

# **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 Independent Director

**A. S. Kapre**

Non-Executive Independent Director

**K. L. Mehrotra**

Non-Executive Independent Director

**Mrs. Urmila Gupta**

Non-Executive Independent 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, 2<sup>nd</sup> 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](mailto:info@masserv.com)

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**NOTICE**

Notice is hereby given that the **17<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of Facor Alloys Ltd. will be held on Tuesday, the 15<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 16<sup>th</sup> 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, 2<sup>nd</sup> 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](mailto:tumul11@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto: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 9<sup>th</sup> September, 2020 to 15<sup>th</sup> 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](http://www.iepf.gov.in) / [www.mca.gov.in](http://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 08<sup>th</sup> June, 2018 read with subsequent Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> 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](mailto: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 31<sup>st</sup> March, 2020 including notice of 17<sup>th</sup> 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](http://www.facoralloys.in), website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://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:

<b>Physical Holding</b>	Send a signed request to Registrar and Transfer Agents of the Company, i.e. MAS Services Limited at <a href="mailto:info@masserv.com">info@masserv.com</a> 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.
<b>Demat Holding</b>	Please contact your Depository 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](http://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:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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..</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. <ul style="list-style-type: none"> <li>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).</li> </ul>

- (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 1<sup>st</sup> shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to [info@masserv.com](mailto: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](mailto:info@masserv.com)

**(III) 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-mail

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**

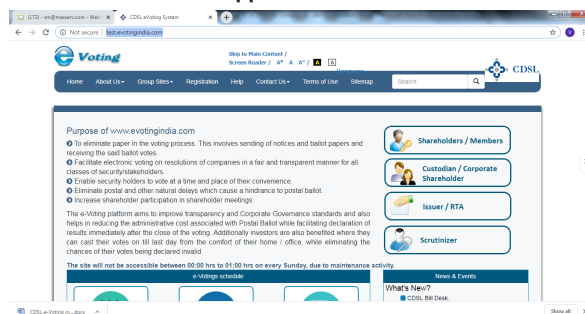
**NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.**

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

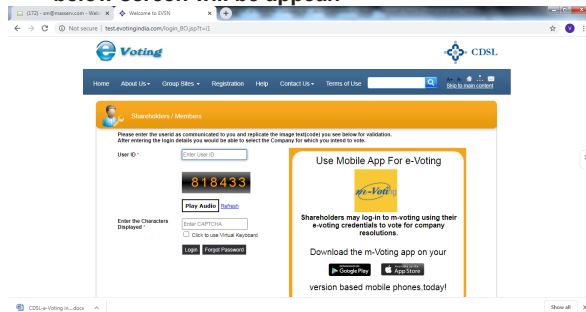
**(EXPLAINED USING SCREENSHOTS):**

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

Below screen will be appear.

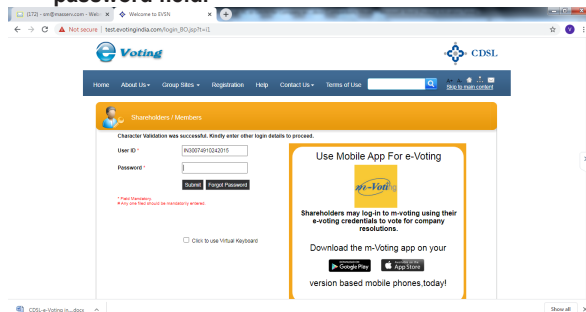


- ii. Press Shareholders/Members tab, after which the below screen will be appear.

