company	Public
v) Address of the Registered office and contact details	Shreeramnagar-535101, Garividi, Dist.: Vizianagaram (AP) Phone No. : 08952-282029
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	**MAS Services Limited,** T-34,2nd Floor, Okhla Industrial Area, Phase- II, New Delhi-110020 Phone No.+91-11-26812681-83 E-Mail : info@masserv.com Website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Best Minerals Limited	U99999MH1955PLC009710	Subsidiary	100.00%	2 (87)
2	Facor Electric Limited	U40106AP2010PLC086208	Subsidiary	100.00%	2 (87)
3	FAL Power Ventures Private Limited	U04010CT2004PTC017193	Subsidiary	100.00%	2 (87)
4	Facor Minerals (Netherlands) B.V.(FMN)		Subsidiary	90.65%	2 (87)
5	Facor Turkkrom Mining (Netherlands) B.V. (FTM)		Subsidiary of FMN	100.00%	2 (87)
6	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)		Subsidiary of FTM	100.00%	2 (87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2019)				No. of Shares held at the end of the year (31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & promoter group									
(1) Indian									
a) Individual/ HUF	23934976	Nil	23934976	12.24	23934976	Nil	23934976	12.24	0
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Bodies Corp.	62620240	Nil	62620240	32.02	62620240	Nil	62620240	32.02	0
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
f) Any Other....	1000	Nil	1000	Nil	1000	Nil	1000	Nil	0
- Trust	52512	Nil	52512	0.02	52512	Nil	52512	0.02	0
Sub-total (A) (1):-	**86608728**	**Nil**	**86608728**	**44.28**	**86608728**	**Nil**	**86608728**	**44.28**	**0**
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**86608728**	**0**	**86608728**	**44.28**	**86608728**	**0**	**86608728**	**44.28**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1780	Nil	1780	0.00	1780	Nil	1780	Nil	Nil
b) Banks / FI	36456	4238	40694	0.02	36426	4228	40694	0.02	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	1620	Nil	1620	0.00	1620	Nil	1620	0.00	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	**39856**	**4238**	**44094**	**0.02**	**39826**	**4228**	**44054**	**0.02**	**Nil**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3477768	4413	3482181	1.78	3406285	1723	3408008	1.74	(0.04)
ii) Overseas	4492654	Nil	4492654	2.30	4492654	Nil	4492654	2.30	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	76772607	309501	77082108	39.42	76126550	304822	76431372	39.09	(0.33)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	13329054	Nil	13329054	6.82	15415381	Nil	15415381	7.88	1.06
c) NBFCs registered with RBI	988	Nil	988	0.00	Nil	Nil	Nil	0.00	0
d) Others (specify)									
(1) Trust	58	Nil	58	Nil	58	0	58	Nil	0
(2) Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0
(3) Non Resident Indians	2081966	12549	2094515	1.07	2079799	12549	2092348	1.07	0
(4) Clearing Members	1532187	0	1532187	0.78	609789	0	609789	0.31	(0.47)
(5) IEPF	1807786	0	1807786	0.92	1807786	0	1807786	0.92	0
(6) HUF	5072902	100	5073002	2.59	4637037	140	4637177	2.37	(0.22)
Sub-total (B)(2):-	**108567970**	**326563**	**108894533**	**55.69**	**108575339**	**319234**	**108894573**	**55.69**	**0.00**
Total Public Shareholding (B)=(B) (1)+(B)(2)	**108607826**	**330801**	**108938627**	**55.72**	**108615165**	**323462**	**108938627**	**55.72**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**195216554**	**330801**	**195547355**	**100.00**	**195223893**	**323462**	**195547355**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2019)			Shareholding at the end of the year (31st March, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Urmiladevi Narayandas Saraf	3629215	1.86	0	3629215	1.86	0	0
2	Promiladevi Ramkisan Saraf	2556967	1.31	0	2556967	1.31	0	0
3	Anurag Murlidhar Saraf	2507354	1.28	0	2507354	1.28	0	0
4	Manjudevi Murlidhar Saraf	2189631	1.12	0	2189631	1.12	0	0
5	Mohinidevi Umashankar Saraf	2098174	1.07	0	2098174	1.07	0	0
6	Sushmadevi Vinodkumar Saraf	1708582	0.87	0	1708582	0.87	0	0
7	Ramadevi Manojkumar Saraf	1248361	0.64	0	1248361	0.64	0	0
8	Bimladevi Vithaldas Saraf	1217651	0.62	0	1217651	0.62	0	0
9	Vanitadevi Vineetkumar Saraf	876536	0.45	0	876536	0.45	0	0
10	Rohitkumar Narayandasji Saraf	872669	0.45	0	872669	0.45	0	0
11	Vinodkumar Saraf	731814	0.37	0	731814	0.37	0	0
12	Murlidhar Durgaprasadji Saraf	661343	0.34	0	661343	0.34	0	0
13	Vineetkumar Vithaldas Saraf	588385	0.30	0	588385	0.30	0	0
14	Shailjadevi Ashishkumar Saraf	498207	0.25	0	498207	0.25	0	0
15	Manojkumar Umashankar Saraf	488956	0.25	0	488956	0.25	0	0
16	Madhavhari Yogeshkumar Saraf	311441	0.16	0	311441	0.16	0	0
17	Ashishkumar Ramkisan Saraf	246679	0.13	0	246679	0.13	0	0
18	Sonal Ashimkumar Saraf	237680	0.12	0	237680	0.12	0	0
19	Gautam Vinodkumar Saraf	164098	0.08	0	164098	0.08	0	0
20	Raghuhari Yogesh kumar Saraf	147185	0.08	0	147185	0.08	0	0
21	Vineetkumar Vithaldas Saraf	120624	0.06	0	120624	0.06	0	0
22	Manojkumar Umashankar Saraf	103915	0.05	0	103915	0.05	0	0
23	Saritadevi Sanjivkumar Saraf	93373	0.05	0	93373	0.05	0	0
24	Gauri Sanjeev Saraf	4800	0.00	0	4800	0.00	0	0
25	Payal Murlidhar Saraf	72651	0.04	0	72651	0.04	0	0
26	Vibhav Vineetkumar Saraf	64451	0.03	0	64451	0.03	0	0
27	FAL Employees Welfare Trust	27576	0.01	0	27576	0.01	0	0
28	FACOR Employees Welfare Trust	22424	0.01	0	22424	0.01	0	0
29	Ashim Saraf	17008	0.01	0	17008	0.01	0	0
30	Yogeshkumar Umashankar Saraf	12288	0.01	0	12288	0.01	0	0
31	Preetidevi Rohitkumar Saraf	12600	0.01	0	12600	0.01	0	0
32	Aisha Ashishkumar Saraf	11500	0.01	0	11500	0.01	0	0
33	Madhuri Manojkumar Saraf	7948	0.00	0	7948	0.00	0	0
34	Sidharath Vineet Kumar Saraf	7348	0.00	0	7348	0.00	0	0
35	Gaurav Vinodkumar Saraf	5156	0.00	0	5156	0.00	0	0
36	Sakhi Sanjeevkumar Saraf	5128	0.00	0	5128	0.00	0	0
37	Raghavendra Manojkumar Saraf	4800	0.00	0	4800	0.00	0	0
38	Yogeshkumar Umashankar Saraf	4100	0.00	0	4100	0.00	0	0
39	Vinodkumar Vithaldas Saraf	3560	0.00	0	3560	0.00	0	0
40	Sunandadevi Yogeshkumar Saraf	3267	0.00	0	3267	0.00	0	0
41	Ramkisan Saraf	2256	0.00	0	2256	0.00	0	0
42	Narayandas Durgaprasadji Saraf	1704	0.00	0	1704	0.00	0	0

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2019)			Shareholding at the end of the year (31st March, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
43	Narayandas Durgaprasad Saraf	1472	0.00	0	1472	0.00	0	0
44	Sunandadevi Saraf	79915	0.04	0	79915	0.04	0	0
45	Amla Saraf	74797	0.04	0	74797	0.04	0	0
46	Shreeram Co. Empls. Welfare Trust	2512	0.00	0	2512	0.00	0	0
47	Premier Commercial Corporation	1000	0.00	0	1000	0.00	0	0
48	R B Shreeram & Company Pvt. Ltd.	61055682	31.22	0	61055682	31.22	0	0
49	Saraf Bandhu Pvt. Ltd.	826200	0.42	0	826200	0.42	0	0
50	Ferro Alloys Corporation Limited	500000	0.26	0	500000	0.26	0	0
51	GDP Infrastructure Pvt. Ltd.	214440	0.11	0	214440	0.11	0	0
52	Vidarbha Iron & Steel Corpn. Ltd.	18144	0.01	0	18144	0.01	0	0
53	Suchitra Investments & Leasing Ltd.	5774	0.00	0	5774	0.00	0	0
54	Sanjiv Saraf	239387	0.12	0	239387	0.12	0	0
	Total	**86608728**	**44.28**	**0**	**86608728**	**44.28**	**0**	**0**

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	86608728	44.28	86608728	44.28
Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	No change during the year			
At the End of the year	86608728	44.28	86608728	44.28

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	LATIN MANHARLAL SECURITIES PVT. LTD.	4,73,753	0.24					4,73,753	0.24
				14.02.2020	Purchase of shares	25,000	0.01	4,98,753	0.25
				31.03.2020	**At the end of the year**	-	-	4,98,753	0.25
2	HOSHANG KEKI VAKIL	5,75,000	0.29					5,75,000	0.29
				26.04.2019	Purchase of shares	25,000	0.01	6,00,000	0.30
				10.05.2019	Purchase of shares	50,000	0.02	6,50,000	0.32
				31.03.2020	**At the end of the year**	-	-	6,50,000	0.32

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	MANGILAL JAWATRAJ JAIN	0	0					0	0
				22.11.2019	Purchase of shares	1,36,422	0.07	1,36,422	0.07
				29.11.2019	Purchase of shares	2,87,103	0.15	4,23,525	0.22
				06.12.2019	Purchase of shares	1,39,298	0.07	5,62,823	0.29
				13.12.2019	Purchase of shares	95,249	0.05	6,58,072	0.34
				20.12.2019	Purchase of shares	1,82,597	0.09	8,40,669	0.43
				27.12.2019	Purchase of shares	4,975	0.00	8,45,644	0.43
				31.12.2019	Purchase of shares	26,123	0.01	8,71,767	0.44
				03.01.2020	Purchase of shares	44,290	0.02	9,16,057	0.46
				10.01.2020	Purchase of shares	31,019	0.02	9,47,076	0.48
				17.01.2020	Purchase of shares	1,03,381	0.05	10,50,457	0.53
				31.03.2020	Purchase of shares	51,453	0.03	11,01,910	0.56
				31.03.2020	**At the end of the year**	-	-	11,01,910	0.56
4	GLOBALSCALE INVESTMENTS LIMITED	44,92,654	2.30					44,92,654	2.30
				31.03.2020	**At the end of the year**	-	-	44,92,654	2.30
5	SADHU RAM GUPTA	5,00,000	0.26					5,00,000	0.26
				31.03.2020	**At the end of the year**	-	-	5,00,000	0.26
6	KIRTIKA PRAFUL JAVERI	4,53,739	0.23					4,53,739	0.23
				31.03.2020	**At the end of the year**	-	-	4,53,739	0.23
7	VASUDEV GURMUKHDAS CHHABRIA	5,63,077	0.29					5,63,077	0.29
				06.12.2019	Purchase of shares	1,25,000	0.06	6,88,077	0.35
				31.03.2020	**At the end of the year**	-	-	6,88,077	0.35
8	KIRAN SUZANNE COELHO	5,00,000	0.26					5,00,000	0.26
				31.03.2020	**At the end of the year**	-	-	5,00,000	0.26
9	LINCON P COELHO	20,00,000	1.02					20,00,000	1.02
				31.03.2020	**At the end of the year**	-	-	20,00,000	1.02
10	MIRA SENGAR	5,05,000	0.26					5,05,000	0.26
				12.07.2019	Purchase of shares	1,000	0.00	5,06,000	0.26
				09.08.2019	Purchase of shares	4,000	0.00	5,10,000	0.26
				25.10.2019	Purchase of shares	5,000	0.00	5,15,000	0.26
				31.03.2020	**At the end of the year**	-	-	5,15,000	0.26
11	SARAVANAN SIVARAMALINGAM	5,51,921	0.28					5,51,921	0.28
				31.03.2020	**At the end of the year**	-	-	5,51,921	0.28

(v) Shareholding of Directors & Key Managerial Personnel:

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

Ashim Saraf				
At the beginning of the year	17008	0.01	17008	0.01
Date wise Increase/ Decrease in Share holding	NIL	NIL	NIL	0.00
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				
At the End of the year	17008	0.01	17008	0.01

Anurag Saraf				
At the beginning of the year	2507354	1.28	2507354	1.28
Date wise Increase/ Decrease in Share holding	NIL	NIL	NIL	0.00
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				
At the End of the year	2507354	1.28	2507354	1.28

A. S. Kapre				
At the beginning of the year	150000	0.08	150000	0.08
Date wise Increase/ Decrease in Share holding	NIL	NIL	NIL	0.00
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):				
At the End of the year	150000	0.08	150000	0.08

Rohit Saraf				
At the beginning of the year	872669	0.45	872669	0.45
Date wise Increase/ Decrease in Share holding	NIL	NIL	NIL	0.00
during the year specifying the reasons for increase/				
decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
At the End of the year	872669	0.45	872669	0.45

V. Indebtedness (₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2344.29	1522.47	0	3866.76
ii) Liability against Financial Guarantee	820.41	0	0	820.41
iii) Interest due but not paid	2961.62	22.51	0	2984.13
iv) Interest accrued but not due	0	0	0	0
Total (i+ii+iii+iv)	**6126.32**	**1544.98**	**0**	**7671.30**
Change in Indebtedness during the financial year				
(i) Addition	0	118.22	0	118.22
(ii) Reduction	6126.32	658.46	0	6784.78
Net Change	**(6126.32)**	**(540.24)**	**0**	**(6666.56)**
Indebtedness at the end of the financial year				
i) Principal Amount	0	985.00	0	985.00
ii) Liability against Financial Guarantee	0	0	0	0
iii) Interest due but not paid	0	19.74	0	19.74
iv) Interest accrued but not due	0	0	0	0
Total (i+ii+iii+iv)	**0**	**1004.74**	**0**	**1004.74**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		R K Saraf	Ashim Saraf	Anurag Saraf	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	15.72	15.72	15.12	46.56
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	1.73	2.34	4.07
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961				
2	Stock Option	-	-	--	-
3	Sweat Equity	-	-	--	-
4	Commission - as % of profit	-	-	--	-
	- others, specify...	-	-		
5	Others, please specify	-	-	-	-
	Total (A)	**15.72**	**17.45**	**17.46**	**50.63**
	Ceiling as per the Act				

B. Remuneration to other directors: (in ₹)

Sl No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr Rohit Saraf	Mr A S Kapre	Mr K J Reddy	Mrs Urmila Gupta	Mr K L Mehrotra	
1	**Independent Directors**						
	Fee for attending Board/ Committee meetings	NIL	80000	45000	25000	70000	220000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total(1)	**NIL**	**80000**	**45000**	**25000**	**70000**	**220000**
2	**Other Non-Executive Directors**						
	Fee for attending Board/ Committee meetings	30000	NIL	NIL	NIL	NIL	30000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total(2)	**30000**	**NIL**	**NIL**	**NIL**	**NIL**	**30000**
	Total (B) = (1+2)	**30000**	**80000**	**45000**	**25000**	**70000**	**250000**
	Total Managerial Remuneration						**250000**
	Overall Ceiling as per the Act						

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

Sl No.	Particulars of Remuneration	Key Managerial Personnel	
		Dy. CFO/Company Secretary	Total
1	Gross Salary (α) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	40.92	40.92
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.98	0.98
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	**41.90**	**41.90**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE-2
NOMINATION AND REMUNERATION POLICY

(Effective from 1st April, 2014)

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

I Objectives

The objective and purpose of this policy are:

a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Ferro Alloys industry.

c) To formulate criteria or manner for effective evaluating performance of Board, its committee and individual Directors and review its implementation and compliance.

d) Devising a policy on diversity of Board of Directors.

e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 13th February, 2015 and has been modified subsequently and approved on 13th February, 2019.

II Effective Date:

This policy shall be effective from the date of adoption by the Board of Directors of the Company and shall stand modified from the date of its approval, from time to time, by the Board of Directors of the Company.

III Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted earlier by renaming it as Nomination and Remuneration Committee on 29th May, 2014.

The Committee shall comprise of at least 3 Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent Directors.

The quorum for the meeting of Nomination and Remuneration Committee shall either be two members or one third of the total strength of the committee, whoever is higher (including at least one Independent Director in attendance).

The Chairman of the Committee shall be an Independent Director.

Nomination and Remuneration Committee shall meet once in a year.

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

IV Definitions

a) Board means Board of Directors of the Company.

b) Directors mean Directors of the Company.

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

d) Company means Facor Alloys Limited.

