

SIXTY SECOND ANNUAL REPORT 2017-18



FERRO ALLOYS CORPORATION LIMITED

CORPORATE INFORMATION

Board of Director

R. K. SARAF

Chairman & Managing Director

Manoj Saraf

Managing Director

Vineet Saraf**Ashish Saraf**

Joint Managing Director

Rohit Saraf

Joint Managing Director

A.S. Kapre**Umesh Khaitan****Pinaki Misra****M. B. Thaker****Urmila Gupta****Ritesh Chaudhry**

Sr. General Manager (Legal) &
Company Secretary

Executive

O. P. BANKA

Director (Finance)

Yashpal Mehta

Chief Financial Officer

P.G.Suresh Kumar

Chief Executive
(Charge Chrome Plant)

R. K. Singh

Sr. General Manager
(Mines)

Resolution Professional

K. G. Somani

Bankers

Bank of India
Central Bank of India
State Bank of India
Syndicate Bank
State Bank of Bikaner & Jaipur

Solicitor

Mulla & Mulla and
Craig Blunt & Caroe
Bhaishankar Kanga and
Girdharilal

Auditors

K.K. Mankeshwar & Co.
Chartered Accountants

Internal Auditors

M/s. Das & Prasad
Chartered Accountants
Umesh Khaitan

Secretarial Auditors

M/s. Ashish Saxena & Co.
Company Secretaries

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

Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 3rd Floor,
99 Madangir, Behind LSC,
New Delhi – 110 062
Phone No. 91-11-29961281-83
Fax No. 91-11-29961284
E-mail: beetalrta@gmail.com
beetal@beetalfinancial.com

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NOTICE TO MEMBERS

Notice is hereby given that the SIXTY SECOND ANNUAL GENERAL MEETING of the Members of the Company will be held at the Registered Office of the Company at D.P. Nagar, Randia – 756135, Dist. Bhadrak, Odisha on Tuesday, the 18th day of September, 2018 at 4 p.m. to transact, with or without modification as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2018, the Report to the members under section 134 of the Companies Act, 2013 and the Auditors' Report thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31st March, 2018.
2. To appoint a Director in the place of Mr. Vineet Vithaldas Saraf (DIN:00004715), who retires from Office by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution which will be proposed as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provision of section 139 of the Companies Act 2013 (as amended or re-enacted from time to time) and other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and the resolution passed by the members of the Company at the 61st Annual General Meeting of the Company, the appointment of M/s K.K. Mankeshwar & Co. Chartered Accountants, (Firm Registration No. 106009W) as Auditors of the Company to hold office till the conclusion of the 66th Annual General Meeting of the Company be and is hereby ratified for the remaining period of their tenure, as Auditors of the Company at a remuneration plus applicable taxes and reimbursement of expenses incurred by them incidental to their functions, as may be decided by Resolution Professional and/or the Board of Directors, as applicable, in consultation with the said Auditors.

RESOLVED FURTHER THAT the Company Secretary is hereby directed to file the relevant e-form with the Ministry of Corporate Affairs and to take all such further actions as may be required in this connection."

SPECIAL BUSINESS:

4. 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 141, 148 and other applicable provisions, if any, of the Companies Act, 2013, and Rule 14 and other applicable rules, if any, of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be required, the appointment of M/s Niran & Co., Cost Accountants (Registration

Number: 000113), as Cost Auditor of the Company for FY 2018-19 on a remuneration of Rs. 70,000/- (Rupees Seventy Thousand only) per annum plus applicable taxes and out of pocket expenses be and is hereby ratified."

Registered Office: By Order of Resolution Professional
D.P. Nagar for **Ferro Alloys Corporation Limited**
P.O. Randia - 756135
Distt. Bhadrak, Odisha

Ritesh Chaudhry
Sr. General Manager (Legal) &
Company Secretary

Resolution Professional

Dated : 14th August, 2018
Place : Noida – 201301, U.P.

