67th ANNUAL REPORT

OF

FERRO ALLOYS CORPORATION LIMITED

FERRO ALLOYS CORPORATION LIMITED

CIN: U45201OR1955PLC008400
Registered Office: D P Nagar, Randia, Dist. Bhadrak – 756135, Odisha
Tel.: 6784 240320| **E-mail:** facor.ccp@vedanta.co.in | **Website:** www.facorgroup.in

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 67th Annual General Meeting (AGM) of the Members of the Company will be held on **Friday, 30th June 2023 at 11:00 A.M.,** through Video Conferencing/Other Audio-Visual Means (VC/OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at 31st March 2023 and Profit & Loss Account for the year ended as on that date, together with the Auditor's Report and Board's Reports thereon.
2. To appoint Mrs. Pallavi Joshi Bakhru (DIN: 01526618), Director who retires by rotation and being eligible, offers himself for re-appointment as a director.

SPECIAL BUSINESS:

3. **Ratification of Cost Auditor's Remuneration:**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves the remuneration of INR 1,00,000 (Indian Rupees One Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. Niran & Co., Cost Accountants, (Registration No.: 000113), who have been reappointed by the Board of Directors as the Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the Financial Year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

4. **Re-Appointment of Mr. Akhilesh Joshi (DIN: 01920024) as Independent Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions , if any, of the Companies Act, 2013 (the Act) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the Members/Shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Akhilesh Joshi (DIN: 01920024), , as Independent Director (Non- Executive) on the Board of the Company for a period of year two years with effect from 21st September 2022, who has been appointed as Additional Director (Independent) by the Board of Directors through Circulatory Resolution dated 17th September 2022, on recommendation of Nomination & Remuneration Committee and in respect of whom, the Company has received a Notice in writing under Sec. 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director.

5. **Appointment of Mr. AR Narayanaswamy (DIN: 00818169) as Independent Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), on the approval of the Board of Directors for appointment of Mr. AR Narayanaswamy (DIN:00818169) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. December 8, 2022, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and is eligible for appointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of two years effective from December 8, 2022 till December 7, 2024.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. AR Narayanaswamy shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to take such steps and actions, as may be considered necessary or the purpose of implementation of the aforesaid resolution."

6. **Regularization of Additional Director, Mr. Sujalkumar Jitendra Shah (DIN: 09394796) as Director of the Company:**

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

"RESOLVED THAT Mr. Sujalkumar Jitendra Shah (DIN: 09394796), who was appointed as an Additional Director of the Company with effect from March 30, 203, by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and to take such steps and actions, as may be considered necessary or the purpose of implementation of the aforesaid resolution."

7. **Appointment of Mr. Sujalkumar Jitendra Shah (DIN: 09394796) as Chief Executive Officer and Whole Time Director of the Company:**

To consider and if thought fit to pass the following resolution, with or without modification, as Ordinary Resolution::

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and subject to such other approval, as may be necessary, consent of the Members of the Company, be and is hereby accorded to the appointment of Mr. Sujalkumar Jitendra Shah (DIN: 09394796) as Whole Time Director and Chief Executive Officer for the Company for a period of 2 years with effect from 1st April, 2023 on the terms and conditions and remuneration as follows:

Terms and Conditions of Appointment:

Remuneration Description	*Amount per annum in ₹ (Lacs)*
Basic	38.73
Personal Allowance	68.29
Total Annual Fixed Pay,	145.12
Taxable Benefits	10.65
Target Annual Bonus	109.36
Long Term Incentive Plan(Employee Stock Option Scheme)	29.24

RESOLVED FURTHER THAT following shall not be included in the aforesaid limits:

(i) Contribution to Provident Fund. and Superannuation Fund collectively Rs.10.45 lacs not taxable under the Income Tax Act, 1961;
(ii) Gratuity payable as per Rules of the Company which is Rs. 1.86 Lacs p.a.
(iii) Encashment of un-availed leaves as per Rules of the Company.

RESOLVED FURTHER THAT

(i) in the event of absence or inadequacy of profits in the financial year, the Company will pay remuneration by way of Salary including perquisites and allowances as specified under Section II of Part II of Schedule V to the Companies Act, 2013 or in accordance with any statutory modification(s) thereof.
ii) subject to superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Whole-Time Director designated as Chief Executive Officer of the Company and as may be delegated to him from time to time.
iii) he will be entitled to reimbursement of entertainment and all other expenses actually and properly incurred by him in the course of discharging official duties of the Company.
iv) the Company or he shall be entitled to terminate this appointment by giving 2 months' notice in writing or such shorter notice as may be mutually agreed between him and the Company, or in lieu of notice, payment by the Company or by him to the Company, equivalent to two months' last drawn "remuneration.