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

f) Key Managerial Personnel (KMP) means-

(i) Chairman and Managing Director

(ii) Joint Managing Director;

(iii) Dy. Chief Financial Officer;

(iv) Company Secretary;

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

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

V Applicability

The Policy is applicable to

a) Directors (Executive and Non-Executive)

b) Key Managerial Personnel

c) Senior Management Personnel

VI General

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

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

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

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

PART – A

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

The Committee shall:

i) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii) Formulate the criteria for evaluation of performance of independent directors and the board of directors;

iii) Extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

iv) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

v) Devise a policy on diversity of board of directors;

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

PART – B

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

i) Appointment criteria and qualifications:

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

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

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

d) The Company shall not appoint of any person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person.

ii) Term / Tenure:

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

c) Evaluation:

The Committee shall formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.

d) Removal:

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

e) Retirement:

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

f) Board Diversity:

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

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

PART – C

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

a) General:

i) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

iii) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. Increments will be effective from 1st April, as applicable in respect of a Whole-time Director and other employees of the Company.

iv) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

i) Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration (with suitable grade) as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites and allowances including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

ii) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of amended Schedule V of the Companies Act, 2013.

iii) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed without approval required under the Companies Act, 2013, he / she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the company and until such sum is refunded, hold it in trust for the Company.

c) Remuneration to Non- Executive / Independent Director:

i) Remuneration / Commission:

The remuneration / commission shall be fixed as per the provisions of the Companies Act, 2013 and the rules made thereunder.

ii) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount prescribed by the Central Government from time to time.

iii) Commission:

Commission may be paid to the Whole time Directors as may be decided by the Board of Directors within the monetary limit approved by shareholders, computed as per the applicable provisions of the Companies Act, 2013.

iv) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

VII Review

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

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

ANNEXURE-3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

To,
The Members,
Facor Alloys Limited,
CIN L27101AP2004PLC043252
Shreeramnagar, P.O. Garividi,
Vizianagaram - 535101

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

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

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

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

  (b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

  a. Mines Act, 1952

  b. Mines Rules, 1955

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

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

  e. Metalliferous Mines Regulations, 1961

  f. The Environment (Protection) Act, 1986

  g. Air (Prevention and Control of Pollution) Act, 1981 and Rules, 1982

  h. Water (Prevention and Control of Pollution) Act, 1974 and Rules, 1975.

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

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There are no changes in the composition of the Board of Directors during the period under review.

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

Decisions at the Board Meetings were taken unanimously.

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

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

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

Umesh Chand Sharma
(Proprietor)
ACS No. 8522; C.P No. 2386
UID: A008522B000566233

Place: New Delhi
Date : 10-08-2020

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

'Annexure A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. During the financial year 2019-20, As per section 197 of Companies Act, 2013 for appointment and remuneration of Key Managerial Person prior approval in form of NOC was required. The company had made request for NOC but NOC was received on later stage.

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

Umesh Chand Sharma
(Proprietor)
ACS No. 8522; C.P No. 2386
UID: A008522B000566233

Place: New Delhi
Date : 10-08-2020

Annexure-4

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

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

a)	Measures taken	:	All Yard/Tower lightings were replaced with LED lightings to save energy.
b)	Additional investment and proposals, if any, being implemented for reduction of consumption of energy	:	Not identified.
c)	Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods	:	Not measurable
d)	Total energy consumption and energy consumption per unit of production in prescribed form 'A'	:	Form "A" is inapplicable to Ferro Alloys Industry

B. TECHNOLOGY ABSORPTION

Research and development

a.	Specific areas in which R & D carried out	:	i) Working out a process to recover the metallics entrapped with the High Carbon Ferro Chrome slag by crushing and jigging and experimenting to know the actual percentage of metallics that can be recovered. Reusing this metallics in main process chromium recovery can be improved. ii) In place of Circular pans metal pots were introduced under tap hole to collect the liquid metal since April, 2018 to improve quality of the product and to minimize the generation of mixtures.
b.	Benefits derived as a result of above R & D	:	Quality of the metal has improved and mixture generation is minimized. Other benefits are yet to be established.
c.	Future plan of action	:	To increase production of 1 lakh ton per year.
d.	Expenditure on Research & Development	:	NIL
e.	Technology absorption, adaptation and innovation	:	
	i) Efforts, in brief, made towards Technology absorption, adaptation and innovation	:	Nil
	ii) Benefits derived as a result of above efforts	:	Nil
	iii) Information regarding technology imported during the last five years	:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans	:	Directors undertake foreign travelling to be in constant touch with the overseas market.
2)	Total Foreign Exchange used and earned (2018-2019)	:	**(₹ in Lacs)**
	i) CIF value of imports	:	**-**
	ii) Expenditure in Foreign Currency	:	**40.29**
	iii) Foreign Exchange earned	:	**636.59**

On behalf of Board of Directors,
For Facor Alloys Ltd.

Place : Noida (U.P.)
Dated : 14th August, 2020

R. K. SARAF
Chairman & Managing Director

Annexure-5

ANNUAL REPORT ON CSR ACTIVITIES OF FACOR ALLOYS LIMITED FOR FY 2019-20

Sr. No.	Particulars		Remarks
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.		The Company has framed Corporate Social Responsibility Policy and is guided by its social responsibility towards the society, in general and environment, in particular and remains committed to its further development. The Company promotes projects that are in line with Schedule VII to the Companies Act, 2013 and: • are sustainable and create long term change, • Channelize resources & efforts towards making positive and sustainable contribution in social and economic development; and • Align CSR practices & programs to complement and support the developmental priorities at local, state and national levels. The CSR activities of the Company are mainly focused on the following broad themes with goals to improve overall socio-economic indicators of Company's area of operation: ▪ Promoting healthcare, sanitation and making safe drinking water available; ▪ Employment enhancement through training and vocational skill development; ▪ Promoting education; and ▪ Ensuring sustainable environment The CSR Policy has been uploaded on the Company's website: www.facoralloys.in
2	The Composition of the CSR Committee.		Mr. K.L. Mehrotra, Chairman Mr. R.K. Saraf, Member Mr. Ashim Saraf, Member
3	Average net profit of the Company for last three financial years		Rs.614.07 lacs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)		Rs.12.28 lacs
5	Details of CSR spent during the financial year:		
	a)	Total amount to be spent for the financial year;	Rs.12.28 lacs
	b)	Amount unspent, if any;	Not applicable
	c)	Manner in which the amount spent during the financial year	The company has duly incurred the CSR Expenses of ₹12.28 lakh during the FY 2019-20 as covered under the activities mentioned in sl. no. ii of Schedule VII of the Companies Act, 2013 as well as the CSR Policy of the Company.

For and on behalf of the Board
for Facor Alloys Limited
(K. L. Mehrotra)
Chairman –CSR Committee

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENT AND OTHER RELATED MATTERS

Ferro chrome, or Ferrochromium (FeCr) is a type of ferroalloy, that is, an alloy between chromium and iron, generally containing 50% to 70% chromium and is used in the production of stainless steel, special steel and castings. Ferro chrome is divided up in three main products which are Low Carbon FeCr, Medium Carbon FeCr and High Carbon FeCr. It is produced in an energy intensive process in electric furnaces from chrome ore, iron ore and coal. The largest producing countries of ferrochrome are South Africa, Kazakhstan, India and China.

Ferrochrome (FeCr) is added to stainless steel to enhance its appearance and impart corrosion resistance. The minimum FeCr content in stainless steel is 10%, while the average content is 18%. The dynamics of stainless steel industry play a crucial role in influencing FeCr supply and demand, as it accounts for majority of ferrochrome consumption.

The global ferrochrome market size was valued at USD 16.77 billion in 2018 and is predicted to grow at a CAGR of 4.6% from 2019 to 2030. Increasing stainless steel production around the globe is a significant factor driving the market growth.

The Asia Pacific is mainly driven by the increasing production of stainless steel in China and India. Ferrochrome is widely used to manufacture stainless steel as it is resistant to corrosion and has an aesthetic appearance. As per the International Stainless Steel Forum, melt shop production of stainless steel in Asia has reached 34,901 thousand metric tons in 2018 from 25,361 thousand metric tons in 2012.

Growing manufacturing activities and increasing foreign investments are some of the major factors driving stainless steel market in the region. Foreign investments help to boost the growth of manufacturing sectors such as construction, heavy machinery, consumer goods, and automotive. As per the United Nations Conference on Trade and Development, inward foreign direct investment (FDI) rate for Asia was 9.1% in 2017, the highest of all regions.

ASEAN-5, which comprises Indonesia, Malaysia, the Philippines, Vietnam, and Thailand, are also likely to contribute to the demand for ferrochrome over the coming years. Amid global slowdown stated by the International Monetary Fund (IMF) in 2019, ASEAN-5 countries are likely to maintain a steady growth of 5.1% in 2019 as per IMF. In addition, these countries are attracting significant foreign investments in various end-use industries such as automotive and construction, where the demand for stainless steel is significantly high.

RISKS AND CONCERNS /OPPORTUNITIES AND THREATS / OUTLOOK

The global ferrochrome market is largely dictated by China, as China is the largest supplier and consumer of FeCr. The suppliers in China are unorganized independent smelters who procure chromite ore from countries such as India, South Africa, and Turkey to produce ferrochrome.

Suppliers outside china are mainly present in South Africa, Turkey, India, and Kazakhstan. The supply landscape outside China is consolidated in nature. Furthermore, most of the manufacturers outside China are integrated in nature and produce FeCr form their own chromite ore mines. Some of the prominent manufacturers outside China are Glencore (South Africa), Samancore Chrome (South Africa), Jindal Steel & Power Ltd. (India), and TNC Kazchrome JSC (Kazakhstan).

Asia Pacific dominated the market with a considerable volume share of 78.5% in 2018. This dominance can be attributed to significant stainless steel production in the region. In fact, according to the estimates of ISSF, Asia manufactured more than approximately 68% of stainless steel in 2018, with China being the dominant manufacturer with 52.6% share of global production. Besides China, India is yet another lucrative market for FeCr as production of stainless steel in the country has gathered a rapid momentum since the past few years.

The steel and ferro-alloy manufacturing companies are expected to face a huge shortage of key raw materials due to shut down of operation of the seven operating manganese mines and four working chromite mines.

This is in line with the new Mines and Minerals Development Act that mandates auction of mining leases that were allotted discretionary by state governments.

The shut-down of these mines will wipe out almost 16 per cent manganese ore and 50 per cent chromite production from the domestic market creating unemployment for a long period.

The President of Federation of Indian Mineral Industries expressed his views that the country has a target to increase steel production capacity by 2.11 times to 300 million tonne (mt) from 142 mt in 11 years. This requires 11 mt of manganese ore and 5 mt of chrome ore.

However, the ferro alloy industry in India is being squeezed by weak demand, high power costs, cut-throat competition and stagnating steel demand and production in the country, he said.

With an annual production capacity of 5.15 mt, the ferro-alloy industry is battling a slowdown for last five years and the production of ferro-chrome has stagnated at one mt, ferro-manganese at 0.52 mt and ferro-silicon at 0.09 mt.

Notwithstanding the slowing demand, he said there is huge competition from the global markets and the domestic ferro-alloys industry needs to be promoted through a mix of progressive market development strategies and suitable fiscal measures to offset cheaper imports.

India is endowed with huge resources of 496 mt of manganese ore and 344 mt of chrome ore. Unfortunately, India is importing these minerals despite having 2.7 mt of manganese ore and 3.5 mt of chrome ore production capacity.

The domestic demand of the key raw material is being increasingly met through imports and huge stockpiles of presumably low-grade have built up at the mine-heads.

There is a pressing need for entrepreneurs to beneficiate these low-grade ores for utilisation by domestic ferro-alloys industry, he said.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company is continuously endeavoring to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down

systems and policies are comprehensively and frequently monitored by management at all levels of the organization, internal and statutory auditors and based on the experience gained and suggestions received, if any, these are updated, modified and accordingly implemented. The Audit Committee of Board of Directors also reviews these matters from time to time in their meetings.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under consideration, Company achieved the production of 66500 M.T. as against 82340 M.T. in the previous year recording a surge/ downfall of 19.24%.

Exports are at Rs.145.32 crores as against Rs.124.41 crores in the previous year and during the year under review foreign currency earnings in rupee terms was Rs 6.37 crores. The Company derived 49.89% of its total sales from exports.

On account of above and other factors including lower sales realisation, the profit before tax was at Rs.16.71 crore as compared to Rs.17.07 crore in the previous year.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE

a) Key ratios and margins

Particulars	**FY 2019-20**	FY 2018-19
Debtors turnover ratio	**26.17**	23.73
Inventory turnover ratio	**28.62**	20.11
Interest coverage ratio	**7.50**	2.41
Current ratio	**0.70**	0.61
Debt equity ratio	**-**	-
Operating profit margin (%) (before exceptional items)	**7.04%**	8.53%
Net profit margin (%) (after exceptional items)	**3.53%**	3.32%

b) Significant change in Financial Ratios

Particulars	**FY 2019-20**	FY 2018-19	**Changes in %**	**Reasons for Changes**
Inventory Turnover ratio	**28.62**	20.11	42.00%	Due to reduction in inventory level and sales as compared to FY 2018-19.
Interest Coverage ratio	**7.50**	2.41	211.00%	Due to reduction in Borrowings and reduction in EBIDT as compared to FY 2018-19.

DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH DETAILED EXPLANATIONS THEREFORE

Particulars	**FY 2019-20**	FY 2018-19	**Changes in %**	**Reasons for Changes**
Return on net worth (%) (after Exceptional items)	**7.22%**	9.06%	**-20.00%**	Due to reduction in PAT because of lower operations and increase in deferred tax liabilities etc.

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

Employees participation schemes such as Central Safety Committee, Quality Circles, Intra department level reviews have been adopted to ensure transparency and open communication at all levels. In house training to employees was imparted focusing on safety, productivity and skills improvement inputs. Multi skills improvement program has been implemented encouraging the trade workmen to learn additional skills. Executives were nominated to various seminars and programs for exposure to the best business practices. Adequate cost consciousness in the minds of all employees has been inculcated to attain the ultimate goal of cost reduction. The overall manpower consisting of workmen, supervisors and managers etc. worked out to 336 excluding indirect employment.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report are based upon data available with the Company and on certain assumptions having regard to the economic conditions, government policies, political developments within and outside the country. The management is not in a position to guarantee the accuracy of the assumptions and the projected performance of the Company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein.

CORPORATE GOVERNANCE REPORT

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

With this end in view, the Board and Management of the Company has always been following good corporate governance practices of legal compliance, transparency, accountability etc. for efficient conduct of its business.

2. BOARD OF DIRECTORS

Name of the Directors	Category	No. of Director-ship held in other Public Limited Companies as on 31.03.2020	Names of the other Listed Entities where the Director holds Directorship and the Category of Directorship	No. of Membership/ Chairmanship of Board Committee of other Public Limited Companies as on 31.03.2020	No. of Board Meetings attended	Whether Last AGM attended
Mr. R.K. Saraf Chairman & Managing Director (DIN : 00006102)	Executive*	1	Ferro Alloys Corporation Limited – Chairman & Managing Director, Executive Director	1	5	Yes
Mr. Ashim Saraf Joint Managing Director (DIN : 00009581)	Executive*	3**	Nil	Nil	5	Yes
Mr. Anurag Saraf Joint Managing Director (DIN : 00009631)	Executive*	4	1. Facor Steels Limited – Non-Independent Non-Executive	2	1	No
Mr. Rohit Saraf (DIN : 00003994)	Non-Independent Non-Executive*	1**	1. Ferro Alloys Corporation Limited – Joint Managing Director, Executive Director	1	3	Yes
Mr. K. Jayabharat Reddy (DIN : 00038342)	Independent Non-Executive	1	TAJ GVK Hotels and Resorts Limited – Independent Non-Executive Director	1	3	No
Mr. A.S. Kapre (DIN : 00019530)	Independent Non-Executive	3	1. Ferro Alloys Corporation Limited – Independent Non-Executive Director 2. Facor Steels Limited – Independent Non-Executive Director 3. Sunflag Iron and Steel Co Ltd.-- Independent Non-Executive Director	4	5	Yes
Mr. K. L. Mehrotra (DIN : 00062172)	Independent Non-Executive	Nil	Nil	Nil	4	No
Mrs. Urmila Gupta (DIN : 00637110)	Independent Non-Executive	5	1. Ferro Alloys Corporation Limited – Independent Non-Executive Director 2. B.A.G. Films and Media Limited – Independent Non-Executive Director	5	2	No

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

1. Mr Ashim Saraf is son of Mr R K Saraf and Mr Rohit Saraf & Mr Anurag Saraf are sons of Mr R K Saraf's brothers.
2. Mr Rohit Saraf & Mr A S Kapre, Non-Executive Directors are holding 8,72,669 & 1,50,000 equity shares of the company.
3. The details of familiarization programme imparted to Independent Directors are disclosed on the Website of the company www.facoralloys.in.

4. During the period under review, no Independent Director of the Company has resigned, before the expiry of his term of appointment. Further in the opinion of the Board the independent directors of the Company fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

5. During the Financial Year April 2019 to March 2020, five Board Meetings were held on 17/05/2019, 24/06/2019, 14/08/2019, 14/11/2019 and 12/02/2020.

6. The Company is engaged in Iron and Steel Industry. It is having a manufacturing unit with facilities to production of ferro alloys.

7. The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its aforesaid business for it to function effectively and those actually available with the Board are as follows:

Name of the Director & Category of Directorship	Specific skills/expertise/competence acquired
Mr. R.K. Saraf, Promoter-Executive, Chairman & Managing Director	Rich and versatile experience in the field of ferro alloys, mining, power and corporate management
Mr. Ashim Saraf, Promoter-Executive, Joint Managing Director	Rich and versatile experience in the field of ferro alloys, mining and corporate management
Mr. Anurag Saraf, Promoter-Executive, Joint Managing Director	Rich and versatile experience in the field of Iron and Steel Industry and corporate management
Mr. Rohit Saraf, Promoter-Non-Executive Non-Independent	Rich and versatile experience in the field of ferro alloys, mining, power and corporate management
Mr. K. Jayabharat Reddy, Non-Executive, Independent	Rich and versatile experience in the field of General and Public Administration, industrial management and policy formation
Mr. A.S. Kapre, Non-Executive, Independent	Rich and versatile experience in the field of Project and Corporate Lending, Rehabilitation, Finance and risk management
Mr. K. L. Mehrotra, Non-Executive, Independent	Rich and versatile experience in the field of handling technical and commercial matters and corporate management
Mrs. Urmila Gupta, Non-Executive, Independent	Rich and versatile experience in the field of administration, policy formation and corporate management

3. INDEPENDENT DIRECTORS MEETING

The Independent Directors of the Company met on 12th February, 2020 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors, as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Moreover, none of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

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

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

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

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

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

b) No. of meetings and attendance:

There were five meetings during the year 2019-20 on 17/05/2019, 24/06/2019, 14/08/2019, 14/11/2019 & 12/02/2020. Mr. A. S. Kapre & Mr. R.K. Saraf attended all meetings whereas Mr. K. Jayabharat Reddy attended three meetings and Mr. K.L. Mehrotra attended four meetings.

c) Brief description of terms of reference:

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

B. NOMINATION AND REMUNERATION COMMITTEE:

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

a) The Committee presently consists of 4 Members viz. Mr. R. K. Saraf, Executive Director, Mr. K. L. Mehrotra, Mr. A. S. Kapre and Mrs. Urmila Gupta who are non-executive independent Directors of the Company.

b) The Committee oversees the Company's nomination process for the Directors, Senior Management and specifically to identify, screen and review individuals qualified to serve as Directors and at Senior Management consistent with criteria approved as per the Nomination & Remuneration Policy approved by the Board and to recommend, for approval of the Board, nominees for election at the AGM of the shareholders.