K.G. Somani

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Item no.4 being Special Business at the meeting, is annexed hereto.
2. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, the 15th September, 2018 to Tuesday, the 18th September, 2018 (both days inclusive) for annual closing.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under sub-clause 3 of Regulation 36 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations And

NOTICE TO MEMBERS

Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of Report on Corporate Governance. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.

7. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode. Complete copy of the Annual Report for 2017-18 shall be provided on request to members.
8. In accordance with the Companies Act, 2013 read with the Rules framed there under Electronic copy of the Notice of the 62nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 62nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 62nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.facorgroup.in/investorrelations/AGMNotice2017-18 for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in D.P. Nagar, Randia for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@facorgroup.in

10. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and also 44(1) of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.

The instructions for e-voting are as under:

- (i) The voting period begins on Saturday, 15th September, 2018 at 9:00 a.m. and ends on Monday, 17th September, 2018 at 5:00 p.m. During this period

shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 11th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence no is printed on the address slips. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 (v).

NOTICE TO MEMBERS

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN no. 180814033 for Ferro Alloys Corporation Limited.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com, as aforesaid.
- (C) The e-voting period commences on Saturday, 15th September, 2018 (9:00 am) and ends on Monday, 17th September, 2018 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11th September, 2018 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Tuesday, 11th September, 2018, as referred in preceding clause.
- (E) Mr. Ashish Saxena & Co., Company Secretaries, (Membership No. 6560) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (F) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in within 2 (two)

NOTICE TO MEMBERS

days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

- (G) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Resolution Professional of the Company.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during normal business hours (9.00 am to 5.00 pm) except Saturdays, Sundays and Holidays up to and including the date of the AGM of the Company.
9. Members are also informed that the complete particulars of the venue of the Meeting including route map and prominent land mark for easy location has been specified in this notice. Further, the same has been hosted along with the Notice on website www.facorgroup.in/investorrelations/AGMNotice2016-17 of the company.
11. The investors may contact the Company Secretary for queries, if any. For this purpose, they may either write to him at the Corporate office address at "Facor House A45-A50, Sector-16, Noida, U.P.-201301" or e-mail their grievances /queries to the Company Secretary at the following e-mail address: investors@facorgroup.in
12. Unclaimed/Unpaid dividends for the financial years referred herein below are due for transfer to Investor Education & Protection Fund constituted by the Central Government. Members may claim their unclaimed/unpaid dividends by approaching the Company's Secretarial Department at "Facor House" Ground Floor, Plot no. A 45-50, Sector 16, Noida – 201301, U.P. for payment thereof as the same will be transferred to the "Investor Education & Protection Fund" of the Central Government, as aforesaid, on the following dates, post which no claim shall lie against the Company or the Investor Education & Protection fund:
- Dividend for the year 2010-11, on or after 12th October, 2018
13. Members are also informed that the complete particulars of the venue of the Meeting including route map and prominent land mark for easy location has been specified in this notice. Further, the same has been hosted along with the Notice on website www.facorgroup.in/investorrelations/AGMnotice of the company.

Registered Office: By Order of Resolution Professional
D.P. Nagar for **Ferro Alloys Corporation Limited**
P.O. Randia - 756135
Distt. Bhadrak, Odisha

Ritesh Chaudhry
Sr. General Manager (Legal) &
Company Secretary

Resolution Professional

Dated : 14th August, 2018
Place : Noida – 201301, U.P.

K.G. Somani

ANNEXURE TO THE NOTICE

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

Item no.4

The Resolution Professional has considered and decided the appointment of M/s Niran & Co., Cost Accountant (Registration No. 000113), as Cost Auditor of the Company for the financial year 2018-19 on a remuneration of Rs.70,000/- (Rupees Seventy Thousand only) per annum plus applicable taxes and out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. It is therefore, necessary for the members to pass an Ordinary Resolution under section 148 and other applicable provisions, if any, of the Companies Act, 2013 as set out at Item no.4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives / Resolution Professional, is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Ordinary Resolution set out at Item No. 4 of the Notice is commended for approval by the shareholders.