RESOLVED FURTHER THAT Mr. Sujalkumar Jitendra Shah, Additional Director designated as the Whole-Time Director & Chief Executive officer and KMP (Key Managerial Personnel) of the Company:
(i) shall be liable to retire by rotation.
(ii) shall not be paid any sitting fee for attending any Meeting(s) of the Board of Directors or Committee(s) thereof.
(iii) shall not become interested or concerned directly or through his relative(s) in any selling agency or the Company without the prior approval of Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

8. Payment of commission to Mr. Akhilesh Joshi (DIN: 01920024), Independent Director of the Company:

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

"**RESOLVED THAT** pursuant to the provisions of Section 149(9), 197, and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V of the act, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of Members of the Company be and is hereby accorded for payment of INR 29.64 Lakhs as commission to Mr. Akhilesh Joshi, Independent Director of the Company for the period from April 1, 2022 to March 31, 2023.

RESOLVED FURTHER THAT any of the Whole-Time Director and/or Chief Financial Officer and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution.”

9. **Payment of commission to Mr. AR Narayanaswamy (DIN: 00818169), Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149(9), 197, and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V of the act, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of Members of the Company be and is hereby accorded for payment of INR 17.02 Lakhs as commission to Mr. AR Narayanaswamy, Independent Director of the Company for the period from December 8, 2022 to March 31, 2022.

RESOLVED FURTHER THAT any of the Whole-Time Director and/or Chief Financial Officer and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution.”

10. **Payment of commission to Mrs. Pallavi Bakhru Joshi (DIN: 01526618), Non-Executive Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149(9), 197, and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V of the act, including any statutory modification(s) or re-enactment thereof for the time being in force, the consent of Members of the Company be and is hereby accorded for payment of INR 29.64 Lakhs as commission to Mrs. Pallavi Bakhru Joshi, Non-Executive Director of the Company for the period from April 1, 2022 to March 31, 2023.

RESOLVED FURTHER THAT any of the Whole-Time Director and/or Chief Financial Officer and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution.”

By Order of Board of Directors of
Ferro Alloys Corporation Limited

Sambit Kumar Sarangi
Company Secretary
ACS - 11105

Place: Bhadrak
Date: 21st July, 2022

NOTES:

1. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item No. 3, 4, 5, 6, 7, 8 9 and 10 forms part of this Notice.

   Additional information regarding particulars of the directors seeking appointment/re- appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as an annexure to the Notice.

1. In continuous to the General Circular numbers 20/2020 dated May 5, 2020 and General Circular number 02/2022 dated May 5, 2022, the Ministry of Corporate Affairs (MCA) vide its General Circular number 10/2022 dated December 28, 2022 (hereinafter referred to as "the Circulars"), has allowed the companies whose AGMs are due in the year 2023, to conduct their AGMs on or before 30th September 2023, through VC/OAVM, without the physical presence of members at a common venue, in accordance to the requirement s laid down in Para 3 and 4 of the General Circular numbers 20/2020 dated May 5, 2020.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) setting out the material facts relating to the special businesses to be transacted at the 15th AGM is annexed hereto.

3. The relevant details, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this Annual General Meeting ("AGM") are also annexed.

4. The requirement to place the matter relating to the appointment of Statutory Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Regn. No. 301003E/E300005), Statutory Auditors, who were appointed to hold office from the conclusion of the 66th Annual General Meeting for a term of consecutive five years till conclusion of the 71st Annual General Meeting.

5. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip not annexed to this Notice.

6. The members may join the meeting 15 minutes before and after the scheduled time of the commencement of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for members, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Nomination & Remuneration Committee, Auditors etc.

7. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act

8. Pursuant to Section 113 of the Companies Act, 2013 Corporate Shareholders (i.e. other than individuals / HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorisation shall be sent to the Company at bhadrak@facorpower.com.

9. The Notice of the 67th AGM and the Annual accounts for the financial year 2022-23 (hereinafter referred to as the "Annual Report") are being sent through electronic mode to the members who have registered their email IDs with the Company / Depository Participants (DPs)in accordance with the aforementioned Circulars. No physical copy of the Notice and the Annual Report has been sent to members who have not registered their e-mail addresses with the Company/ DPs.