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

c) No. of meetings and attendance:

There was only one meeting during the year 2019-20 on 14/11/2019 and the meeting was attended by all members, except Mr. K. L. Mehrotra.

d) Brief description of terms of reference:

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

e) Details of remuneration payable to Managerial Personnel for the year 2019-20:

Name of Directors		Total Remuneration including perquisites in cash	Estimated value of other perquisites in kind	Period of Agreement
1.	Mr. R.K. Saraf, CMD	₹17,70,452/-	--	3 years from 01/04/2019
2.	Mr. Ashim Saraf, JMD	₹19,19,500/-	₹1,73,447/-	3 years from 01/04/2019
3.	Mr. Anurag Saraf, JMD	₹18,52,000/-	₹2,87,910/-	3 years from 01/04/2019

f) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2019-20, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid	No. of equity shares of Re.1/- each held
1.	Mr. A. S. Kapre	₹ 80,000/-*	1,50,000
2.	Mr. K. Jaybharat Reddy	₹ 45,000/-*	-
3.	Mrs. Urmila Gupta	₹ 25,000/-*	-
4.	Mr. K. L. Mehrotra	₹ 70,000/-*	-
5.	Mr. Rohit Saraf	₹ 30,000/-	8,72,669
	TOTAL	**₹ 2,50,000/-**	

* Includes sitting fees paid for attending Committee Meetings.

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee presently consists of 3 Members viz., Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. K.L. Mehrotra. The Chairman of the Committee is Mr. K.L. Mehrotra. One meeting of the Committee was held during the year on 12th February, 2020.

a) Mr. Piyush Agarwal, Company Secretary of the Company is the Compliance Officer.

b) No. of Shareholders' complaints received during the period 01-04-2019 to 31-03-2020: Nil

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

d) Number of pending complaints as on 31-03-2020: Nil

D. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

The Committee presently consists of 3 Members viz., Mr. K.L. Mehrotra, Mr. R. K. Saraf and Mr. Ashim Saraf. The Chairman of the Committee is Mr. K.L. Mehrotra. **Policy for Determining Material Subsidiaries**

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

Vigil Mechanism

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

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

5. GENERAL BODY MEETINGS

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

AGM held	Day, date & time	Venue
14th AGM	Wednesday, 20th September, 2017 at 11.00 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
15th AGM	Monday, 17th September, 2018 at 11.30 a.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)
16th AGM	Saturday, 28th September, 2019 at 04.00 p.m.	Administrative Building, Shreeramnagar-535 101, Garividi, Dist-Vizianagaram (A.P.)

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

20th September, 2017	I) Keeping the Register of Members with Registrar And Share Transfer Agent of the company u/s 94 of the Companies Act, 2013. II) Re-appointment & Payment of remuneration of Mr Anurag Saraf as Joint Managing Director of the Company III) Issue of 0.01% Redeemable Cumulative Non-Convertible Preference Shares on private placement basis

17th September, 2018	I) Re-appointment of Mr K Jayabharat Reddy (DIN 00038342) as Independent Director of the Company II) Re-appointment of Mr A S Kapre (DIN 00019530) as Independent Director of the Company III) Re-appointment of Mr K L Mehrotra (DIN 00062172) as Independent Director of the Company IV) Continuance of Directorship of Mrs Urmila Gupta (DIN 00637110) as Independent Woman Director of the Company V) Re-appointment & Payment of remuneration of Mr R K Saraf (DIN 00006102) as Managing Director of the Company VI) Re-appointment & payment of remuneration of Mr Ashim Saraf (DIN 00009581) as Joint Managing Director of the Company
28th September, 2019	I) Re-appointment of Mrs. Urmila Gupta (DIN 00637110) as Independent Woman Director of the Company II) Re-appointment & Payment of remuneration of Mr R K Saraf (DIN 00006102) as Managing Director of the Company III) Re-appointment & payment of remuneration of Mr Ashim Saraf (DIN 00009581) as Joint Managing Director of the Company IV) Re-appointment & payment of remuneration of Mr Anurag Saraf (DIN 00009631) as Joint Managing Director of the Company V) Write off the investment held by the Company in Facor Minerals Pte. Limited, Singapore, a step down wholly owned Subsidiary IV) Keeping the Register of Members with Registrar And Share Transfer Agent of the company u/s 94 of the Companies Act, 2013.

c) Whether any special Resolutions passed last year through postal ballot : No

d) Person who conducted the postal ballot exercise : NA

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

f) Procedure for postal ballot : NA

6. DISCLOSURES

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

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

c) Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a 'Code of Conduct' for 'Prevention of Insider Trading' (The code) w.e.f. 01.04.2019 as per the approval of Board of Directors in its meeting held on dt-13.02.2019. The code is applicable to all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. Piyush Agarwal, Company Secretary has been appointed as the Compliance Officer w.e.f. 15.11.2019 for monitoring adherence to the Regulations upon superannuation of Mr. S.S. Sharma, Company Secretary on 14.11.2019.

d) During the period under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015.

e) There was no case of not accepting any recommendations of any Committee of the Board which was mandatorily required during the year 2019-20.

f) The Company has neither issued any debt instruments nor accepted any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the year 2019-20.

g) The Company has received a certificate from M/s. MT & Co., Company Secretaries, certifying that none of the Directors

of the Company are debarred or disqualified from being appointed for continuing as Directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed herewith as a part of the report.

h) The details of the total fees of all services paid by the Company and its Subsidiaries, on a consolidated basis, to M/s K. K. Mankeshwar & Co, Statutory Auditors and all the entities in the network firm/network entity of which the statutory auditor is a part, are as under:-

₹ in Lakh

Payment to Statutory Auditors	2.75
Other Services	0.68
Reimbursement of expenses	1.01
Total	4.44

i) The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Prevention of Sexual Harassment at workplace Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. There were no complaints at the beginning of the year i.e. as on 1st April, 2019. During the year the Company has not received any complaint and no complaints were pending as on 31st March, 2020.

j) The Company has complied with the requirements, as specified in Para 2 to 10 of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

7. MEANS OF COMMUNICATION

a) Quarterly results are communicated through newspaper advertisement.

b) The quarterly results are published in the "Financial Express" and "Praja Sakti" newspapers.

c) The Company has a functional website for displaying results.

d) No presentation is made to institutional investors or to the analyst.

e) No official news releases are displayed in the website of the company.

8. GENERAL SHAREHOLDER INFORMATION

i) AGM-Date, Time and Venue:

Date	Time	Venue
15th September, 2020	12:00 P.M.	The Company is conducting meeting through VC / OAVM in view of MCA Circular dated May 5, 2020 and as such there is no need to have a venue for the AGM. For more details, please refer to the Notice of this AGM.

ii) The particulars of Director seeking appointment/re-appointment/retiring by rotation at the ensuing Annual General Meeting as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are as under:-

A	**NAME**	**MR. Anurag Saraf**
B	**Brief resume**	
i)	DIN	00009631
ii)	Date of Birth	17th May, 1971
iii)	Date of first appointment on the Board of the Company	15th Jan, 2013
iv)	Qualification	B.E. (Electrical)
v)	Experience in specific functional area	Iron & Steel Industry and Corporate Management
C	Terms and conditions of appointment or re-appointment	As per the resolution passed at the 16th AGM held on 28th September, 2019.
D	Remuneration last drawn (including sitting fees for FY 2019-20, if any) (per annum)	Details of remuneration is provided elsewhere in this report

E	Remuneration/ Sitting fees proposed to be paid	As per the resolution passed at the 16th AGM held on 28th September, 2019.
F	Nature of expertise in specific functional areas	Several years rich & versatile experience in Iron & Steel Industry and Corporate Management
G	Name(s) of other Listed entities in which the person holds the Directorship	Facor Steels Limited
H	Chairman/Member of the Committee of the Board of Directors of the Company	NIL
I	Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director.	**Facor Steels Limited** 1. Audit Committee 2. Stakeholder's Relationship Committee
J	No. of Shares of Re.1/- each held by the Director	2507354
K	Relationship with Directors inter-se (As per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014)	None
L	No. of Board Meetings held/ attended during the year	Out of 5 Board Meetings held, attended 1 meeting during the financial year ended, 31.03.2020

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

iv) Date of Book closure from : Wednesday, 9th September, 2020 to Tuesday, 15th September, 2020 (both days inclusive)

v) Dividend payment date : Not Applicable

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

Stock Code The Company has paid the listing fees for the F.Y. 2019-20 to BSE

vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2019-20 as downloaded from BSE website are as under:

Month	**Bombay Stock Exchange (Rupees)**		
	High	**Low**	**Volume (No. of shares)**
April 2019	2.15	1.87	10,35,609
May 2019	2.08	1.75	13,09,606
June 2019	1.88	1.25	13,98,061
July 2019	1.45	1.00	10,02,767
August 2019	1.25	0.90	11,42,483
September 2019	1.15	0.89	7,59,855
October 2019	1.08	0.91	7,33,538
November 2019	2.13	0.98	30,91,317
December 2019	2.03	1.56	15,65,557
January 2020	1.87	1.48	8,49,992
February 2020	1.69	1.28	9,72,263
March 2020	1.50	1.00	12,40,776

viii) Registrar & Transfer Agent (RTA):

Currently, the Company is availing the services M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 for its share registry work for both the form i.e. physical as well as electronic.

Accordingly, the shareholders are requested to approach M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020, for all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialisation of shares held in the company.

ix) Share Transfer System:

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

SEBI has notified vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/ P/2018/73 dated 20th April, 2018 and No. SEBI/ HO/MIRSD/DOS3/CIR/P/2018/115 dated 16th July, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Accordingly, the shares in physical mode cannot be transferred after 31st March, 2019. However, the shareholders shall be able to continue to hold shares in physical form.

The Company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants.

Further, pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which it has directed to all the Listed Companies to mandatorily record the PAN and Bank Account details of all the shareholders holding shares in physical mode. In this connection, the company has sent correspondence to the shareholders during FY-2018-19, who are holding shares in physical mode. Once again the Company is requested the shareholders holding shares in physical mode to update their PAN and Bank Account details who has not updated the same so far.

x) a) Distribution of shareholding as on 31.03.2020:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
1 to 500	23638	3006610	1.54
501 to 1000	4495	4150402	2.12
1001 to 2000	2669	4543899	2.32
2001 to 3000	1225	3319318	1.70
3001 to 4000	612	2275381	1.16
4001 to 5000	939	4579863	2.34
5001 to 10000	1429	11331504	5.80
10001 and above	1574	162340378	83.02
Total	36581	195547355	100.00
Physical Mode		323462	0.17
Electronic Mode		195223893	99.83

b) Categories of shareholders as on 31.03.2020:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Financial Institutions/ Banks	40654	0.02
c.	Insurance Companies	1620	0.00
d.	Bodies Corporate	3408008	1.74
e.	Others	105488345	53.95
	Total:	**195547355**	**100.00**

xi) Dematerialization of shares and liquidity:

99.83% of the share capital has been dematerialized as on 31st March, 2020.

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

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

xiv) Address for correspondence:

a) For matters relating to Company's shares:

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

b) For other matters:

FACOR HOUSE, A-45-50, Sector-16, Noida, Dist. Gautam Buddh Nagar, Uttar Pradesh-201 301 India.

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

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

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

xvii) Compliance with Discretionary Requirements :

a. The Board has duly reviewed the Statutory Auditors' Reports on the Standalone / Consolidated accounts for the year ended 31st March, 2020 and has noted that the same do not have any qualifications.

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

9. COMPLIANCE:

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

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

b) Accounting treatment in preparation of financial statements:

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

10. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

a) Registration of Email Addresses:

Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 read with Circular bearing No. CIR/CFD/DIL/7/2011 dated 05.10.2011 of SEBI, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Statement of Profit & Loss, Directors Report, Auditors Report etc. in electronic mode (hereinafter 'documents'), provided the Company has obtained email addresses of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the Company.

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

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

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

NECS/ECS facility ensures timely remittance of dividend without possible loss / delay in postal transit. Shareholders/

Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders / Members holding shares in physical form may register their NECS/ECS details with the Registrars and Share Transfer Agents, to receive dividends, if declared, via the NECS / ECS mode.

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

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

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

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

e) Compliances of mandatory requirements and adoption of the non mandatory requirements

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

The statutory financial statements both Standalone/Consolidated of the Company are not in qualifying nature.

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

None

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

I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or heir associates	NA
New name and the old name of the listed entity	NA

II. Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes

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

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct for the year ended 31st March, 2020.

Place : Noida, (U.P.)
Date : 14th August, 2020

R.K. Saraf
Chairman & Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Facor Alloys Limited,
Shreeramnagar-535 101,
Garividi (Andhra Pradesh)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Facor Alloys Limited having CIN L27101AP2004PLC043252 and having registered office at Shreeramnagar-535 101, Garividi (Andhra Pradesh) (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me / us by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Therefore, following Directors of Facor Alloys Limited as on 20th June 2020 stand qualified for being appointed or continuing as Directors of companies:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	ROHIT SARAF	00003994	12/08/2016
2	RAM KISHAN SARAF	00006102	15/09/2008
3	ASHIM SARAF	00009581	01/08/2004
4	ANURAG MURLIDHARJI SARAF	00009631	15/01/2013
5	ANAND SADASHIV KAPRE	00019530	27/10/2007
6	JAYABHARAT REDDY KOTI	00038342	01/09/2004
7	KISHAN LAL MEHROTRA	00062172	18/09/2010
8	URMILA GUPTA	00637110	13/02/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ***MT & Co.***
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464, C.P. No.5554
UDIN No. A016464B000360214

Date: 20/06/2020
Place: Delhi

CERTIFICATION BY CMD AND DY CFO

To the Board of Directors
Facor Alloys Limited

We have reviewed the financial statements and the cash flow statement of Facor Alloys Ltd. for the year ended 31st March, 2020 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Place: Noida, U.P.
Date : 29th June, 2020

R. K. Saraf
Chairman & Managing Director

O. P. Saraswat
Dy CFO

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Facor Alloys Limited

I have examined the compliance of the conditions of Corporate Governance by Facor Alloys Limited (CIN: L27101AP2004PLC043252) ("the Company") for the year ended on 31st March, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations for the year ended on 31st March, 2020.

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

For ***MT & Co.***
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464, C.P. No.5554
UDIN No. A016464B000495294

Date: 23/07/2020
Place: Delhi

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of FACOR ALLOYS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising loss and other comprehensive income), the profit, changes in equity and its cash flows and for the year then ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   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 including Other Comprehensive Income, the Statement of changes in equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

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

      i) The Company has disclosed the impact of pending litigations on its financial position in note no.36 in its standalone financial statements.

      ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

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

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:20046219AAAAEX9939

Place : Nagpur
Date : 30th June, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the Standalone financial statements for the year ended March 31, 2020, we report that:

1. In respect of Company's Fixed Asset

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

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

   c. The tittle deeds of immovable property are in name of erstwhile pre-demerged company. The immovable properties are transferred by virtue of BIFR Order No.314/98 dated 13th April 2004. The immovable properties acquired subsequent to demerger are held in the name of the company.

2. Physical verification of the inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed.

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

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

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

4. In our opinion and according to the information and explanation given to us the company has complied with the provision of section 185 and 186 of the Act in respect of loans, making investments and providing guarantees and securities, as applicable.

5. According to the information and explanation given to us, the Company has not accepted any deposits during the year.

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

7. According to the information and explanation given to us, in respect of statutory dues:

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

   b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

   c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in lakhs*
Service Tax	Commissioner (Appeals) Visakhapatnam,	2009 – 2010	14.05
Custom Duty	A.P.High Court, Hyderabad	1988 – 1989	158.34
Sales Tax	A.P.High Court, Hyderabad, APSTAT– Visakhapatnam,	2009 – 2010 2010-2011, 2011 – 2012, 2012 – 2013,	21.27 8.51
Income Tax	Addnl. Comm. IT (Appeals), Visakhapatnam	2009 – 2010, 2010 – 2011, 2012-2013	30.51

* Amount is net of payment under protest

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.

9. The Company has not raised money by way of initial public

offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company

13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Financial Statement etc., as required by the applicable accounting standards.

14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year and hence reporting under clause 3(xiv) of the order is not applicable to the company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.