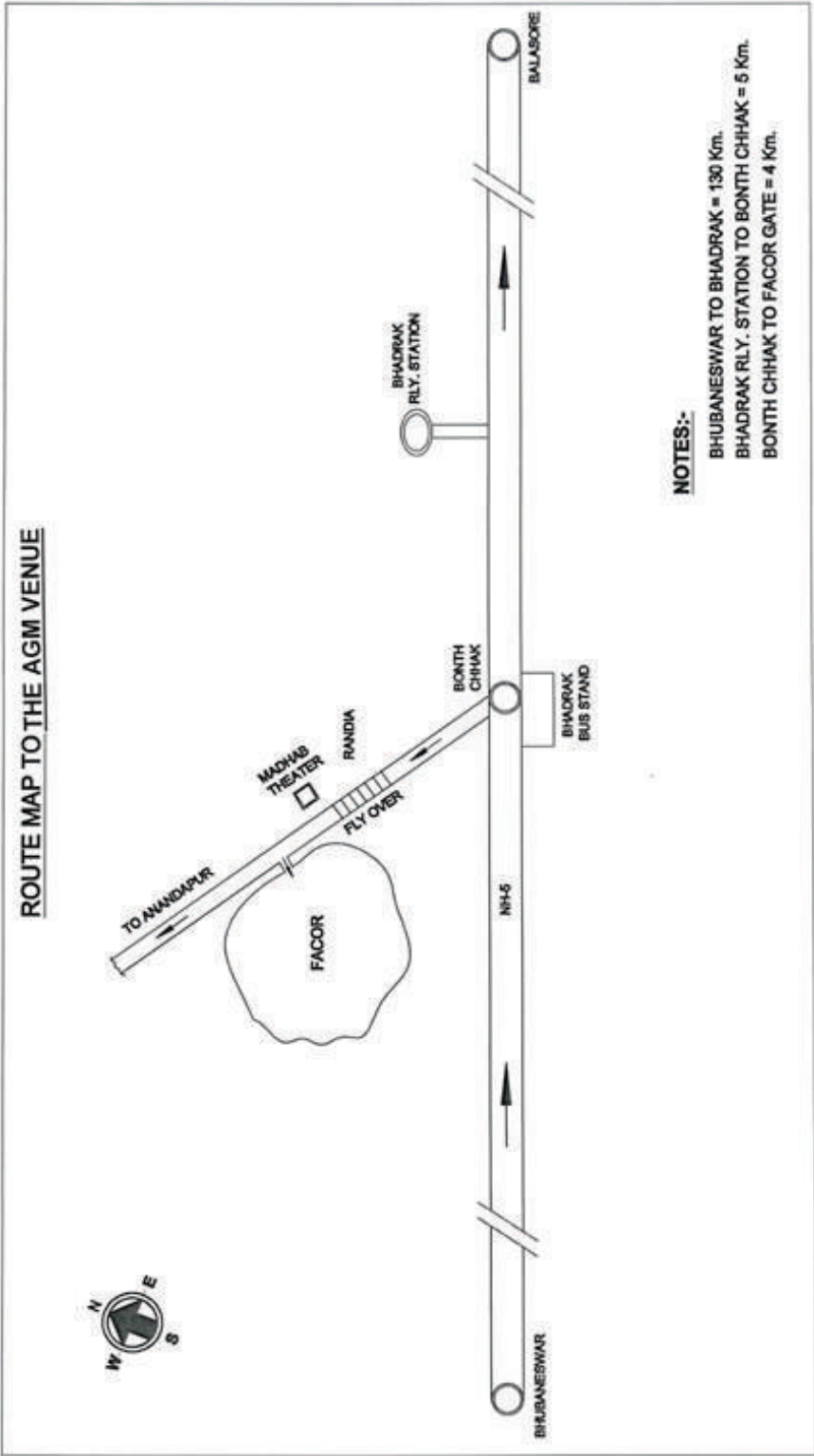
Registered Office: By Order of Resolution Professional
D.P. Nagar for **Ferro Alloys Corporation Limited**
P.O. Randia - 756135
Distt. Bhadrak, Odisha

Ritesh Chaudhry
Sr. General Manager (Legal) &
Company Secretary

Resolution Professional

Dated : 14th August, 2018
Place : Noida – 201301, U.P.