10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

11. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

By Order of Board of Directors of
Ferro Alloys Corporation Limited

Sambit Kumar Sarangi
Company Secretary
ACS - 11105

Place: Bhadrak
Date: 24th April, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors, on recommendation of Audit Committee, has approved the reappointment of M/s. Niran & Co., Cost Accountants, (Registration No.: 000113) as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, at a remuneration of INR 1,00,000 (Indian Rupees One Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is subject to ratification by the shareholders of the Company. Accordingly, consent of the members is sought by way of passing an ordinary resolution as set out in Item No. 3 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

The Board of Directors of the Company recommends passing resolution as set out in Item No. 3 of the Notice above, by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

Item No. 4

The term of Mr. Akhilesh Joshi, who was appointed as Non-Executive Independent Director of the Company for a period of two years from 21st September 2020, as Independent Director expired on 20th September 2022. Therefore, the Board of Directors vide resolution passed by circulation on 17th September2022 has re- appointed Mr. Akhilesh Joshi, as an Additional Director in the capacity of Non-Executive & Independent Director on the Board of the Company for second term of two years w.e.f 17th September 2022 to hold office up to the date of the ensuing Annual General Meeting of the Company under Section 161 of the Companies Act, 2013.

In the opinion of the Board, Mr. Akhilesh Joshi, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and rules made thereunder and he is independent of the management. A copy of draft letter for the re-appointment of Mr. Akhilesh Joshi, as an Independent Director setting out the terms and conditions is available for inspection. The Board considers that his continued association would be immense benefit to the company, and it is desirable to continue to avail the services of Mr. Akhilesh Joshi as an Independent Director for further period of two years from 21st September 2022 till 20th September 2024.

Except Mr. Akhilesh Joshi and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the resolution set out at Item no. 4 of the notice.

The Board considers that the appointment of Mr. Akhilesh Joshi would be of immense benefit to the Company and thus recommends the Ordinary Resolution as set out at Item no. 4 for approval of members of the Company.

Other details in respect of the appointment of Mr. Akhilesh Joshi, in terms of the Companies Act, 2013 and Secretarial Standards on General Meetings are annexed to this notice.

Item No. 5

Mr. AR Narayanaswamy (DIN:00818169) appointed as an Additional Director, appointed by Board of Directors through Resolution by Circulation dated 7th December, 2022, in the capacity of Non-Executive Independent Director of the Company to hold office for a period of two years from December 8, 2022 till December 7, 2024, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing AGM.

As an Additional Director, Mr AR Narayanaswamy holds office till the date of the AGM and is eligible for being appointed as an Independent Director.

The Company has received from Mr. AR Narayanaswamy with respect to his appointment as a Director of the Company, (a) his consent in writing to act as a Director in DIR-2 pursuant to Rule 8 of The Companies (Appointment & Qualification of Directors) Rules, 2014; (b) declaration in Form DIR-8 in terms of The Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to be appointed as a Director under Section 164(2) of the Companies Act, 2013; and (c) confirmation that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, Mr. AR Narayanaswamy fulfils the conditions for his appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management.

Save and except Mr. AR Narayanaswamy and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors/ Key Managerial Personnel and their relatives are in any way, interested or concerned, financially or otherwise in the Resolution set out at Item No.5.

Mr. AR Narayanaswamy has four decades of experience in the field of accounting, financial management and information technology.

Mr AR Narayanaswamy, in the capacity of Non-Executive Director, is entitled to sitting fees, as may be recommended and approved by the Board, subject to the overall limits prescribed under the provisions of the Companies Act.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No.5 of the Notice for the approval of the Members.

Item No. 6 & 7

Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and approved the appointment, under Section 161 of the Companies Act, of Mr. Sujalkumar Jitendra Shah (DIN: 09394796), through Resolution by circulation dated 30th March 2023, as Additional Director for a period of two years with effect from 30th March 2023 subject to approval of the members.

The Board on the recommendation of the Nomination & Remuneration Committee at its meeting held on24th April, 2023, approved the appointment of Mr. Sujalkumar Jitendra Shah (DIN: 09394796), as Additional Director designated as Whole Time Director & Chief Executive Director and KMP of the Company for a period of two years, with effect from 1st April, 2023, subject to approval of shareholders at the forthcoming Annual General Meeting.

Pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, (the Act)the Companies (Appointment and Qualification of Directors), Rules, 2014, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time beingin force, the appointment of Mr. Sujalkumar Jitendra Shah (DIN: 09394796), requires approval of the Members by way of special resolution.

The terms and conditions of the appointment and remuneration payable to Mr. Sujalkumar Jitendra Shah (DIN: 09394796), are provided in the resolution referred to in Item No. 6.