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

Ashwin Mankeshwar
Membership No. 046219
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:20046219AAAAEX9939

Place : Nagpur
Date : 30th June, 2020

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FACOR ALLOYS LIMITED

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

We have audited the internal financial controls over financial reporting of Facor Alloys Limited as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:20046219AAAAEX9939

Place : Nagpur
Date : 30th June, 2020

STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(₹ in Lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	**13,927.03**	14,952.39
Right of Use Assets (ROU)	5	**316.33**	-
Investments in Subsidiaries and Associates	6	**-**	-
Financial Assets			
(i) Investments	7	**1.07**	1.57
(ii) Other Non-Current Financial Assets	8	**2,877.80**	2,577.27
Deferred Tax Asset (Net)	9	**427.39**	1,594.23
Long Term Loans and Advances	10	**-**	12.50
Total Non-Current Assets		**17,549.62**	19,137.96
Current Assets			
Inventories	11	**596.58**	1,439.00
Financial Assets			
(i) Trade Receivables	12	**1,031.52**	1,194.25
(ii) Cash and Cash Equivalents	13	**66.70**	836.31
(iii) Other Bank Balances	14	**-**	570.00
(iv) Other Current Financial Assets	15	**1,095.88**	1,001.07
Current Tax Assets (Net)	16	**1,072.27**	772.04
Other Current Assets	17	**630.62**	556.63
Assets Classified as Held for Sale	18	**1,053.67**	1,779.83
Total Current Assets		**5,547.24**	8,149.13
Total Assets		**23,096.86**	27,287.09
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	**1,955.48**	1,955.48
Other Equity	20	**12,735.23**	11,816.49
Total Equity		**14,690.71**	13,771.97
Liabilities			
Non-Current Liabilities			
Provisions	21	**130.60**	132.58
Other Non-Current Financial Liabilities	22	**311.55**	-
Total Non-Current Liabilities		**442.15**	132.58
Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	**985.00**	4,687.17
(ii) Trade Payables			
Micro Small and Medium Enterprises	24	**235.44**	33.92
Others	24	**2,643.37**	2,082.66
(iii) Other Financial Liabilities	25	**251.16**	3,184.92
Other Current Liabilities	26	**2,587.12**	2,125.49
Provisions	27	**1,261.91**	1,268.38
Total Current Liabilities		**7,964.00**	13,382.54
Total Liabilities		**8,406.15**	13,515.12
Total Equity and Liabilities		**23,096.86**	27,287.09
Notes to Financial Statements	1 to 46		

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

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from Operations	28	**29,139.31**	36,104.24
Other Income	29	**2,842.20**	440.44
Total Income		**31,981.51**	36,544.68
Expenses			
Cost of Materials Consumed		**11,707.12**	10,642.60
Change in Inventory of Finished Goods and Work in Progress	30	**(146.88)**	1,087.40
Employee Benefits Expense	31	**1,804.91**	2,108.72
Finance Costs	32	**379.93**	1,363.63
Depreciation and Amortisation Expense		**239.02**	217.52
Other Expenses	33	**16,326.86**	19,417.65
Total Expenses		**30,310.96**	34,837.52
Profit/ (Loss) Before Tax and Exceptional Items		**1,670.55**	1,707.16
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		**-**	(132.20)
B) Profit / (Loss) on Sale/Discard of Fixed Asset		**559.39**	1.45
Profit/ (Loss) Before Tax		**2,229.94**	1,576.41
Tax Expense:			
Current Tax/Mat	34	**-**	4.01
Tax for earlier years		**-**	-
Deferred Tax		**1,201.83**	375.30
Profit/ (Loss) for the Period (A)		**1,028.11**	1,197.10
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of defined benefit plans		**(139.04)**	(129.61)
Deferred Tax relating to remeasurement of defined benefit plans		**(34.99)**	(45.29)
Total Other Comprehensive Income for the Period (B)		**(104.05)**	(84.32)
Total Comprehensive Income for the Period (A + B)		**924.06**	1,112.78
Earnings per Equity Share	35		
Basic		**0.53**	0.61
Diluted		**0.53**	0.61
Notes on Financial Statements	1 to 46		

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

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(a) Equity Share Capital

(₹ in Lakhs)

	For the year ended	
	31 March 2020	31 March 2019
	Amount	Amount
At the begning of the year	**1,955.48**	1,955.48
Changes in Equity Share Capital during the year	**-**	-
At the end of the year	**1,955.48**	1,955.48

(b) Other Equity

	Reserves & Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Portion of Borrowings	Remeasurement of Defined Benefit Plans	
Balance at 1 April 2018	**8,700.51**	**2,667.52**	**250.00**	**(917.69)**	**16.64**	**(13.27)**	**10,703.71**
Profit for the year	-	-	-	1,197.10	-	-	1,197.10
Other comprehensive Income/ (Loss) for the year	-	-	-	-	-	(84.32)	(84.32)
Total Comprehensive Income for the year	**-**	**-**	**-**	**1,197.10**	**-**	**(84.32)**	**1,112.78**
Balance at 31 March 2019	**8,700.51**	**2,667.52**	**250.00**	**279.41**	**16.64**	**(97.59)**	**11,816.49**
Transition impact of Ind AS 116	-	-	-	(5.32)	-	-	(5.32)
Restated balance as at 1st April 2019	**8,700.51**	**2,667.52**	**250.00**	**274.09**	**16.64**	**(97.59)**	**11,811.17**
Profit for the year	-	-	-	1,028.11	-	-	1,028.11
Other Comprehensive Income for the year	-	-	-	-	-	(104.05)	(104.05)
Total Comprehensive Income for the year	**-**	**-**	**-**	**1,028.11**	**-**	**(104.05)**	**924.06**
Balance at 31 March 2020	**8,700.51**	**2,667.52**	**250.00**	**1,302.20**	**16.64**	**(201.64)**	**12,735.23**

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

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash flows from Operating Activities**		
	Net Profit/ (Loss) after Prior Period Items and Before Tax	**2,229.94**	1,576.41
	Adjustments For:		
	a) Interest Income	**(218.42)**	(167.98)
	b) Depreciation	**239.02**	217.52
	c) Provision for Doubtful Advances	**0.65**	0.81
	d) Loss on Sale of Investment	**-**	132.20
	e) Gain on Sale of Fixed Assets	**(559.39)**	(1.45)
	f) Interest Expense	**379.93**	1,363.63
	Operating Cash Profit before Working Capital Changes	**2,071.73**	3,121.14
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	**762.23**	(350.70)
	b) Increase/(Decrease) in Other Current Liabilities	**461.63**	1,392.68
	c) Increase/(Decrease) in Other Current Financial Liabilities	**30.63**	277.10
	d) (Increase)/Decrease in Other Non Current Financial Assets	**(300.53)**	(1,446.86)
	e) (Increase)/Decrease in Provisions	**(147.49)**	(81.55)
	f) (Increase)/Decrease in Other Current Financial Assets	**473.39**	(486.08)
	g) (Increase)/Decrease in Inventories	**842.42**	703.11
	h) (Increase)/Decrease in Trade Receivables	**162.73**	646.42
	i) (Increase)/Decrease in Other Current Assets	**(73.99)**	98.96
	j) Increase/(Decrease) in Other Non Current Financial Assets	**311.55**	-
	k) (Increase)/Decrease in Long Term Loans & Advances	**12.50**	(12.50)
	Cash Generated from/ (used in) Operations	**4,606.80**	3,861.72
	Less: Income Tax Paid (Net of Refunds)	**(300.23)**	(303.03)
	Net Cash Generated from/ (used in) Operating Activities(A)	**4,306.57**	3,558.69
B	**Cash Flow from Investing Activities:**		
	(Purchase) of Property, Plant and Equipment and Capital Work in Progress	**(5.84)**	(187.58)
	Net Proceeds of Property, Plant and Equipment and Capital Work in Progress	**2,118.87**	6.03
	Payment including advances for acquiring Right-of-Use Asset	**(362.79)**	-
	Interest Received	**219.57**	166.83
	Net movement in Investments	**0.50**	675.50
	Net Cash Generated from/ (Used in) Investing Activities (B)	**1,970.31**	660.78
C	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Borrowings	**(3,702.17)**	(2,159.04)
	Interest Expense Paid	**(3,344.32)**	(1,363.63)
	Net Cash generated from/ (used in) Financing Activities (C)	**(7,046.49)**	(3,522.67)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(769.61)**	696.80
	Cash and Cash Equivalents at the Beginning of the year	**836.31**	139.51
	Cash and Cash Equivalents at the End of the year	**66.70**	836.31

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

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

R.K. Saraf
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(DIN: 00006102)

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. REPORTING ENTITY

Facor Alloys Limited referred to as "FAL" or "the Company" is domiciled in India. The Company's registered office is at Shreeramnagar, Garividi, Dist. Vizianagram, Andhra Pradesh – 535101.

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

The standalone financial statements for the year ended March 31, 2020, were approved for issue in accordance with a resolution of the Board of Directors of the Company on June 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS'), prescribed under Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The company adopted Ind AS from 1st April, 2017.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000) except when otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle at 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Basis of measurement

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

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

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based in current / non-current classification.

An asset is classified as current when it satisfies any of the following citeria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. It is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

c) Use of judgements and estimates

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

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

A. Judgements

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

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

B. Assumptions and estimation uncertainties

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

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

d) Property, plant and equipment:

Recognition and measurement

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

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

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

Subsequent Measurement

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

Depreciation

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

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

Cost of leasehold land is amortised over the lease period.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

e) Intangible assets

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

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

f) Financial instruments

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

Financial Assets

Initial recognition and measurement

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

Classifications

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

Business model assessment

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

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

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

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

Debt instruments at amortized cost

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

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

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

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

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

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

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

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

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

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

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

g) Inventories

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

h) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application i.e. April 1, 2018. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

(i) Sale of goods

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

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

(iii) Export Incentives are recognised as per schemes specified in foreign Trade Policy, as amended from time to time on accrual basis when right to receive is established and are accounted to the extent there is no uncertainty about its ultimate collection

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

i) Leases

The Company has applied Ind AS 116 using the modified retrospective approach from 01.04.2019 and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate and an estimate cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate.

Lease payment included in the measurement of the lease liability comprise followings;

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risks and rewards of ownership as finance lease. In such cases, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

j) Foreign currency transactions

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

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

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

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

k) Employee benefits

i. Short term employee benefits

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

ii. Defined contribution plans

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

a) Provident Fund

b) Superannuation Fund

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

The company has following long term employment benefit plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

a) Leave encashment

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

l) Borrowing Cost

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

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

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

m) Income tax

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

i. Current tax

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

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

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

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

ii. Deferred tax

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

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

n) Impairment of non-financial assets

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

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

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

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

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

o) Provisions

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

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

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

p) Segment Reporting

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

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

q) Cash and cash equivalents

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

r) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. These are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated or amortized while they are classified as held for sale.

Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when it no longer meets the "held for sale" criteria.

s) Events occurring after the balance sheet date

All material events occurring after the balance sheet date upto the date of approval of financial statements by the board of directors on May 17th, 2019, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period.

3. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs (MCA), notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block						Depreciation						Net Block
	As at 31 March 2019	Adjustment	Additions	Assets classified as held for sale	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2019	Adjustment	For the year	Assets classified as held for sale	Adjustments /Deductions	As at 31 March 2020	As at 31 March 2020
Tangible Assets													
Freehold Land	12,968.17	-	-	-	827.50	12,140.67	-	-	-	-	-	-	12,140.67
Mines and Quarries Freehold	637.44	-	-	-	-	637.44	-	-	-	-	-	-	637.44
Buildings	217.48	-	-	-	8.84	208.64	53.30	-	7.71	-	1.62	59.39	149.25
Railway Sidings	12.03	-	-	-	-	12.03	4.21	-	1.04	-	-	5.25	6.78
Plant and Machinery	1,454.87	60.45	-	-	-	1,515.32	440.93	60.45	147.36	-	-	648.74	866.58
Office Equipments	93.05	26.60	5.60	-	2.28	122.97	23.31	26.60	16.95	-	1.11	65.75	57.22
Furniture & Fixtures	118.76	3.45	0.24	-	0.09	122.36	65.89	3.45	12.76	-	0.05	82.05	40.31
Vehicles	80.95	0.40	-	-	7.37	73.98	42.72	0.40	6.74	-	4.66	45.20	28.78
Total	**15,582.75**	**90.90**	**5.84**	**-**	**846.08**	**14,833.41**	**630.36**	**90.90**	**192.56**	**-**	**7.44**	**906.38**	**13,927.03**

The above includes following assets given on operating lease:

	As at 31 March 2020			2020	As at 31 March 2019			2019
Particulars	**Gross Block**	**Accumulated Depreciation**	**Net Block**	**Depreciation charge for the year**	**Gross Block**	**Accumulated Depreciation**	**Net Block**	**Depreciation charge for the year**
Vehicles	8.63	5.04	3.59	0.32	8.63	4.72	3.91	1.16
Total	**8.63**	**5.04**	**3.59**	**0.32**	**8.63**	**4.72**	**3.91**	**1.16**

Particulars	Gross Block						Depreciation						Net Block
	As at 31 March 2018	Adjustment	Additions	Assets classified as held for sale	Deletions/ Adjustments	As at 31 March 2019	As at 31 March 2018	Adjustment	For the year	Assets classified as held for sale	Adjustments /Deductions	As at 31 March 2019	As at 31 March 2019
Tangible Assets													
Freehold Land	14,000.70	-	-	1,032.53	-	12,968.17	-	-	-	-	-	-	12,968.17
Mines and Quarries Freehold	1,380.14	-	-	742.70	-	637.44	-	-	-	-	-	-	637.44
Buildings	222.77	-	-	5.29	-	217.48	38.64	-	15.35	0.69	-	53.30	164.18
Railway Sidings	12.03	-	-	-	-	12.03	3.02	-	1.19	-	-	4.21	7.82
Plant and Machinery	1,346.02	-	172.48	-	63.63	1,454.87	344.16	-	157.21	-	60.44	440.93	1,013.94
Office Equipments	106.86	-	14.24	-	28.05	93.05	33.38	-	16.89	-	26.96	23.31	69.74
Furniture & Fixtures	122.63	-	-	-	3.87	118.76	52.57	-	16.91	-	3.59	65.89	52.87
Vehicles	80.51	-	0.86	-	0.42	80.95	33.15	-	9.97	-	0.40	42.72	38.23
Total	**17,271.66**	**-**	**187.58**	**1,780.52**	**95.97**	**15,582.75**	**504.92**	**-**	**217.52**	**0.69**	**91.39**	**630.36**	**14,952.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5 Leases

Transition to Ind AS 116

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessors.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019

Operating leases

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of- use asset of ₹ 304.55 lakhs and a corresponding lease liability of ₹ 309.87 lakhs has been recognised. The cumulative effect on transition in retained earnings is ₹ 5.32 lakhs (including a deferred tax of ₹ 1.34 lakhs).

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind As 116 for leases in which it acts as a lessor.

The details of the right-of-use asset held by the Company is as follows:

(₹ in Lakhs)

Particulars	**Additions for year ended 31st March, 2020**	Net carrying amount as at 31st March, 2020
Buildings	-	269.74
Vehicles	58.24	46.59
Total	**58.24**	316.33

Depreciation on right-of-use assets is as follows: **(₹ in Lakhs)**

Particulars	**Year ended 31st March, 2020**
Buildings	34.81
Vehicles	11.65
Total	**46.46**

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
6	**Investment in Subsidiary and Associates**		
	Investment Measured at Fair Value		
a	**Investment in Subsidiary Company - Equity instruments (fully paid-up) (Unquoted)**		
	5,000 Equity Shares of Best Minerals Limited of ₹ 100 each fully paid (cost ₹ 5.00 lakhs, fully impaired)	-	-
	10,000 Equity Shares of FAL Power Ventures Pvt. Limited of ₹ 10 each fully paid (cost ₹ 1583.75 lakhs, fully impaired)	-	-
	50,000 Equity Shares of Facor Electric Limited of ₹ 10 each fully paid (cost ₹ 5.01 lakhs, fully impaired)	-	-
	21,81,605 Shares (Previous Year - 21,51,605) of Facor Minerals Netherlands BV of USD 1 each fully paid {cost ₹ 1234.86 lakhs (Previous Year ₹ 1216.15 lakhs)], fully impaired)	-	-
		-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
7	**Investment Others**		
	Investment Measured at fair value through OCI		
a	**Others - In Equity Shares - unquoted, fully paid up**		
	(i) 30 Shares of DNS Bank Ltd, Mumbai of ₹ 50 each	**0.02**	0.02
	Investment Measured at amortised cost		
b	**In Government Securities : Unquoted**		
	6 Years National Savings Certificates	**1.05**	1.55
	Total	**1.07**	1.57
	Aggregate book value of quoted investments	**NIL**	NIL
	Aggregate book value of un-quoted investments	**1.07**	1.57
8	**Other Non-Current Financial Assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	**2,877.30**	2,577.27
	Balances with banks in deposit accounts	**0.50**	-
	Total	**2,877.80**	2,577.27
9	**Deferred Tax Liabilities/ Assets (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	**225.55**	240.59
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	**474.89**	1,299.90
	Unabsorbed Depreciation and Unabsorbed Business loss	**178.05**	530.91
	MAT Credit Entitlement	**-**	4.01
	Total	**427.39**	1,594.23
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Particulars		
	Opening Balance as on 1st April	**1,594.23**	1,924.24
	Deferred tax income/ (expense) during the period recognised in profit & loss	**(1,201.83)**	(375.30)
	Deferred tax income/ (expense) during the period recognised in Other Equity	**-**	-
	Deferred tax income/ (expense) during the period recognised in OCI	**34.99**	45.29
	Closing Balance	**427.39**	1,594.23
10	**Long Term Loans and Advances**		
	Capital Advance	**-**	12.50
	Total	**-**	12.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
11	**Inventories**		
	(At cost or NRV whichever is lower)		
	Raw Materials (including material in transit)*	**197.38**	1,078.95
	Work-in-Process	**79.22**	176.64
	Finished Products	**287.95**	43.64
	Stores and Spares	**32.03**	127.54
	Loose Tools	**-**	12.23
	Total	**596.58**	1,439.00
	* Material in transit included above is as below:		
	Raw materials NIL (Previous year ₹ 12.41 lakhs).		
12	**Trade Receivables**		
	Unsecured		
	Considered good	**1,031.52**	1,194.25
	Considered doubtful	**-**	-
	Total	**1,031.52**	1,194.25
13	**Cash and Cash Equivalents**		
	Balance with banks:		
	- In Current Account	**65.71**	136.49
	- In Cash Credit Accounts	**0.02**	1.50
	- In Term Deposits (Refer Note 13.1)	**-**	695.67
	Cash in hand	**0.97**	2.65
	Total	**66.70**	836.31
13.1	Represent deposits with original maturity of 3 months or less.		
14	**Other Bank Balances**		
	In earmarked accounts		
	- Unclaimed dividend account	**-**	-
	- in Current Account	**-**	570.00
	Total	**-**	570.00
15	**Other Current Financial Assets**		
	Loans and advances to related parties	**9,713.36**	9,616.76
	Less: Allowance for credit Loss	**8,617.51**	8,616.87
		1,095.85	999.89
	Interest Accrued	**0.03**	1.18
	Total	**1,095.88**	1,001.07
	Note:		
	Movement in Allowance for credit loss is as follows:		
	Opening	**8,616.87**	8,616.06
	Additions	**0.64**	0.81
	Closing	**8,617.51**	8,616.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
16	**Current Tax Assets (Net)**		
	Advance tax (Net of provision for income tax)	**1,072.27**	772.04
	Total	**1,072.27**	772.04
17	**Other Current Assets**		
	Advances to vendors	**222.06**	126.54
	Taxes and duties recoverable	**366.01**	390.11
	Prepaid expenses	**17.09**	14.52
	Claims recoverable	**25.46**	25.46
	Total	**630.62**	556.63
18	**Assets Classified as Held for Sale**		
	Land	**390.52**	1,032.53
	Mines & Quarries	**662.90**	742.70
	Buildings	**0.25**	4.60
	Total	**1,053.67**	1,779.83

The company has identified certain assets like Land & Buildings which are available for sale in its present condition. The company is committed to plan the sale of asset. The company expects to dispose off these assets within twelve months from its classification. The company has received an amount of ₹ 1722.52 lakhs (previous year ₹ 1016.89 lakhs) which pertains to the advance received from the parties in relation to this sale. The same is shown as a liability under other current liabilities.