K.G. Somani



REPORT TO THE MEMBERS UNDER SECTION 134 OF THE COMPANIES ACT, 2013

We present the 62nd Annual Report of your Company and the Audited Financial Statement of the Company for the financial year ended 31st March, 2018, and the audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS

Despite sluggish business phase during the year under review, the Company improved its bottom line numbers which is reflected in the financial results for the year which are, as under:

(₹ in lacs)

Particulars	Standalone		Consolidated	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Income from Operations	53908.25	61144.23	53908.25	61144.23
Profit before tax & Depreciation/Amortization	7062.70	4458.30	7051.31	4462.45
Depreciation/Amortization	575.05	663.06	575.05	663.06
Provision for taxation	939.48	1598.37	939.48	1598.37
Net Profit/(Loss) for the year	5492.29	1994.58	5480.90	1994.64
Balance carried to Balance Sheet	(1420.88)	(6969.05)	(1426.35)	(6963.13)

**Previous Year Figures have been regrouped/rearranged wherever necessary as the figures are rearranged/regroup due to IndAS.*

During the year under review, revenue from operations decreased by 11.83% to ₹53,908.25lacs (previous year ₹61,144.23 lacs which includes Inter unit transfers of ₹10,884.32 lacs). However, EBITDA increased by 32.82% to ₹8,049.18lacs (previous year ₹6,060.34 lacs) and profit after tax increased by 175.36% to ₹5,492.29 lacs (previous year ₹1,994.58 lacs) on the back of improvement in prices.

STATE OF COMPANY'S AFFAIRS

Members may recall that the Company had executed Corporate Guarantee of ₹ 517.90 crores, in tranches, to Rural Electrification Corporation Limited which had sanctioned a Term Loan of ₹ 517.90 crores to Facor Power Limited, the then subsidiary of the Company against the security of the assets of FPL, the personal guarantee of two of its directors and the Corporate Guarantee of Ferro Alloys Corporation Limited, as aforesaid.

Members may recall that pursuant to a default in the repayment of the instalments and interest on the loan as per the repayment schedule and upon an application filed by REC under section 7 of the Insolvency and Bankruptcy Code, 2016 with the National Company Law Tribunal, Kolkata, Corporate Insolvency Resolution Process was initiated against the Company w.e.f 6th July, 2017 and Mr. K.G. Somani was appointed as Resolution Professional.

As reported last year, an appeal against the order of Hon'ble NCLT, Kolkata was filed before the Hon'ble National Company Law Appellate Tribunal, New Delhi (NCLAT, New Delhi) which was heard from time to time with the last hearing done on 5th March, 2018. The order is awaited.

Members may note that since Hon'ble NCLAT, New Delhi had not, during the hearings conducted before it, stayed the order of the Hon'ble NCLT, Kolkata, the Resolution Professional had, in compliance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the Corporate Insolvency

Regulations, 2016 invited expression of interest from eligible bidders, who submitted the bids in accordance with the norms set out by the Committee of Creditors after due deliberations. However, none of the bids tendered were accepted by the Committee of Creditors and accordingly the NCLT, Kolkata had been informed that none of the bids received had been accepted by the Committee of Creditors, on 2nd April, 2018.

Although in terms of the provisions of Insolvency and Bankruptcy Code, 2016 the 270 days' period for Corporate Insolvency Resolution Process got over on 2nd April, 2018, the said NCLT, Kolkata, vide its order 2nd April, 2018 directed Resolution Professional to continue with the management of the affairs of the Company. Further, post 2nd April, 2018 also the matter has been heard subsequently as well by NCLT, Kolkata but final decision in the matter has not been taken in view of the direction from Hon'ble NCLAT, New Delhi in its order dated 5th March, 2018 that any order passed shall be subject to decision of the appeals filed before it.