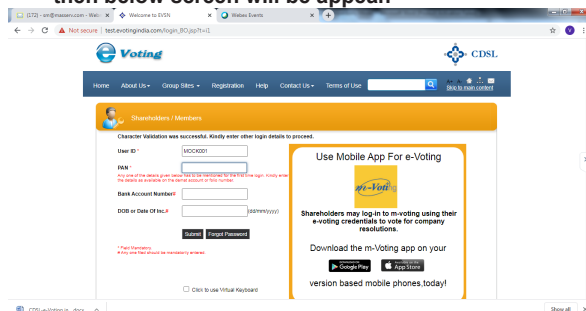


- iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

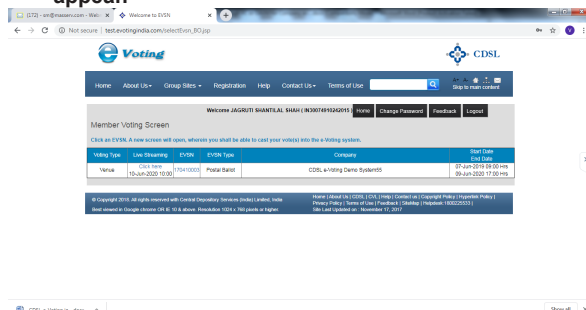
Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



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

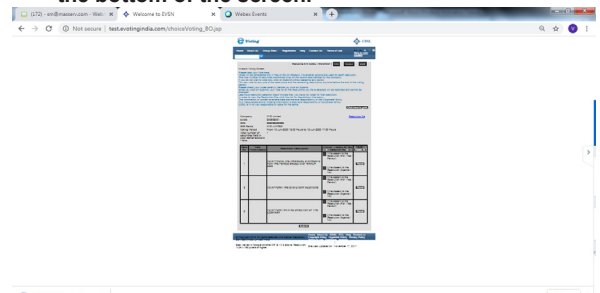


- v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.

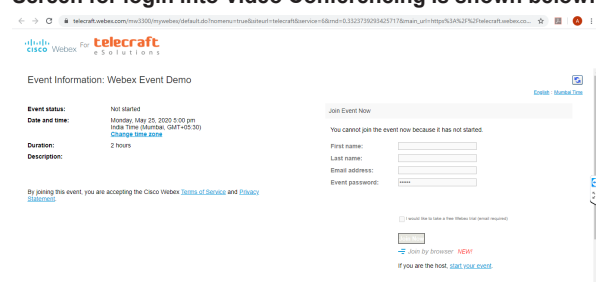


- vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on "Click here" tab under the live streaming column.

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

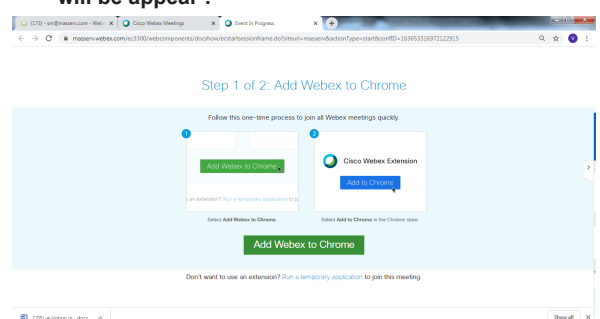
In the "Email ID" field - Put your email ID

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](http://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.

**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](mailto:facoralloys@facorgroup.in)  
Website [www.facoralloys.in](http://www.facoralloys.in)

**Piyush Agarwal**  
Company Secretary

**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 31<sup>st</sup> 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 16<sup>th</sup> Annual General Meeting held on Saturday, the 28<sup>th</sup> 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, 2<sup>nd</sup> 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.

**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](mailto:facoralloys@facorgroup.in)  
Website [www.facoralloys.in](http://www.facoralloys.in)

**Piyush Agarwal**  
Company Secretary

## **DIRECTORS' REPORT TO THE MEMBERS**

The Directors submit the **17<sup>th</sup> ANNUAL REPORT** on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> 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 24<sup>th</sup> 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 31<sup>st</sup> March 2020 on Equity Shares of the company.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> 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.facorallloys.in](http://www.facorallloys.in).

### **NUMBER OF MEETINGS OF THE BOARD**

The Board met five times in FY 2019-20 viz. on 17<sup>th</sup> May, 2019, 24<sup>th</sup> June, 2019, 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 12<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 14<sup>th</sup> AGM held on 20<sup>th</sup> September, 2017 upto the conclusion of the 19<sup>th</sup> 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 31<sup>st</sup> 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 29<sup>th</sup> 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.facorallloys.in](http://www.facorallloys.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](http://www.iepf.gov.in)).

The Nodal Officer for the purpose of IEPF is Company Secretary and the website address is [www.facorallloys.in](http://www.facorallloys.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