19	**Share Capital**		
	Authorised:		
	36,00,00,000 Equity Shares of ₹1/- each	**3,600.00**	3,600.00
	39,00,000 Preference Shares of ₹100/- each	**3,900.00**	3,900.00
	Issued, subscribed & fully paid up:		
	19,55,47,355 Equity Shares of ₹1/- each	**1,955.48**	1,955.48
	Total	**1,955.48**	1,955.48

a. Terms and rights attached to equity shares

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

b. Reconciliation of Number of Equity Shares outstanding

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	**(₹ in Lakhs)**	No. of Shares	(₹ in Lakhs)
Balance as at the beginning of the year	195,547,355	1,955.48	195,547,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-	-	-
Balance as at the end of the year	**195,547,355**	**1,955.48**	**195,547,355**	**1,955.48**

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

Name of the Shareholders	**As at 31 March 2020**		As at 31 March 2019	
	No. of Shares	**Percentage**	No. of Shares	Percentage
R.B.Shreeram & Co. Pvt. Ltd.	**6,10,55,682**	**31.22%**	6,10,55,682	31.22%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
20	**Other Equity**		
a.	**Capital Reserves**		
	Balance at the beginning of the year	**8,700.51**	8,700.51
	Addition during the year	**-**	-
	Balance at the end of the year	**8,700.51**	8,700.51
b.	**Securities premium**		
	Balance at the beginning of the year	**2,667.52**	2,667.52
	Addition during the year	**-**	-
	Balance at the end of the year	**2,667.52**	2,667.52
c.	**General reserve**		
	Balance at the beginning of the year	**250.00**	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	**-**	-
	Balance at the end of the year	**250.00**	250.00
d.	**Retained earnings**		
	Balance at the beginning of the year	**279.41**	(917.69)
	Transition impact of Ind AS 116	**(5.32)**	-
	Add: Profit for the year after taxation as per statement of Profit and Loss	**1,028.11**	1,197.10
	Balance at the end of the year	**1,302.20**	279.41
e.	**Equity Component of Loan**		
	Balance at the beginning of the year	**16.64**	16.64
	Addition during the year	**-**	-
	Balance at the end of the year	**16.64**	16.64
f.	**Other Comprehensive Income**		
	Balance at the beginning of the year	**(97.59)**	(13.27)
	Addition during the year	**(104.05)**	(84.32)
	Balance at the end of the year	**(201.64)**	(97.59)
	Total Equity (a+b+c+d+e+f)	**12,735.23**	11,816.49

Nature and purpose of other reserves

Securities premium

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

General reserve

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

21	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	**130.60**	132.58
	Total	**130.60**	132.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
22	**Other Non Current Financial Liabilities**		
	Leased Liability - Car (ROU)	**31.55**	-
	Leased Liability - Office Building (ROU)	**280.00**	-
		311.55	-
23	**Borrowings**		
	(a) From Banks (Secured): (Refer Note No. 23.1)	**-**	2,344.29
	(b) From Other (Unsecured)	**350.00**	1,000.00
	(c) From Related parties (Unsecured)	**390.00**	281.27
	(d) From Others (Unsecured)	**245.00**	241.20
	(e) Liability Against financial guarantees (Refer Note No. 23.2)	**-**	820.41
	Total	**985.00**	4,687.17

23.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts and other receivables and by way of second charge on fixed assets of the Company in respect of immovable properties and guaranteed by two Directors. It also includes NIL (Previous Year ₹ 2104.61 lakhs) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's Account. The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

23.2 The company has received demand notice dated 20th February 2017 from the lender of Cati Madencilik Ithalat *Ve* Ihracat A.S. (Tier II subsidiary) against the corporate guarantee given by Facor Alloys Limited towards its borrowing amount USD 1.5 million. The lender has offered one time settlement (OTS) vide its letter dated 17.01.2019 for payment of USD 1.188 million. The OTS amount is remitted during the year.

24	**Trade Payables**		
	Micro Small and Medium Enterprises (Refer Note No. 41)	**235.44**	33.92
	Others	**2,643.37**	2,082.66
	Total	**2,878.81**	2,116.58
25	**Other Financial Liabilities**		
	Interest accrued and due	**19.74**	2,984.13
	Other payables for:		
	- Managerial Remuneration	**99.76**	80.57
	- Employee Benefits Payable	**127.01**	116.05
	- Security deposits / Retention money	**4.65**	4.17
	Total	**251.16**	3,184.92
26	**Other Current Liabilities**		
	Statutory dues	**71.43**	280.68
	Revenue received in advance	**642.45**	672.59
	Other payables	**1,849.94**	1,172.22
	Leased Liability (ROU)-Car	**7.42**	-
	Leased Liability (ROU)-Office Building	**15.88**	-
	Total	**2,587.12**	2,125.49
27	**Provisions**		
	Provision for employee benefits		
	- Gratuity	**189.67**	183.52
	- Compensated Absences	**51.71**	64.33
	Others	**1,020.53**	1,020.53
	Total	**1,261.91**	1,268.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
28	**Revenue from Operations**		
	Sale of goods		
	- High Carbon Ferro Chrome- Export - Direct	**636.58**	2,459.70
	- Export - Deemed	**13,895.45**	9,981.26
	- Indigenous	**1,321.35**	2,448.97
	Subtotal	**15,853.38**	14,889.93
	Off Grade/By-products	**1.24**	1.20
	Sale of goods	**15,854.62**	14,891.13
	Sale of service- HCF conversion	**13,273.53**	21,115.88
		29,128.15	36,007.01
	Export Incentives	**11.16**	97.23
	Grand Total	**29,139.31**	36,104.24
29	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	**17.82**	7.50
	- Others	**200.60**	160.48
	Foreign Exchange Gain	**-**	3.44
	Miscellaneous Receipts	**2,566.04**	174.64
	Car Lease Rental Received	**4.20**	19.20
	Rent Received	**53.54**	75.18
	Total	**2,842.20**	440.44
30	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Closing Stock		
	- Finished Goods	**287.94**	43.64
	- Work-in-Progress	**79.22**	176.64
		367.16	220.28
	Opening Stock		
	- Finished Goods	**43.64**	1,169.93
	- Work-in-Progress	**176.64**	137.75
		220.28	1,307.68
	Decrease / (Increase) in Inventories	**(146.88)**	1,087.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
31	**Employee Benefits Expense**		
	Salaries and wages	**1,299.12**	1,584.49
	Contribution to provident and other funds	**134.67**	147.08
	Staff Gratuity and Superannuation	**48.18**	50.96
	Staff welfare expenses	**267.29**	270.69
	Directors' Remuneration	**55.65**	55.50
	Total	**1,804.91**	2,108.72
32	**Finance Cost**		
	Interest	**303.61**	1,338.48
	Interest Cost on Employee Benefit Plans	**27.96**	25.15
	Interest on Leased Asset (ROU)	**48.36**	-
	Total	**379.93**	1,363.63
33	**Other Expenses**		
	Mining Handling & Other Production Expenses	**613.08**	662.58
	Power and Fuel	**13,052.59**	15,786.19
	Repairs and Maintenance:		
	- Buildings	**263.97**	313.62
	- Plant and Machinery	**1,281.59**	1,317.80
	Freight, Shipment & Sales Expenses	**113.45**	185.54
	Stores & Spares	**313.07**	358.39
	Works Expenses	**422.97**	453.92
	Transport Expenses	**106.46**	154.87
	Rent	**27.28**	40.88
	Insurance	**7.84**	8.56
	Rates and Taxes	**24.12**	17.80
	Provision for Doubtful Advances	**0.65**	0.81
	Commission and Brokerage on Sales	**-**	22.93
	Donation	**0.10**	7.07
	Payment to Auditors	**6.75**	5.27
	Directors' Sitting Fees	**2.50**	2.30
	CSR Expenses	**12.50**	-
	Miscellaneous Expenses	**74.79**	79.12
	Foreign Exchange Fluctuations	**3.15**	-
	Total	**16,326.86**	19,417.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
33.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	**2.75**	2.75
	Tax Audit Fees	**0.50**	0.85
	Certification and Consultation Fees	**0.18**	0.12
	Reimbursement of Expenses	**1.01**	1.05
	(b) Cost Auditor		
	Audit Fees	**0.50**	0.50
	(c) GST Auditor		
	Audit Fees	**0.58**	-
	Certification and Consultation Fees	**1.17**	-
	Reimbursement of Expenses	**0.06**	-
	Total	**6.75**	5.27

33.2 Corporate Social Responsibilities (CSR) - Expenditure

As per section 135 of the Companies Act, 2013, amount required to be spent by the company during the year ended March 31, 2020 is ₹ 12.28 lakhs (Previous Year NIL). The Company incurred ₹ 12.50 lakhs during the year ended March 31, 2020 (Previous Year NIL), towards CSR expenditure for purpose other than construction/acquisition of any asset.

34 Income Tax

34.1 Income Tax Expenses

	Year ended 31 March 2020	Year ended 31 March 2019
Particulars		
Current Tax Expenses		
Current year	**-**	4.01
	-	4.01
Decrease/(Increase) Deferred Tax Liabilities	**(15.04)**	(44.97)
(Decrease)/Increase Deferred Tax Assets	**1,216.87**	420.27
Total Deferred Tax Expense/(Benefit)	**1,201.83**	375.30
Total Tax Expenses	**1,201.83**	379.31

34.2 Reconciliation of Effective Tax Rate

Profit/(Loss) before Tax	**2,229.94**	1,576.41
Applicable Tax Rate	**25.17%**	34.94%
Computed Tax Expenses	**561.23**	550.86
Tax Effect of:		
Mat Credit difference	**-**	4.01
Previously unrecognised and unused tax losses and deductible temporary differences	**375.30**	375.30
Others Tax Adjustment	**(1,015.90)**	(207.76)
Tax Expenses Recognised in Profit and Loss	**1,201.83**	379.31

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
35	**Earning Per Share**		
	Profit/ (Loss) for the Period	**1,028.11**	1,197.10
	Weighted Average Number of Equity Shares of ₹ 1/- each (In lakhs)	**1,955.48**	1,955.48
	EPS - Basic and Diluted	**0.53**	0.61

36 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debts, since disputed ₹ 1,350.20 lakhs (Previous Year ₹ 1,441.04 lakhs). Amounts paid under protest ₹ 289.63 lakhs (Previous Year ₹ 290.45 lakhs) have been debited to Advance Account.

b. Pursuant to the decision of NCLT, Mumbai bench in the application under section 30(1) and (6) and order under section 31 of Insolvency and Bankruptcy Code, 2016 in the matter of Vidarbha Iron & Steel Corporation Limited, the liability of the Company on account of Corporate Guarantee issued in favour of Consortium Banks of Facor Steels Limited is Nil.

B. Capital And Other Commitments

a. Estimated amount of contracts on Capital Account and other commitments (net of capital advance) remaining to be executed and not provided for in accounts is NIL (Previous year ₹ 12.50 lakhs).

37 Segment Information:

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

Operating Segments

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

Entity wise disclosures

A. Information about products and services

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

B. Information about Geographical Areas

The Group derives revenue from following major geographical areas: (₹ in Lakhs)

Area	For the year ended 31 March 2020	For the year ended 31 March 2019
Outside India (Including Deemed Export)	**14,532.03**	12,440.96
Domestic	**14,594.88**	23,564.85

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

C. Information about Major Customers (from External Customers)

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

(₹ in Lakhs)

External Customers	For the year ended 31 March 2020	For the year ended 31 March 2019
Tata Steel	**13,273.53**	21,115.88
Alloys and Metals	**-**	1,390.00
Mortex India Ltd.	**11,677.02**	6,319.62
Globus 8 Alloys pte limited	**-**	1,090.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

38 Related Party Disclosure:-

I List of Related Parties:-

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

Best Minerals Ltd. - Subsidiary Company

Facor Electric Ltd. - Subsidiary Company

FAL Power Ventures Pvt. Ltd. - Subsidiary Company

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

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

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

B. Enterprise, over which Key Management Personnel and their relatives exercise significant influence, with whom transactions have taken place during the year:

1 Rai Bahadur Shreeram and Company Private Limited

2 Godawaridevi Saraf & Sons

3 GDP Infrastructure Private Limited

4 Shreeram Shipping Services Pvt. Ltd

5 Ferro Alloys Corporation Limited

6 Shreeram Durgaprasad Ores (P) Ltd

7 Facor Power Limited

C. Key Management Personnel

1 R.K. Saraf - Chairman & Managing Director

2 Ashim Saraf - Joint Managing Director

3 Anurag Saraf - Joint Managing Director

D. Relatives of a Key Management Personnel :

1 M.D. Saraf - President

II Transactions with Related Parties during the year ended 31-03-2020 in the ordinary course of business.

(₹ in Lakhs)

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
i) Rent paid	-	-	89.68	121.07	-	-
ii) Rent received	-	-	60.15	93.80	-	-
iii) Reimbursement of Expenditure Paid/(Received) (Net)	-	-	2.30	10.71	-	-
iv) Services Received/(Provided) (Net)	-	-	(7.56)	(9.66)	-	-
v) Interest Received	-	-	31.91	19.74	-	-
vi) Short Term Loans & Advances Provided/(Received)	32.52	(139.98)	(94.30)	55.42	-	-
vii) Clearing & forwarding and other service charges	-	-	0.57	1.72	-	-
viii) Key Management Personnel and their Relative's Remuneration	-	-	-	-	79.93	79.93
ix) Sitting Fees	-	-	-	-	2.50	2.30
x) Balances outstanding at the year end:						
a) Short Term Loans & Advances	900.84	868.96	(214.19)	(169.79)	-	-
b) Other Receivables	-	-	16.23	8.36	-	-
c) Key Management Personnel and their Relative's Remuneration	-	-	-	-	122.92	99.13
d) Other Payables	-	-	4.43	(9.95)	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

III. Disclosure in respect of Related Party Transactions during the year: (₹ in Lakhs)

S. No.	Particulars		Relationship	2019-20	2018-19
1	**RENT PAID:**				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	89.02	119.86
	Godawaridevi Saraf & Sons		Others	0.66	1.21
		Total		89.68	121.07
2	**RENT RECEIVED:**				
	Ferro Alloys Corporation Ltd.		Others	60.15	79.80
	Facor Power Limited		Others	-	14.00
		Total		60.15	93.80
3	**REIMBURSEMENT OF EXPENDITURE:**				
	Paid				
	Godawaridevi Saraf & Sons		Others	12.59	23.33
		Sub-Total		12.59	23.33
	Received				
	Ferro Alloys Corporation Ltd.		Others	10.29	9.65
	Facor Power Limited		Others	-	2.97
		Sub-Total		10.29	12.62
		Net Expenditure Paid		2.30	10.71
4	**SERVICE RECEIVED/(PROVIDED)**				
	Ferro Alloys Corporation Ltd.		Others	(7.56)	(7.56)
	Facor Power Limited		Others	-	(2.10)
		Total		(7.56)	(9.66)
5	**INTEREST RECEIVED/(PAID)**				
	Paid				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	(1.61)	(5.93)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(29.01)	(36.83)
		Sub-Total		(30.62)	(42.76)
	Received				
	Facor Power Limited		Others	62.53	62.50
		Sub-Total		62.53	62.50
		Net Interest Received		31.91	19.74
6	**SHORT TERM LOANS AND ADVANCES (RECEIVED)/PAID**				
	Loans (Received)/Given				
	Facor Power Limited		Others	6.31	0.06
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	(100.62)	55.36
	Shreeram Durgaprasad Ores (P) Ltd		Others	0.01	-
		Sub-Total		(94.30)	55.42
	Best Minerals Limited		Subsidiary	0.19	0.26
	Facor Electric Limited		Subsidiary	0.29	0.35
	FAL Power Ventures Private Limited		Subsidiary	0.13	0.18
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	31.91	(140.77)
		Sub-Total		32.52	(139.98)
		Net Loan Received		(61.78)	(84.56)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