COMPANY OPERATIONS AFTER APPOINTMENT OF RESOLUTION PROFESSIONAL

The performance of the Company's Charge Chrome Division and Mining Division during the year under the management of Resolution Professional has been satisfactory which is best demonstrated, as under:

Particulars	FY 2017-18 (w.e.f July, 2017 to March 18)	FY 2016-17
Ferro Chrome		
Production in MT	53,728	69,370
Sales in MT	54,249	68,449
Chrome Ore		
Production in MT	1,03,381	89,499

Further, the Resolution Professional continues to manage the affairs of the Company post 2nd April, 2018 in terms of the order dated 2nd April, 2018 of the Hon'ble NCLT, Kolkata. During the quarter ended 30th June, 2018, the performance of the Company has been, as under:

(₹ in lacs)

Sr. No.	Particulars	Quarter ended 30 th June, 2018	Quarter ended 30 th June, 2017
1.	Revenue from operations	15297.17	14476.53
2.	Expenses	13617.73	12325.19
3.	EBITDA	2229.67	2312.96
4.	Tax expense	684.88	(34.86)
5.	Net profit	1138.90	3805.56*

* Includes exceptional gain of Rs.2484.01 lacs arising due to sale of fixed assets.

INDUSTRIAL SCENARIO

India is currently the world's 3rd largest producer of crude steel and is expected to become the 2nd largest producer of crude steel in the world soon. The country is also the 3rd largest consumer of finished steel (83.5 million tonnes in 2016) in the world preceded by China (681.0 million tonnes in 2016) and the USA (91.6 million tonnes in 2016). During January-December 2017, the country's crude steel production crossed the 100 million tonnes mark for the first time in history, reaching 101.371 million tonnes (provisional; source: JPC), a growth of 6.18% over same period of 2016.

Steel is the most versatile material, which has made the progress in every aspect on this earth possible. There are hundreds of varieties of steel because for each application it has to be made with specific properties to get the most optimum usage. Though the basic constituent of steel is iron, it is the proportion of other elements in it, which gives each type of steel, certain specific properties. These elements are added in liquid iron in the form of Ferro alloys to get the desired composition and properties. Thus, Ferro alloys are important additives in the production of steel and Ferro Alloys industry is vitally linked for its growth and development to that of the Steel Industry.

In the backdrop of the industry's scenario as above, your company's turnover for the current financial year, 2017-18 stands at ₹ 52610.47 lacs as against ₹ 60537.38 lacs including Inter unit transfers of ₹ 10884.32 lacs last year. Exports during the year were ₹ 30200.87 lacs. Further, your company has posted a profit before tax of ₹ 6487.65 lacs this year as against ₹ 3795.24 lacs in the previous year, reflecting a increase of 70.95%.

PROSPECTS

India is expected to overtake Japan to become the world's second largest steel producer soon, and aims to achieve 300 million tonnes of annual steel production by 2025-30. India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, which has been approved by the Union Cabinet in May 2017,

is expected to boost India's steel production.* Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

Rise in infrastructure development and automotive production is driving growth in the sector. Power and cement industries also aiding growth in the metals and mining sector. Demand for iron and steel is set to continue, given the strong growth expectations for the residential and commercial building industry. India holds a fair advantage in cost of production and conversion costs in steel and alumina. It's strategic location enables convenient exports to developed as well as the fast developing Asian markets. The Ministry of Steel aims to increase the steel production capacity to 300 million tonnes by 2030-31 from 128.28 million tonnes in 2016- 2017 indicating new opportunities in the sector. Under the Union Budget 2018-19, the Government added a surcharge of 10 per cent on aggregate duties of customs on imported goods to strengthen the domestic industry.

Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Further, likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel. The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, which seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030. Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products. The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and developmental activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).

India has a significant profile in mining of chrome and production of ferrochrome. On the back of depressed market conditions, the production of chrome ore progressively came down in keeping with the policy to conserve the resource and mining disruptions due to court interventions and environment issues. In any case, India with chrome ore reserve of 70 million mt has only one per cent share of global proven deposit. Around 85 per cent of world reserve of this ore is found in South Africa and Zimbabwe. As a result, India is importing growing quantities of high grade chrome ore for blending with locally mined material.

FUTURE STRATEGY AND GROWTH

The period till 1947 thus witnessed a small but viable steel industry in the country, which operated with a capacity of about 1 million tonne and was completely in the private sector. From the fledgling one million tonne capacity status at the time of independence, India has now risen to be the 3rd largest crude steel producer in the world and the largest producer of sponge iron. As per official estimates, the Iron and Steel Industry contributes around 2 per cent of the Gross Domestic Product (GDP). From a negligible global presence, the Indian steel

industry is now globally acknowledged for its product quality. As it traversed its long history since independence, the Indian steel industry has responded to the challenges of the highs and lows of business cycles.

India's crude steel output grew 5.87 per cent year-on-year to 101.227 million tonnes (MT) in CY 2017. Crude steel production reached 93.183 million tonnes during April-February 2017-18. India's finished steel exports rose 102.1 per cent to 8.24 million tonne, while imports fell by 36.6 per cent to 7.42 million tonne in 2016-17. Exports and Imports of iron and steel stood at 14.6 million tonne and 13.1 million tonnes during April-February 2017-18, respectively. Total consumption of finished steel stood at 81.943 million tonnes during April-February 2017-18.

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. According to the data released by Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 10.56 billion in the period April 2000–December 2017.

DIVIDEND

Keeping in view the future requirement of funds in working capital and other purposes, no dividend is recommended for the financial year ended 31st March, 2018.

FINANCE

Cash and cash equivalent as at March 31, 2018 was ₹ 1428.36 lacs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and the implementation 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 is provided in the Annual Report for the year except the subsidiary Facor Power Limited whose Management & Control have been taken over by Rural Electrification Corporation Limited w.e.f 7th November, 2017.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was 1852.68 lacs. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.

INDUSTRIAL RELATIONS

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

DIRECTORS

Mr. Vineetkumar Vithaldas Saraf shall retire by rotation at the ensuing 62nd Annual General Meeting and, being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company.

Further, all Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

Detail of Remuneration paid to Executive Director during the year.

Sl. No.	Name of Director	Total Remuneration
1	Mr. R. K. Saraf	1,05,45,715
2	Mr. Manoj Saraf	61,75,339
3	Mr. Ashish Saraf	-
4	Mr. Rohit Saraf	61,75,395

Detail of Remuneration paid to Non-Executive Directors during the year.

Sl. No.	Name of Director	Sitting Fee Paid
1	Mr. A.S. Kapre	25,000
2	Mr. M.B. Thaker	30,000
3	Mr. Pinaki Misra	-
4	Mr. Umesh Khaitan	15,000
5	Mrs. Urmila Gupta	15,000
6	Mr. Vineet Saraf	-

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Independent Directors (IDs) inducted into the Board are given an orientation. Chairman & Managing Director and the Senior Management give an overview of the operations of the Company, to familiarise the new IDs with the Company's business operations. The new IDs are given an orientation on the group structure, its operations, subsidiaries, Board constitution and procedures besides providing them with the financials of the Company for at least 3 years and the corporate brochure etc. Also, plant visits are organized for each ID for familiarizing with the Company's operations and facilities.

BOARD EVALUATION

In view of the initiation of the Corporate Insolvency Resolution Process against the Company w.e.f 6th July, 2017, the powers of the Board of Directors of the Company stand suspended in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016 and the same stood vested in the Resolution Professional. Accordingly, the exercise of evaluation of the Board could not be taken up during the year under review.