



February 13, 2025

**Corporate Relationship Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001**

Dear Sir / Madam,

Subject: **Statement on Impact of Audit Qualifications**

This refers to the unaudited consolidated financial results of the Company for the quarter and nine months ended 31st December, 2024.

In this regard, please find attached herewith a statement on impact of audit qualifications for the said financial results.

This is for your information and records.

Yours faithfully,

For Facor Alloys Limited

SACHIN
KUMAR GUPTA

Digitally signed by
SACHIN KUMAR GUPTA
Date: 2025.02.13
16:40:43 +05'30'

**Sachin Kumar Gupta
Company Secretary
ACS 22874**

Encl: As above

FACOR ALLOYS LIMITED

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Facor Alloys Limited

Statement on Impact of Audit Qualifications for the quarter and nine months ended 31 st December, 2024 [See Regulation 33/52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]				
I.	Sl. No	Particulars	Consolidated Unaudited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) *
			Rs. in Lakhs	Rs. in Lakhs
	1.	Turnover / Total income	16.70	-
	2.	Total Expenditure	393.62	-
	3.	Net Profit/(Loss) After Tax	(376.92)	-
	4.	Earnings Per Share	(1.59)	-
	5	Total Assets	18,402.66	-
	6.	Total Liabilities	18,402.66	-
	7.	Net Worth	10,162.59	-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
*Not Quantified by the auditor				
II.	<p>Audit Qualification (each audit qualification separately):</p> <p>1. Details of Audit Qualification:</p> <p style="padding-left: 40px;"><u>Point no. a</u></p> <p>Basis of Qualified Conclusion</p> <p>Commencing this period, management of the entity ceased to consolidate the financial results of its overseas subsidiary companies since management is not able to obtain the financial information in respect of the overseas subsidiary because the promoter director of the company who was director in the overseas subsidiary has stepped down on 04th April of 2024 as disclosed in Note 5 of the statements. This is not in accordance with Regulation 33 the SEBI (Listing Obligation and Disclosure Requirements) and IND AS 110 specified under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.</p> <p>Since, the overseas subsidiary which are not consolidated by the company are non- operative, the financial impact of the same on the consolidated financial statements in not material. Also the company had fully impaired the investments made on such subsidiaries during the earlier years.</p> <p>Since the financial information of the overseas subsidiaries are not provided by the management the impact of the non- consolidation of overseas subsidiary on the consolidated financial results for the quarter and nine months ended December 31, 2024, cannot be determined.</p> <p>Qualified Conclusion</p> <p>Based on our review, with the exception of the matter prescribed in the Basis of Qualified para nothing came to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting</p>			

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principles generally accepted in India, has not disclosed the information required to be disclosed in term of regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

2. Type of Audit Qualification: Qualified Opinion
3. Frequency of qualification: Appeared second time
4. For Audit Qualification(s) where the impact is quantified by the auditor,
Management's Views: Not applicable
5. For Audit Qualification(s) where the impact is not quantified by the auditor,
Management's Views:

(i) Management's estimation on the impact of audit qualification:

Company has overseas subsidiary company in Netherlands namely M/s Facor Minerals (Netherlands) ('FMN') which has further step-down subsidiary company namely Facor Turkrom Mining (Netherlands) ('FTMN'). Further, through FTMN, a subsidiary was set up in Turkey, i.e. CATI Madencilik Itahalat ve Ihrecat A.S. (Turkey) ("CATI") ("FMN, FTMN and CATI are collectively referred to as the "Overseas Subsidiaries"). Erstwhile promotor Director of the company, who was director in Overseas Subsidiaries has stepped down on 4th April, 2024 since then company was asking all documents and information pertaining to affairs of overseas companies from erstwhile directors, issued notices, emails to him but did not get any information or reply from erstwhile director. Company is taking all legal course of action. In absence of documents pertaining to overseas companies, company is unable to consolidate the same in consolidated financial statements /results for the quarter/period ended on 31st December, 2024. Company obtained legal opinion and put forth before Board for necessary action, Board discussed the legal opinion and observed the situation arose on account of non-availability of financial records as well as information pertaining to affairs of overseas subsidiaries and resolved that company will declare consolidated financial statements/ results without consolidating overseas subsidiaries. However, these overseas subsidiaries are non-operational and no commercial or revenue generating activities were carrying out, no expenses were incurred during the quarter and investments in overseas subsidiaries have already been fully impaired years back, Hence there is no material impact on the results for the quarter/period ended on 31st December, 2024.

(ii) If management is unable to estimate the impact, reasons for the same:

Not Ascertainable

Auditors' Comments on (i) to (ii) above:

We have not been able to obtain sufficient and appropriate audit evidence on the matters specified in the '*Basis for Qualified Opinion*' section of our audit report dated 12th February 2025. In the absence of any documentary evidence/ confirmation and limited information available to us, we are unable to comment on the above matters.