S. No.	Particulars		Relationship	2019-20	2018-19
7	**CLEARING & FORWARDING AND OTHER SERVICE CHARGES**				
	Shreeram Shipping Services Pvt. Ltd.		Others	0.57	1.72
		Total		0.57	1.72
8	**KEY MANAGEMENT PERSONNEL AND THEIR RELATIVES' REMUNERATION**				
	Shri R.K. Saraf		Key Management Personnel	17.70	17.66
	Shri Ashim Saraf		Key Management Personnel	20.93	20.88
	Shri Anurag Saraf		Key Management Personnel	19.90	21.44
	Shri M.D Saraf		Relative of Key Management Personnel	21.40	19.95
		Total		79.93	79.93
9	**DIRECTOR'S SITTING FEES**				
	Shri K Jaybharath Reddy		Non Executive Directors	0.45	0.30
	Shri A.S.Kapre		Non Executive Directors	0.80	0.70
	Shri Kishan Lal Mehrotra		Non Executive Directors	0.70	0.75
	Mrs. Urmila Gupta		Non Executive Directors	0.25	0.45
	Shri Rohit Saraf		Non Executive Directors	0.30	0.10
		Total		2.50	2.30
10	**BALANCES OUTSTANDING AT THE YEAR END**				
	(A) Short Term Loans & Advances - Given:				
	Best Minerals Limited		Subsidiary	6.48	6.29
	Facor Electric Limited		Subsidiary	308.65	308.36
	FAL Power Ventures Private Limited		Subsidiary	1,204.38	1,204.25
	Facor Minerals (Netherlands) B.V.		Subsidiary	6,627.82	6,646.52
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	852.32	820.41
		Sub-Total		8,999.65	8,985.83
	Facor Power Limited		Others	678.78	622.57
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	(100.76)	(0.14)
	Shreeram Durgaprasad Ores (P) Ltd.		Others	(292.21)	(292.22)
		Sub-Total		285.81	330.21
		Total		9,285.46	9,316.04
	Provision made against above				
	Best Minerals Limited		Subsidiary	6.30	6.11
	Facor Electric Limited		Subsidiary	307.07	306.76
	FAL Power Ventures Private Limited		Subsidiary	1,157.62	1,157.48
	Facor Minerals (Netherlands) B.V.		Subsidiary	6,627.82	6,646.52
	Facor Power Limited		Others	500.00	500.00
		Sub-Total		8,598.81	8,616.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

S. No.	Particulars		Relationship	2019-20	2018-19
	(B) Other Receivables/Payables				
	Ferro Alloys Corporation Ltd.		Others	16.23	8.36
		Total		16.23	8.36
	(C) Key Management Personnel and their Relatives' Remuneration				
	Shri R.K. Saraf		Key Managerial Personnel	33.88	27.37
	Shri Ashim saraf		Key Managerial Personnel	36.89	29.86
	Shri M.D. Saraf		Key Managerial Personnel	28.99	18.56
	Shri Anurag saraf		Relative of Key Managerial Personnel	23.16	23.34
		Total		122.92	99.13
	(D) Other Current Liabilities				
	Other Payables:				
	Rai Bahadur Shreeram and Company Pvt. Ltd.		Others	4.43	(9.95)
		Total		4.43	(9.95)

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

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

40 Employee Benefits

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

Defined Contribution Plans:

Amount of ₹ 142.60 lakhs (Previous Year ₹ 156.06 lakhs) is recognised as expenses and included in "Employee Benefits Expense" in Note 30 of the Statement of Profit and Loss.

Defined Benefit Plan :

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ in Lakhs)

		31 March 2020	31 March 2019
(a)	**Net Defined Benefit Liability**		
	Liability for Gratuity	**189.67**	183.53
	Liability for PL Encashment	**182.31**	196.91
	Total Employee Benefit Liability	**371.98**	380.44
	Non-Current	**130.60**	132.59
	Current	**241.38**	247.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

(₹ In Lakhs)

Particulars	Gratuity		PL Encashment	
	2019-20	2018-19	2019-20	2018-19
Present value of Defined Benefit Obligation at the beginning of the year	912.40	831.04	196.91	177.15
Interest Cost	67.06	63.16	14.47	13.46
Current Service Cost	40.25	41.98	12.91	14.08
Actuarial Losses/(Gains)	134.07	105.71	3.12	24.09
Benefits Paid	(219.22)	(129.49)	(45.10)	(31.87)
Present value of Defined Benefit Obligation at the close of the year	**934.56**	**912.40**	**182.31**	**196.91**

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

(₹ In Lakhs)

Particulars	Gratuity	
	2019-20	2018-19
Fair Value of Plan Assets at the beginning of the year	728.87	675.82
Adjustments	(2.29)	(1.40)
Add: Expected Return on Plan Assets	54.01	53.05
Add/(Less): Actuarial Gains/(Losses)	-	-
Add : Contributions	183.52	130.89
Less: Benefits Paid	(219.22)	(129.49)
Fair Value of Plan Assets at the close of the year	**744.89**	**728.87**

(c) Amount Recognised in The Balance Sheet

(₹ In Lakhs)

Particulars	Gratuity		PL Encashment	
	2019-20	2018-19	2019-20	2018-19
Present Value of Defined Benefit Obligation	934.56	912.40	182.31	196.91
Less: Fair Value of Plan Assets	744.89	728.87	-	-
Present Value of unfunded obligation	**189.67**	**183.53**	**182.31**	**196.91**

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

(₹ In Lakhs)

Particulars	Gratuity		PL Encashment	
	2019-20	2018-19	2019-20	2018-19
In Income Statement				
Current Service Cost	40.25	41.98	12.91	14.08
Adjustments	-	-	-	-
Interest Cost	13.49	11.69	14.47	13.46
Expected return on Plan Asset	**53.74**	**53.67**	**27.38**	**27.54**
In Other Comprehensive Income				
Net actuarial loss/(gain)	135.92	105.52	3.12	24.09
Net periodic cost	**135.92**	**105.52**	**3.12**	**24.09**

(e) Investment Details:

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

(f) Actuarial Assumptions as at the Balance Sheet date

Particulars	2019-20	2018-19
Discount Rate	7%	7%
Salary Escalation Rate	5%	5%
Expected rate of return on plan assets	8%	8%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20

(g) Sensitivity Analysis:

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Change in discounting rate (delta effect of +/- 0.5%)	**(17.64)**	**18.33**	(1.53)	1.53
Change in rate of salary increase (delta effect of +/- 0.5%)	**18.53**	**(17.99)**	1.04	(1.04)

41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

On the basis of confirmation obtained from supplier who have registered themselves under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

(₹ in Lakhs)

S. No.	Particulars	31.03.2020	31.03.2019
1	Principal amount remaining unpaid	**218.71**	33.92
2	Interest due thereon remaining unpaid	**7.12**	Nil
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	**Nil**	Nil
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Development Act, 2006.	**9.61**	Nil
5	Interest accrued and remaining unpaid	**16.73**	Nil
6	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	**Nil**	Nil

42 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category*

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
	Amortised Cost	Amortised Cost
Financial assets		
Non-Current Investments	1.07	1.57
Loans	-	-
Other Non-Current Financial Assets	2,877.80	2,577.27
Trade Receivables	1,031.52	1,194.25
Cash and Cash Equivalents	66.70	836.31
Bank Balances other than Above	-	570.00
Other Current Financial Assets	1,095.88	1,001.07
	5,072.97	**6,180.47**

*Exclude financial instruments measured at cost

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
	Amortised Cost	Amortised Cost
Financial Liabilities		
Borrowings	985.00	4,687.17
Trade Payables	2,878.81	2,116.58
Other Financial Liabilities	251.16	3,184.92
	4,114.97	**9,988.67**

B. Fair Value Hierarchy

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

(a) recognised and measured at fair value and

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

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	1.07	1.07
Other Non-Current Financial Assets	-	-	2,877.80	2,877.80
Trade Receivables	-	-	1,031.52	1,031.52
Cash and Cash Equivalents	-	-	66.70	66.70
Bank Balances Other Than Above	-	-	-	-
Other Current Financial Assets	-	-	1,095.88	1,095.88
Total financial assets	**-**	**-**	**5,072.97**	**5,072.97**
Financial Liabilities				
Borrowings	-	-	985.00	985.00
Trade Payables	-	-	2,878.81	2,878.81
Other Financial Liabilities	-	-	251.16	251.16
Total financial liabilities	**-**	**-**	**4,114.97**	**4,114.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

(₹ in Lakhs)

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	1.57	1.57
Loans	-	-	-	-
Other Non-Current Financial Assets	-	-	2,577.27	2,577.27
Trade Receivables	-	-	1,194.25	1,194.25
Cash and Cash Equivalents	-	-	836.31	836.31
Bank Balances other than Above			570.00	570.00
Other Current Financial Assets	-	-	1,001.07	1,001.07
Total Financial Assets	**-**	**-**	**6,180.47**	**6,180.47**
Financial Liabilities				
Borrowings	-	-	4,687.17	4,687.17
Trade Payables	-	-	2,116.58	2,116.58
Other Financial Liabilities	-	-	3,184.92	3,184.92
Total financial liabilities	**-**	**-**	**9,988.67**	**9,988.67**

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

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

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

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

C. Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-Current Investments	1.07	1.07	1.57	1.57
Loans	-	-	-	-
Other Non-Current Financial Assets	2,877.80	2,877.80	2,577.27	2,577.27
Trade Receivables	1,031.52	1,031.52	1,194.25	1,194.25
Cash and Cash Equivalents	66.70	66.70	836.31	836.31
Bank Balances other than Above	-	-	570.00	570.00
Other Current Financial Assets	1,095.88	1,095.88	1,001.07	1,001.07
	5,072.97	**5,072.97**	**6,180.47**	**6,180.47**
Financial liabilities				
Borrowings	985.00	985.00	4,687.17	4,687.17
Trade Payables	2,878.81	2,878.81	2,116.58	2,116.58
Other Financial Liabilities	251.16	251.16	3,184.92	3,184.92
	4,114.97	**4,114.97**	**9,988.67**	**9,988.67**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

II. Financial Risk Management

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

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

Risk Management Framework

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

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

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

i. Credit Risk

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

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

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

The gross carrying amount of trade receivables is ₹1,031.52 lakhs (31 March 2019 ₹ 1,194.25 lakhs).

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

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2020 amounted to ₹ 1,095.85 lakhs (As at 31 March 2019 is ₹ 999.89 lakhs).

Reconciliation of Loss Allowance Provision – Loan And Advances To Related Parties **(₹ in Lakhs)**

	31 March 2020	31 March 2019
Opening balance	8,616.88	8,616.07
Changes in loss allowance calculated at life time expected credit losses	0.65	0.81
Closing balance	**8,617.53**	**8,616.88**

ii. Liquidity risk

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

(a) Financing arrangements

The company do not have undrawn bank overdraft facilities as on 31 March 2020 and as on 31 March 2019.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(b) Maturities of financial liabilities

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

(₹ in Lakhs)

Particulars	Carrying Amounts 31 March 2020	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	985.00	985.00	985.00	-	-	-
Trade payables	2,878.81	2,878.81	2,878.81	-	-	-
Other financial liabilities	251.16	251.16	251.16	-	-	-
Total non-derivative liabilities	**4,114.97**	**4,114.97**	**4,114.97**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	Carrying Amounts 31 March 2019	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	4,687.17	4,687.17	4,687.17	-	-	-
Trade payables	2,116.58	2,116.58	2,116.58	-	-	-
Other financial liabilities	3,184.92	3,184.92	3,184.92	-	-	-
Total non-derivative liabilities	**9,988.67**	**9,988.67**	**9,988.67**	**-**	**-**	**-**

iii. Market risk

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

a) Equity Price risk

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

b) Currency risk

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Exposure to currency risk

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

Particulars	As at 31 March 2020	As at 31 March 2019
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**
Financial Liabilities		
Trade payables		-
Net statement of financial position exposure	**-**	**-**

Sensitivity analysis

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

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
5% movement USD	NA	NA	NA	NA
31 March 2019				
5% movement USD	NA	NA	NA	NA

c) Interest rate risk

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

Exposure to interest rate risk

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Fixed Rate Instruments		
Financial Assets	1.05	1.55
Financial Liabilities	-	-
	(1.05)	**(1.55)**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	2,344.29
	-	**2,344.29**

Sensitivity analysis

Fixed rate instruments

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Variable rate instruments

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

(₹ in Lakhs)

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2020				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**
31 March 2019				
Variable Rate Instruments	(15)	15	(15)	15
Cash flow sensitivity (net)	**(15)**	**15**	**(15)**	**15**

43 Capital management

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

44 The Company has adopted the option of lower tax rate as provided in the Taxation Laws (Amendment) Ordinance, 2019 and the consequent tax expenses has been considered in the quarter and period ended September, 2019.

45 The COVID-19 pandemic has disrupted business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted due to shutdown of plants and offices following national lockdown. The manufacturing facilities were closed on 24th March, 2020. The Company has restarted its partial manufacturing operations from 23rd April, 2020.

The management has considered the possible effects that may impact the carrying amounts of property, plant and equipment, trade receivables, inventories, investments, loans and other assets. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financial results. The management expects no significant impairment to the carrying amount of these assets. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from the estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

46 The figures for the corresponding previous year has been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date.

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Facor Alloys Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group" which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind AS financial statements include the financial statements of three subsidiaries which have been audited by the other Auditor. In respect of these subsidiaries, financial statements have been furnished to us by the management and our opinion on the statement in so far as it relates to these subsidiaries, whose financial statement reflect total assets of Rs.49.23 Lakhs as on 31st March 2020, total loss of Rs. 0.65 Lakhs and net cash outflow of Rs.0.04 Lakhs for the year ended as considered in the consolidated Ind AS financial statement.

Also, One Foreign subsidiary company, whose financial statements reflect total assets of Rs. 2,536.90 Lakhs as at 31st March, 2020, total revenue NIL and net cash inflow of Rs. 10.66 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement is unaudited and has been furnished to us by the management and our opinion on this consolidated financial statement, in as far as it related to the amounts and disclosures included in respect of this subsidiary, our report in terms of sub sections (3) and (11) of section 143 of the act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   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 including Other Comprehensive Income, the Statement of changes in equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i) The consolidated financial statements disclose impact of pending litigations in Note No.34 in the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:20046219AAAAEX9038

Place : Nagpur
Date : 30th June, 2020

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FACOR ALLOYS LIMITED

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

We have audited the internal financial controls over financial reporting of Facor Alloys Limited as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ashwin Mankeshwar
Partner
Membership No. 046219
For and on behalf of

K.K. MANKESHWAR & CO.
Chartered Accountants
Firm's Registration No. 106009W
UDIN:20046219AAAAEX9038

Place : Nagpur
Date : 30th June, 2020

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(₹ in Lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	**14,643.16**	15,748.06
Intangible	4	**1,686.82**	56.47
Right of Use Assets (ROU)	5	**316.33**	-
Financial Assets			
(i) Investments	6	**1.08**	1.58
(ii) Other Non-Current Financial Assets	7	**2,881.34**	2,581.01
Deferred Tax Asset (Net)	8	**441.63**	1,608.47
Long Term Loans and Advances	9	**-**	12.50
Total Non-Current Assets		**19,970.36**	20,008.09
Current Assets			
Inventories	10	**604.18**	1,447.03
Financial Assets			
(i) Trade Receivables	11	**1,059.42**	1,194.94
(ii) Cash and Cash Equivalents	12	**86.16**	845.16
(iii) Other Bank Balances	13	**-**	570.00
(iv) Other Current Financial Assets	14	**195.05**	132.11
Current Tax Assets (Net)	15	**1,072.27**	772.04
Other Current Assets	16	**741.05**	683.65
Assets Classified as Held for Sale	17	**1,053.67**	1,779.83
Total Current Assets		**4,811.80**	7,424.76
Total Assets		**24,782.16**	27,432.85
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	**1,955.48**	1,955.48
Other Equity	19	**13,772.31**	11,605.75
Non-Controlling Interest		**(705.72)**	(1,137.87)
Total Equity		**15,022.07**	12,423.36
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	**453.84**	414.21
Provisions	21	**132.38**	134.02
Other Non-Current Financial Liabilities	22	**311.55**	-
Total Non-Current Liabilities		**897.77**	548.23
Current Liabilities			
Financial Liabilities			
(i) Short Term Borrowings	23	**1,363.20**	5,084.12
(ii) Trade Payables			
Micro Small and Medium Enterprises	24	**235.44**	33.92
Others	24	**2,643.58**	2,082.87
(iii) Other Financial Liabilities	25	**251.28**	3,185.04
Other Current Liabilities	26	**3,106.86**	2,806.88
Provisions	27	**1,261.96**	1,268.43
Total Current Liabilities		**8,862.32**	14,461.26
Total Liabilities		**9,760.09**	15,009.49
Total Equity and Liabilities		**24,782.16**	27,432.85
Notes to Financial Statements	1 to 47		

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

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from Operations	28	**29,139.31**	36,104.24
Other Income	29	**3,095.11**	852.04
Total Income		**32,234.42**	36,956.28
Expenses			
Cost of Materials Consumed		**11,707.12**	10,642.60
Change in Inventory of Finished Goods and Work in Progress	30	**(146.88)**	1,087.40
Employee Benefits Expense	31	**1,808.04**	2,111.86
Finance Costs	32	**403.66**	1,444.09
Depreciation		**256.57**	204.14
Other Expenses	33	**16,398.97**	19,464.95
Total Expenses		**30,427.48**	34,955.04
Profit/ (Loss) before Tax and Exceptional Items		**1,806.94**	2,001.24
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		**-**	(132.20)
B) Profit / (Loss) on Sale/Discard of Fixed Assets		**559.39**	1.45
Profit/ (Loss) Before Tax		**2,366.33**	1,870.49
Tax Expense:			
Current Tax	15	**-**	4.01
Deferred Tax		**1,201.83**	375.30
Profit/ (Loss) for the Period (A)		**1,164.50**	1,491.18
Other Comprehensive Income			
Items that will not be reclassified subsequently to statement Profit or Loss			
Remeasurement of defined benefit plans		**(139.04)**	(129.61)
Deferred Tax relating to remeasurement of defined benefit plans		**(34.99)**	(45.29)
Items that will be reclassified subsequently to statement of Profit or Loss			
Foreign Currency Translation Reserve		**1,127.07**	(507.63)
Total Other Comprehensive Income for the period (B)		**1,023.02**	(591.95)
Total Comprehensive Income for the period (A) + (B)		**2,187.52**	899.23
Profit attributable to :			
- Shareholders of the Company		**1,150.27**	1,517.39
- Non-Controlling Interests		**14.23**	(26.21)
Other Comprehensive Income attributable to :			
- Shareholders of the Company		**1,023.02**	(591.95)
- Non-Controlling Interests		**-**	-
Total Comprehensive Income attributable to :			
- Shareholders of the Company		**2,173.29**	925.44
- Non-Controlling Interests		**14.23**	(26.21)
Earnings per equity share	34		
Basic		**0.59**	0.78
Diluted		**0.59**	0.78
Notes on Financial Statements	1 to 47		

The notes referred to above from an integral part of these financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

(a) Equity share capital

	No. of Shares	Amount
Balance as at 1 April 2019	195,547,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2019	195,547,355	1,955.48
Balance as at 1 April 2019	195,547,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	195,547,355	1,955.48

(b) Other equity

	Reserves & Surplus						OCI	
	Securities Premium	General Reserve	Capital Reserve	Retained earnings	Equity Portion of Borrowings	Foreign Currency Translation Reserve	Remeasurement of defined benefit plans	Total
Balance at 1 April 2018	**2,667.52**	**250.00**	**8,686.63**	**(878.18)**	**16.63**	**(48.15)**	**(13.27)**	**10,681.18**
Profit for the year	-	-	(0.88)	1,517.39	0.01	-	-	1,516.52
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(507.63)	(84.32)	(591.95)
Total comprehensive income for the year	**-**	**-**	**(0.88)**	**1,517.39**	**0.01**	**(507.63)**	**(84.32)**	**924.57**
Balance at 31 March 2019	**2,667.52**	**250.00**	**8,685.75**	**639.21**	**16.64**	**(555.78)**	**(97.59)**	**11,605.75**
Transition impact of Ind AS 116	-	-	-	(5.32)		-	-	(5.32)
Restated balance as at 1st April 2019	2,667.52	250.00	8,685.75	633.89	16.64	(555.78)	(97.59)	11,600.43
Profit for the year	**-**	**-**	**(1.41)**	**1,150.27**	**-**	**-**	**-**	**1,148.86**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**1,127.07**	**(104.05)**	**1,023.02**
Total comprehensive income for the year	**-**	**-**	**(1.41)**	**1,150.27**	**-**	**1,127.07**	**(104.05)**	**2,171.88**
Balance at 31 March 2020	**2,667.52**	**250.00**	**8,684.34**	**1,784.16**	**16.64**	**571.29**	**(201.64)**	**13,772.31**

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

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

S. No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	**Cash flows from operating activities**		
	Net Profit/ (Loss) after Prior Period Items and before Tax	**2,366.33**	1,870.49
	Adjustments For:		
	a) Interest Income	**(471.33)**	(173.16)
	b) Depreciation	**256.57**	204.14
	c) Gain on sale of fixed assets	**(559.39)**	(1.45)
	d) Loss on sale of Investments	**-**	132.20
	e) Effect of change in foreign currency translation reserve	**1,127.07**	(507.63)
	f) Interest Expense	**403.66**	1,444.09
	Operating Cash Profit before Working Capital Changes	**3,122.91**	2,968.68
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	**762.23**	(350.70)
	b) Increase/(Decrease) in Other Current Liabilities	**299.98**	1,330.40
	c) Increase/(Decrease) in Other Current Financial Liabilities	**30.63**	14.03
	d) (Increase)/Decrease in Other Non Current Financial Assets	**(300.33)**	(1,445.60)
	e) (Increase)/Decrease in Provisions	**(147.15)**	(81.81)
	f) (Increase)/Decrease in Other Current Financial Assets	**505.91**	(626.06)
	g) (Increase)/Decrease in Inventories	**842.85**	705.86
	h) (Increase)/Decrease in Long Term Loans & Advances	**12.50**	(12.50)
	i) (Increase)/Decrease in Trade Receivables	**135.52**	646.65
	j) (Increase)/Decrease in Other Current Assets	**(57.40)**	142.04
	k) Increase/(Decrease) in Other Non Current Financial Labilities	**311.55**	-
	Cash Generated From/ (used in) operations	**5,519.20**	3,290.99
	Less: Income Tax Paid (net of refunds)	**(300.23)**	(301.21)
	Net Cash Generated From/ (used in) Operating Activities(A)	**5,218.97**	2,989.78
B	**Cash Flow from Investing Activities:**		
	(Purchase) of property, plant and equipment and capital work in progress	**(1,636.19)**	(196.57)
	Net proceeds of property, plant and equipment and capital work in progress	**2,180.86**	336.05
	Payment including advances for acquiring Right-of-Use Asset	**(362.79)**	-
	Interest received	**472.48**	172.01
	Net movement in Investments	**0.50**	675.49
	Change in Minority interest of Subsidiary company	**417.92**	(182.65)
	Net Cash Generated from/ (Used in) Investing Activities (B)	**1,072.78**	804.33
C.	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	**(3,682.70)**	(1,920.88)
	Interest Expense Paid	**(3,368.05)**	(1,181.03)
	Net Cash generated from/ (used in) Financing Activities (C)	**(7,050.75)**	(3,101.91)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(759.00)**	692.19
	Cash and cash equivalents at the beginning of the year	**845.16**	152.97
	Balance at the end of year	**86.16**	845.16

This is the statement of cash flow referred to in our report of even date.
As per our report of even date.

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Facor Alloys Limited (referred to as "FAL" or "the Company") and its subsidiaries (collectively "the Group"). The Company is a public company domiciled in India and is listed at Bombay Stock exchange. The Company's registered office is located at Shreeramnagar, Garividi, Vizianagaram, Andhra Pradesh.

The consolidated financial statements for the year ended 31st March, 2020 were approved for issue in accordance with a resolution of the Board of Directors of the Company on 30th June, 2020.

2. Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS'), prescribed under Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000) except when otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle at 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Principles of Consolidation

a) The consolidated financial statements include results of the subsidiaries of Facor Alloys Ltd., consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'. The consolidated financial statements present the consolidated accounts of Facor Alloys Limited, its following subsidiaries

S. No.	Name of the Company	Relationship	Proportion of Ownership & Voting Power	Country of Incorporation
1.	Best Minerals Limited (BML)	Subsidiary	100.00%	India
2.	FAL Power Ventures Pvt. Ltd. (FPVPL) [Formerly known as BEC Power Pvt. Ltd.]	Subsidiary	100.00%	India
3.	Facor Electric Ltd. (FEL)	Subsidiary	100.00%	India
4.	Facor Minerals (Netherlands) B.V. (FMN)	Subsidiary	90.65%	Netherlands
5.	Facor Turkkrom Mining (Netherlands) B.V. (FTM)	Subsidiary of FMN	100.00%	Netherlands
6.	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)	Subsidiary of FTM	100.00%	Turkey

b) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company.

c) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

d) 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.

e) The financial statements of FMN and its fellow subsidiary FTM have been prepared in accordance with Netherland Generally Accepted Accounting Principles. The financial statements of Cati, tier 2 subsidiary has been prepared as per IFRS. The impact on account of any difference to the Indian Accounting Standards (Ind AS) is not material in view of Company's consolidated operations.

f) For non-wholly owned subsidiaries, non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

g) The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

h) Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following;

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.)

i) On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

j) Any goodwill arising on acquisition / consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit and loss recognised in the Statement of the Profit and Loss.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the statement of Profit and Loss as it arises and is not reversed.

k) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the asset / liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the parent, Facor Alloys Ltd., and hence have not been reproduced here. Refer Note 2 to 3 of standalone financial statement of Facor Alloys Ltd. for the year ended 31st March, 2020 for details in regard to other significant accounting policies.

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements which fairly present the needed disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block						Depreciation						Net Block	
	As at 31 March 2019	Adjustment	Additions	Assets classified as held for sale	Deletions/ Adjustments	As at 31 March 2020	As at 31 March 2019	Adjustment	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Tangible Assets														
Freehold Land	13,014.99	-	-	-	827.52	12,187.47	-	-	-	-	-	-	12,187.47	13,014.99
Mines and Quarries Freehold	637.44	-	-	-	-	637.44	-	-	-	-	-	-	637.44	637.44
Buildings	698.29	-	-	-	45.76	652.53	87.22	-	18.22	-	1.62	103.82	548.71	611.07
Railway Sidings	12.03	-	-	-	-	12.03	4.21	-	1.04	-	-	5.25	6.78	7.82
Plant and Machinery	1,769.82	60.45	-	-	24.27	1,806.00	463.20	60.45	154.18	-	-	677.83	1,128.17	1,306.62
Office Equipments	93.08	26.60	5.60	-	2.29	122.99	23.31	26.60	16.95	-	1.11	65.75	57.24	69.77
Furniture & Fixtures	123.97	3.45	0.24	-	0.50	127.16	66.21	3.45	12.87	-	0.05	82.48	44.68	57.76
Vehicles	85.69	0.40	-	-	7.73	78.36	43.10	0.40	6.85	-	4.66	45.69	32.67	42.59
Total	**16,435.31**	**90.90**	**5.84**	**-**	**908.07**	**15,623.98**	**687.25**	**90.90**	**210.11**	**-**	**7.44**	**980.82**	**14,643.16**	**15,748.06**

The above includes following assets given on operating lease:

	As at 31 March 2020			2020	As at 31 March 2019			2019
Particulars	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year
Vehicles	8.63	5.04	3.59	0.32	8.63	4.72	3.91	1.16
Total	**8.63**	**5.04**	**3.59**	**0.32**	**8.63**	**4.72**	**3.91**	**1.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	As at 31 March 2019	For the Year	Adjustments/ Deductions	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Intangible Assets										
Mining Rights	56.47	18.00	-	74.47	-	-	-	-	74.47	56.47
Goodwill	**-**	**1,612.35**	**-**	**1,612.35**	**-**	**-**	**-**	**-**	**1,612.35**	**-**
Total	**56.47**	**1,630.35**	**-**	**1,686.82**	**-**	**-**	**-**	**-**	**1,686.82**	**56.47**

Particulars	Gross Block						Depreciation						Net Block	
	As at 31 March 2018	Adjustment	Additions	Assets classified as held for sale	Deletions/ Adjustments	As at 31 March 2019	As at 31 March 2018	Adjustment	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Tangible Assets														
Freehold Land	14,047.52	-	-	1,032.53	-	13,014.99	-	-	-	-	-	-	13,014.99	14,047.52
Mines and Quarries Freehold	1,380.14	-	-	742.70	-	637.44	-	-	-	-	-	-	637.44	1,380.14
Buildings	968.85	-	-	5.29	265.27	698.29	80.54	-	7.37	0.69	-	87.22	611.07	888.31
Railway Sidings	12.03	-	-	-	-	12.03	3.02	-	1.19	-	-	4.21	7.82	9.01
Plant and Machinery	1,725.67	-	172.48	-	128.33	1,769.82	371.61	-	151.98	-	60.39	463.20	1,306.62	1,354.06
Office Equipments	106.89	-	14.24	-	28.05	93.08	33.38	-	16.89	-	26.96	23.31	69.77	73.51
Furniture & Fixtures	127.21	-	0.63	-	3.87	123.97	52.98	-	16.82	-	3.59	66.21	57.76	74.23
Vehicles	81.95	-	4.16	-	0.42	85.69	33.61	-	9.89	-	0.40	43.10	42.59	48.34
Total	**18,450.26**	**-**	**191.51**	**1,780.52**	**425.94**	**16,435.31**	**575.14**	**-**	**204.14**	**0.69**	**91.34**	**687.25**	**15,748.06**	**17,875.12**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March 2018	Additions	Deletions	As at 31 March 2019	As at 31 March 2018	For the Year	Adjustments/ Deductions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Intangible Assets										
Mining Rights	51.41	5.06	-	56.47	-	-	-	-	56.47	51.41
Total	**51.41**	**5.06**	**-**	**56.47**	**-**	**-**	**-**	**-**	**56.47**	**51.41**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5 Leases

Transition to Ind AS 116

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessors.

The Group has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019

Operating leases

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of- use asset of ₹ 304.55 lakhs and a corresponding lease liability of ₹ 309.87 lakhs has been recognised. The cumulative effect on transition in retained earnings is ₹ 5.32 lakhs (including a deferred tax of ₹ 1.34 lakhs).

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Group as a lessor

The Group is not required to make any adjustments on transition to Ind As 116 for leases in which it acts as a lessor.

The details of the right-of-use asset held by the Group is as follows:

(₹ in Lakhs)

Particulars	**Additions for year ended 31st March, 2020**	**Net carrying amount as at 31st March, 2020**
Buildings	-	269.74
Vehicles	58.24	46.59
Total	**58.24**	**316.33**

Depreciation on right-of-use assets is as follows: **(₹ in Lakhs)**

Particulars	**Year ended 31st March, 2020**
Buildings	34.81
Vehicles	11.65
Total	**46.46**

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
6	**Investment Others**		
	Investment Measured at fair value through OCI		
a	**Others - In Equity Shares -unquoted, fully paid up**		
	(i) 30 shares of DNS Bank Ltd, Mumbai of ₹ 50 each	**0.02**	0.02
	Investment Measured at amortised cost		
b	**In Government Securities : Unquoted**		
	6 Years National Savings Certificates	**1.05**	1.55
	12 Years National Savings Certificates	**0.01**	0.01
	Total	**1.08**	1.58
	Aggregate book value of quoted investments	**NIL**	NIL
	Aggregate book value of un-quoted investments	**1.08**	1.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
7	**Other non-current financial assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	**2,880.84**	2,581.01
	Balance in Term Deposits (Maturity more than 12 months)	**0.50**	-
	Total	**2,881.34**	2,581.01
8	**Deferred Tax Liabilities/ Assets (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	**225.55**	240.59
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	**474.89**	1,299.90
	Unabsorbed Depreciation and Unabsorbed Business loss	**192.29**	545.15
	MAT Credit Entitlement	**-**	4.01
	Total	**441.63**	1,608.47
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Opening Balance as on 1st April	**1,608.47**	1,943.35
	Deferred tax income/ (expense) on transition impact recognised in other equity	**-**	-
	Deferred tax income/ (expense) during the period recognised in profit & loss	**(1,201.83)**	(379.31)
	Deferred tax income/ (expense) during the period recognised in OCI	**34.99**	44.43
	Other adjustment for Consolidation	**-**	-
	Closing Balance	**441.63**	1,608.47
9	**Long Term Loans and Advances**		
	Capital Advance	**-**	12.50
	Total	-	12.50
10	**Inventories**		
	(At cost or NRV whichever is lower)		
	Raw materials (Including Material in Transit)	**197.38**	1,078.95
	Work-in-Process	**86.82**	184.67
	Finished Products	**287.95**	43.64
	Stores and spares	**32.03**	127.54
	Loose Tools	**-**	12.23
	Total	**604.18**	1,447.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
11	**Trade Receivables**		
	Unsecured		
	Considered good	**1,059.42**	1,194.94
	Considered doubtful	**-**	-
	Total	**1,059.42**	1,194.94
12	**Cash and cash equivalents**		
	Balance with banks:		
	- In current account	**69.64**	139.89
	- In cash credit account	**0.02**	1.50
	- In term deposits	**14.77**	701.10
	Cash in hand	**1.73**	2.67
	Total	**86.16**	845.16
13	**Other bank balances**		
	In earmarked accounts		
	- In current account	**-**	570.00
	Total	**-**	570.00
14	**Other current financial assets**		
	Loans and advances to related parties	**695.02**	630.93
	Less: allowance for credit loss	**(500.00)**	(500.00)
		195.02	130.93
	Interest Accrued	**0.03**	1.18
	Total	**195.05**	132.11
15	**Current tax assets (net)**		
	Advance tax (Net of provision for income tax)	**1,072.27**	772.04
	Total	**1,072.27**	772.04
16	**Other current assets**		
	Advances to vendors	**222.06**	126.54
	Taxes and duties recoverable	**467.40**	506.92
	Claims Recoverable	**25.46**	25.46
	Prepaid Expenses	**19.03**	17.23
	Others	**7.10**	7.50
	Total	**741.05**	683.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
17	**Assets Classified as Held for Sale**		
	Land	**390.52**	1,032.53
	Mines & Quarries	**662.90**	742.70
	Buildings	**0.25**	4.60
		1,053.67	1,779.83
18	**Share Capital**		
	Authorised:		
	36,00,00,000 (31 March 2019 - 36,00,00,000) equity shares of ₹ 1/- each	**3,600.00**	3,600.00
	39,00,000 (31 March 2019 - 39,00,000) preference shares of ₹ 100/- each	**3,900.00**	3,900.00
	Issued, subscribed & fully paid up:		
	19,55,47,355 (31 March 2019 - 19,55,47,355) equity shares of ₹ 1/- each	**1,955.48**	1,955.48
	Total	**1,955.48**	1,955.48

a. Terms and rights attached to equity shares

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

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

	No. of Shares	(₹ in Lakhs)
Outstanding at the 1 April 2018	195,547,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2019	195,547,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2020	195,547,355.00	1,955.48

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

Name of the Shareholders	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
R.B.Shreeram & Co. Pvt. Ltd.	**6,10,55,682**	**31.22%**	6,10,55,682	31.22%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
19	**Other equity**		
a.	**Securities premium**		
	Balance at the beginning of the year	**2,667.52**	2,667.52
	Addition during the year	**-**	-
	Balance at the end of the year	**2,667.52**	2,667.52
b.	**Capital Reserves**		
	Balance at the beginning of the year	**8,685.75**	8,686.63
	Addition during the year	**(1.41)**	(0.88)
	Balance at the end of the year	**8,684.34**	8,685.75
c.	**General reserve**		
	Balance at the beginning of the year	**250.00**	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	**-**	-
	Balance at the end of the year	**250.00**	250.00
d.	**Retained earnings**		
	Balance at the beginning of the year	**639.21**	(878.18)
	Transition impact of Ind AS 116	**(5.32)**	-
	Add: Profit for the year after taxation as per statement of Profit and Loss	**1,150.27**	1,517.39
	Balance at the end of the year	**1,784.16**	639.21
e.	**Equity Component of Loan**		
	Balance at the beginning of the year		
	Ind AS Adjustments	**16.64**	16.63
	Add: Profit for the year after taxation as per statement of Profit and Loss	**-**	0.01
	Balance at the end of the year	**16.64**	16.64
f.	**Other Comprehensive Income**		
	Foreign Currency Translation Reserve		
	Balance at the beginning of the year	**(555.78)**	(48.15)
	Addition during the year	**1,127.07**	(507.63)
	Balance at the end of the year	**571.29**	(555.78)
g.	**Remeasurement of actuarial gain/loss**		
	Balance at the beginning of the year	**(97.59)**	(13.27)
	Addition during the year	**(104.05)**	(84.32)
	Balance at the end of the year	**(201.64)**	(97.59)
	Total Equity (a+b+c+d+e+f+g)	**13,772.31**	11,605.75

Nature and purpose of other reserves

Securities premium

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

General reserve

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
20	**Borrowings**		
	Loans (Unsecured)		
	- From related parties	**453.84**	414.21
	- Others	**-**	-
	Total	**453.84**	414.21
21	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	**130.60**	132.58
	- others	**1.78**	1.44
	Total	**132.38**	134.02
22	**Other Non Current Financial Liabilities**		
	Leased Liability - Car (ROU)	**31.55**	**-**
	Leased Liability - Office Building (ROU)	**280.00**	**-**
		311.55	-
23	**Borrowings**		
	From Banks (Secured): (Ref. Note No. 23.1)	**-**	2,344.29
	From Others (Unsecured)	**350.00**	1,820.41
	From Others (Unsecured)	**245.00**	241.20
	From related parties (Unsecured)	**768.20**	678.22
	Total	**1,363.20**	5,084.12

23.1 Secured by hypothecation of stocks of raw-materials, finished products, book debts and other receivables and by way of second charge on fixed assets of the Company in respect of immovable properties and guaranteed by two Directors. It also includes NIL (Previous Year ₹ 2104.61 lakhs) towards SBLC issued by Bank of India in favour of Facor Minerals (Netherlands) B.V. devolved and the net amount debited by the Bank to the Company's Account. The devolved amount is secured by first charge on the fixed assets of the Company by deposit of title deeds in respect of immovable properties.

24	**Trade Payables**		
	Micro Small and Medium Enterprises (Refer Note No. 42)	**235.44**	33.92
	Others	**2,643.58**	2,082.87
	Total	**2,879.02**	2,116.79
25	**Other Financial Liabilities**		
	Interest Accrued and Due	**19.74**	2,984.13
	Other payables for:		
	- Managerial Remuneration	**99.76**	80.57
	- Employee Benefits Payable	**127.01**	116.05
	- Security deposits / Retention money	**4.77**	4.29
	Total	**251.28**	3,185.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		As at 31 March 2020	As at 31 March 2019
26	**Other Current Liabilities**		
	Statutory dues	**71.43**	280.67
	Revenue received in advance	**642.45**	672.59
	Other payables	**2,369.68**	1,853.62
	Lease Liability (ROU)-Car	**7.42**	-
	Lease Liability (ROU)- Building	**15.88**	-
	Total	**3,106.86**	2,806.88
27	**Provisions**		
	Provision for employee benefits		
	- Gratuity	**189.67**	183.52
	- Compensated Absences	**51.71**	64.33
	Others	**1,020.58**	1,020.58
	Total	**1,261.96**	1,268.43

		Year ended 31 March 2020	Year ended 31 March 2019
28	**Revenue from operations**		
	Sale of goods	**15,854.62**	14,891.13
	Sale of service- HCF conversion	**13,273.53**	21,115.88
		29,128.15	36,007.01
	Export Incentives	**11.16**	97.23
	Grand Total	**29,139.31**	36,104.24
29	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	**17.82**	7.50
	- Others	**453.51**	165.66
	Miscellaneous Receipts	**2,566.04**	581.06
	Car Lease Rental Received	**4.20**	19.20
	Rent Received	**53.54**	75.18
	Foreign Exchange Gain	**-**	3.44
	Total	**3,095.11**	852.04
30	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Change in Inventories of Finished Goods & Work-in-Progress		
	Decrease / (Increase) in Stock :		
	(a) Opening Stock		
	- Finished Goods	**43.64**	1,169.93
	- Work-in-Progress	**176.64**	137.75
	(b) Less : Closing Stock		
	- Finished Goods	**287.94**	43.64
	- Work-in-Progress	**79.22**	176.64
	Total	**(146.88)**	1,087.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
31	**Employee Benefits Expense**		
	Salaries and wages	**1,299.12**	1,584.49
	Contribution to provident and other funds	**134.67**	147.08
	Staff Gratuity and Superannuation	**48.18**	50.96
	Staff welfare expenses	**267.29**	270.69
	Director's Remuneration	**58.78**	58.64
	Total	**1,808.04**	2,111.86
32	**Finance Costs**		
	Interest on long term loans	**248.85**	397.78
	Interest on Other loans	**76.69**	1,019.38
	Other borrowing costs	**1.80**	0.95
	Interest on Leased Asset (ROU)	**48.36**	-
	Bank Charges on bills discounting	**-**	0.83
	Interest Cost on Employee Benefit Plans	**27.96**	25.15
	Total	**403.66**	1,444.09
33	**Other Expenses**		
	Mining Handling & Other Production expenses	**667.85**	707.34
	Power and fuel	**13,052.59**	15,786.19
	Repairs and maintenance:		
	- Buildings	**263.97**	313.62
	- Plant and machinery	**1,281.59**	1,317.80
	Freight, Shipment & Sales Expenses	**113.45**	185.54
	Stores & Spares	**313.07**	358.39
	Works Expenses	**425.07**	455.30
	Transportation expenses	**106.46**	154.87
	Rent	**27.28**	40.88
	Insurance	**7.84**	8.56
	Rates and Taxes	**24.15**	17.83
	Commission and Brokerage on Sales	**-**	22.93
	Donation	**0.10**	7.07
	Payment to auditors	**6.90**	5.42
	Directors' sitting fees	**2.50**	2.30
	CSR Expenses	**12.50**	-
	Miscellaneous Expenses	**90.50**	80.91
	Foreign exchange fluctuations (net)	**3.15**	-
	Total	**16,398.97**	19,464.95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in Lakhs)

		Year ended 31 March 2020	Year ended 31 March 2019
33.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	**2.90**	2.90
	Tax Audit Fees	**0.50**	0.85
	Certification and Consultation Fees	**0.18**	0.12
	Reimbursement of Expenses	**1.01**	1.05
	(b) Cost Auditor		
	Audit Fees	**0.50**	0.50
	(c) GST Auditor		
	Audit Fees	**0.58**	
	Certification and Consultation Fees	**1.17**	
	Reimbursement of Expenses	**0.06**	
	Total	**6.90**	5.42

34	**Earning per share**		
	Profit/ (Loss) for the period	**1,150.27**	1,517.39
	Weighted average number of equity shares of ₹ 1/- each (In lakhs)	**1,955.48**	1,955.48
	EPS - Basic and Diluted	**0.59**	0.78

35 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities

a. Claims against the Group not acknowledged as debts, since disputed ₹ 1,350.20 lakhs (Previous Year ₹ 1,441.04 lakhs). Amounts paid under protest ₹ 289.60 lakhs (Previous Year ₹ 290.45 lakhs) have been debited to Advance Account.

b. Pursuant to the decision of NCLT, Mumbai bench in the application under section 30(1) and (6) and order under section 31 of Insolvency and Bankruptcy Code, 2016 in the matter of Vidarbha Iron & Steel Corporation Limited, the liability of the Company on account of Corporate Guarantee issued in favour of Consortium Banks of Facor Steels Limited is Nil.

B. Capital And Other Commitments

a. Estimated amount of contracts on Capital Account and other commitments (net of capital advance) remaining to be executed and not provided for in accounts NIL (Previous Year ₹ 12.50 lakhs).

36 Segment Information:

Consolidated segment informations are same as segment information of Facor Alloys Limited.

37 Related Party Disclosure:-

Consolidated related party transactions are same as related party transactions of Standalone Facor Alloys Limited except for following transactions which are additional in consolidated financial statement. Amount received by Cati Medencilik Ithalat Ve Ihracat A.S. for Directors and their Relatives are as under:

(₹ in Lakhs)

S. No.	Name of the Related Party	Nature of Relationship	Transactions during the year		Balance at the year end	
			2019-20	2018-19	2019-20	2018-19
1	Huseyin Cevik	Director	(5.51)	22.66	91.01	96.52
2	Gokhan Cevik*	Relative of Director	(5.68)	(36.24)	100.23	105.91
3	Auditya Narra	Director	1.41	-	1.41	-

* Variation is due to exchange fluctuation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

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

39 FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies

Part "A": Subsidiaries (₹ in lakhs)

1	Sl. No.	1	2	3	4	5	6
2	Name of subsidiary	Best Minerals Ltd.	FAL Power Ventures Pvt. Ltd.	Facor Electric Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Mandencilik Ithalat ve Ihracat A.S.
					Refer Below Note No. 2		
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				US$ 75.64	US$ 75.64	US$ 75.64
5	Share Capital	5.00	1.00	5.00	1,820.36	1,664.08	429.51
6	Reserves & Surplus	(11.30)	(1,158.62)	(312.07)	(9,367.97)	(139.99)	(1,684.20)
7	Total Assets	0.26	47.03	1.94	2,536.90	1,559.87	922.69
8	Total Liabilities	0.26	47.03	1.94	2,536.90	1,559.87	922.69
9	Investments	0.01	-	-	-	1,524.39	-
10	Turnover	-	-	-	-	-	-
11	Profit before taxation	(0.20)	(0.14)	(0.31)	136.39	(6.25)	177.65
12	Provision for taxation	-	-	-	-	-	-
13	Profit after taxation	(0.20)	(0.14)	(0.31)	136.39	(6.25)	177.65
14	Proposed Dividend	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	90.65%	100%	100%

Notes:

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

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

2: Financial information is based on Unaudited Result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
	1	2	3	4	5	4	5	4	5
	Parent								
	Facor Alloys Limited	97.79	14,690.71	87.27	1,028.11	8.65	104.05	42.52	924.06
	Subsidiaries								
	Indian								
1	Best Minerals Ltd.	(0.08)	(11.31)	(0.02)	(0.20)	-	-	(0.01)	(0.20)
2	Facor Electric Ltd.	(2.08)	(312.07)	(0.03)	(0.31)	-	-	(0.01)	(0.31)
3	FAL Power Ventures Pvt. Ltd.	(7.71)	(1,158.62)	(0.01)	(0.14)	-	-	(0.01)	(0.14)
	Foreign								
	Facor Minerals (Netherlands) B.V.	(62.36)	(9,367.97)	11.58	136.39	-	-	6.28	136.39
	Non-controlling Interest in Subsidiaries	(4.70)	(705.72)	1.21	14.23	-	-	0.65	14.23
	Inter- Company Eliminations	79.14	11,887.05			91.35	1,099.26	50.58	1,099.26
	Total	**100.00**	**15,022.07**	**100.00**	**1,178.08**	**100.00**	**1,203.31**	**100.00**	**2,173.29**

41 Employee benefits

Consolidated employee benefits are same as employee benefits of Standalone Facor Alloys Limited.

42 Consolidated MSME details are same as MSME detail of Standalone Facor Alloys Limited.

43 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category*

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
	Amortised Cost	Amortised Cost
Financial assets		
Non-current investments	1.08	1.58
Long Term Loans and Advances	-	12.50
Other non-current financial assets	2,881.34	2,581.01
Trade receivables	1,059.42	1,194.94
Cash and cash equivalents	86.16	845.16
Bank balances other than above	-	570.00
Other current financial assets	195.05	132.11
Total	**4,223.05**	**5,337.30**
*Exclude financial instruments measured at cost		
Financial liabilities		
Borrowings	1,817.04	5,498.33
Trade payables	2,879.02	2,116.79
Other financial liabilities	251.28	3,185.04
Total	**4,947.34**	**10,800.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

B. Fair value hierarchy

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

(a) recognised and measured at fair value and

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

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	1.08	1.08
Loans	-	-	-	-
Other non-current financial assets	-	-	2,881.34	2,881.34
Trade receivables	-	-	1,059.42	1,059.42
Cash and cash equivalents	-	-	86.16	86.16
Bank balances other than above	-	-	-	-
Other current financial assets	-	-	195.05	195.05
Total financial assets	**-**	**-**	**4,223.05**	**4,223.05**
Financial liabilities				
Borrowings	-	-	1,817.04	1,817.04
Trade payables	-	-	2,879.02	2,879.02
Other financial liabilities	-	-	251.28	251.28
Total financial liabilities	**-**	**-**	**4,947.34**	**4,947.34**

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

(₹ in Lakhs)

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Non-current investments	-	-	1.58	1.58
Loans	-	-	12.50	12.50
Other non-current financial assets	-	-	2,581.01	2,581.01
Trade receivables	-	-	1,194.94	1,194.94
Cash and cash equivalents	-	-	845.16	845.16
Bank balances other than above	-	-	570.00	570.00
Other current financial assets	-	-	132.11	132.11
Total financial assets	**-**	**-**	**5,337.30**	**5,337.30**
Financial liabilities				
Borrowings	-	-	5,498.33	5,498.33
Trade payables	-	-	2,116.79	2,116.79
Other financial liabilities	-	-	3,185.04	3,185.04
Total financial liabilities	**-**	**-**	**10,800.16**	**10,800.16**

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

C. Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-current investments	1.08	1.08	1.58	1.58
Loans	-	-	12.50	12.50
Other non-current financial assets	2,881.34	2,881.34	2,581.01	2,581.01
Trade receivables	1,059.42	1,059.42	1,194.94	1,194.94
Cash and cash equivalents	86.16	86.16	845.16	845.16
Bank balances other than above	-	-	570.00	570.00
Other current financial assets	195.05	195.05	132.11	132.11
Total	**4,223.05**	**4,223.05**	**5,337.30**	**5,337.30**
Financial liabilities				
Borrowings	1,817.04	1,817.04	5,498.33	5,498.33
Trade payables	2,879.02	2,879.02	2,116.79	2,116.79
Other financial liabilities	251.28	251.28	3,185.04	3,185.04
Total	**4,947.34**	**4,947.34**	**10,800.16**	**10,800.16**

II. Financial risk management

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

- credit risk;

- liquidity risk; and

- market risk

Risk management framework

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

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

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

i. Credit risk

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

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

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

The gross carrying amount of trade receivables is ₹ 1,059.42 lakhs (31 March 2019 ₹ 1,194.94 lakhs).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2020 amounted to ₹ 1047.34 lakhs (₹ 630.93 lakhs as on 31 March 2019).

Reconciliation of loss allowance provision – Loan and Advances to Related Parties (₹ in Lakhs)

	31 March 2020	31 March 2019
Opening balance	500.00	500.00
Changes in loss allowance calculated at life time expected credit losses	-	-
Closing balance	**500.00**	**500.00**

ii. Liquidity risk

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

(a) Financing arrangements

The company do not have undrawn bank overdraft facilities as on 31 March 2020 and as on 31 March 2019.

(b) Maturities of financial liabilities

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

(₹ in Lakhs)

Particulars	Carrying Amounts 31 March 2020	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,817.04	1,817.04	1,363.20	-	453.84	-
Trade payables	2,879.02	2,879.02	2,879.02	-	-	-
Other financial liabilities	251.28	251.28	251.28	-	-	-
Total non-derivative liabilities	**4,947.34**	**4,947.34**	**4,493.50**	**-**	**453.84**	**-**

(₹ in Lakhs)

Particulars	Carrying Amounts 31 March 2019	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	5,498.33	5,498.33	5,084.12	-	414.21	-
Trade payables	2,116.79	2,116.79	2,116.79	-	-	-
Other financial liabilities	3,185.04	3,185.04	3,185.04	-	-	-
Total non-derivative liabilities	**10,800.16**	**10,800.16**	**10,385.95**	**-**	**414.21**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

iii. Market risk

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

a) Equity Price risk

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

b) Currency risk

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

Exposure to currency risk

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

Particulars	As at 31 March 2020	As at 31 March 2019
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**
Financial Liabilities		
Trade payables	-	-
Net statement of financial position exposure	**-**	**-**

Sensitivity analysis

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

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
5% movement				
USD	-	-	-	-
31 March 2019				
5% movement				
USD	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

c) Interest rate risk

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

Exposure to interest rate risk

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Fixed Rate Instruments		
Financial Assets	1.06	1.56
Financial Liabilities	453.84	414.21
	454.90	**415.77**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	350.00	1,820.41
	350.00	**1,820.41**

Sensitivity analysis

Fixed rate instruments

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

Variable rate instruments

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

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2020				
Variable Rate Instruments	(2.29)	2.29	(2.29)	2.29
Cash flow sensitivity (net)	**(2.29)**	**2.29**	**(2.29)**	**2.29**
31 March 2019				
Variable Rate Instruments	(11.90)	11.90	(11.90)	11.90
Cash flow sensitivity (net)	**(11.90)**	**11.90**	**(11.90)**	**11.90**

44 Capital management

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

45 The Group has adopted the option of lower tax rate as provided in the Taxation Laws (Amendment) Ordinance, 2019 and the consequent tax expenses has been considered in the quarter and period ended September, 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

46 The COVID-19 pandemic has disrupted business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Group were impacted due to shutdown of plants and offices following national lockdown. The manufacturing facilities were closed on 24th March, 2020. The Group has restarted its partial manufacturing operations from 23rd April, 2020.

The management has considered the possible effects that may impact the carrying amounts of property, plant and equipment, trade receivables, inventories, investments, loans and other assets. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financial results. The management expects no significant impairment to the carrying amount of these assets. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from the estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

47 The figures for the corresponding previous year has been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date.

For and on behalf of the Board of Directors

Ashwin Mankeshwar
Partner
(Membership No. 046219)
For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)

O.P. Saraswat
Dy. Chief Financial Officer

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

Piyush Agarwal
Company Secretary

Ashim Saraf
Joint Managing Director
(DIN: 00009581)

Place: Noida, U.P.
Date: 30th June, 2020

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