The Company has received from Mr. Sujalkumar Jitendra Shah, (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his qualifications, experience and other attributes, that his induction on the Board would be of immense benefit to the Company and it is desirable to avail her services as a director to strengthen the management of the Company.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No. 6 of the Notice above by way of ordinary resolution.

Except Mr. Sujalkumar Jitendra Shah, none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said resolution.

Item No. 8, 9 and 10

The Members of the Board, on recommendation of Nomination & Remuneration Committee, have approved payment of commission to Mr. Akhilesh Joshi, Mr. AR Narayanaswamy and Mrs. Pallavi Joshi Bakhru Independent Directors and Non-Executive Director, at its meeting held on 24th April 2023, subject to approval of shareholders at the ensuing Annual General meeting. Mr. Akhilesh Joshi, Mr. AR Narayanaswamy and Mrs. Pallavi Joshi Bakhru Independent Directors and Non-Executive Director, being interested, neither participated nor voted in their respective matters.

Pursuant to provisions of Section 197, 198 and any other applicable provisions of the Companies act, 2013 and amendment thereof, the Company has proposed to pay commission to Independent Directors. The quantum of commission for both the Directors is based on overall performance, engagement, and effective evaluation by them. The factors include both quantitative and qualitative aspects. The above mentioned Directors have rich experience and has shown active participation during the FY 23 in discussions related to various business processes which includes projects, IT, security, asset optimization, compliances, capex, etc. They have provided guidance and support to the management for improvement. Various other factors include attendance, time spent in Board & Committee meetings and operational matters, contribution made by the Directors other than the meetings for overall improvement and effective management of the company.

Since the profit for FY23 calculated as per Section 198 of the Companies Act, 2013, is inadequate, therefore the commission calculated is in accordance with the provisions of Schedule V of Companies Act, 2013.

The Board of Directors of the Company, therefore, recommends passing of the Ordinary resolution as set out in Item No. 7,8 and 9 of the Notice above by way of ordinary resolution.

Except Mr. Akhilesh Joshi, Mr. AR Narayanaswamy and Mrs. Pallavi Joshi Bakhru , none of the Directors and Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested in the said resolution.

By Order of Board of Directors of
Ferro Alloys Corporation Limited

Sambit Kumar Sarangi
Company Secretary
ACS - 11105

Place: Bhadrak
Date: 24th April, 2023

Annexure to AGM Notice dated 30th June 2023
Details of Director seeking appointment/re-appointment at the forthcoming 67th Annual General Meeting

Name of the Director	Mrs. Pallavi Joshi Bakhru (DIN: 01526618)	Mr. Akhilesh Joshi (DIN: 01920024)
Date of Birth/ Age	September 15, 1967	January 25, 1954
Date of first appointment / reappointment	September 21, 2020	September 21, 2020(Appointment) September 21, 2022(Re-appointment)
Qualification	Mrs. Pallavi Joshi Bakhru Fellow Member of the Institute of Chartered Accountants of India and Member of Indian Institute of Corporate Affairs	Mr. Akhilesh Joshi holds bachelor's degree in mining and possesses first class Mining Manager Certificate of Competency under MMR – 1961 (unrestricted), Diploma from Paris School of Mines in Economic Evaluation of Mining Projects
Expertise	Currently Mrs. Pallavi Joshi Bakhru is the Head of the Private Client Service offering at Grant Thornton in India and heads the UK Corridor. She has over 30 years of experience spanning solutions and clients in different sectors. She was the Head of Tax at a large natural resources group for 5 years and assisted with growth strategies. In 2015, Pallavi was recognised as one of the Top 10 Women in Tax in India by the International Tax Review. Her specialities include corporate tax, litigation, including being a part of a team that ran an international arbitration under Bilateral Investment Treaty (BIT), tax structuring and regulatory matters pertaining to FEMA. Over the years, she has simplified the global structure of some large groups, institutionalised a royalty payment system, resolved some high-pitched tax litigation and done advocacy. She works closely with Promoters and CXO's on critical aspects of business, including decisions related to business restructuring, choice of senior counsels for representation in key litigation, she has helped in re-organising few businesses and take their geographic footprint overseas. She has experience of natural resources, consumer and retail, aviation, manufacturing and education.	Mr. Akhilesh Joshi has over 45 years of professional experience in mining with an exemplary track record of nurturing one of the world's largest integrated zinc, lead and silver producing organisation with a high-performance culture that brings out the best in its employees and propels strategic and meticulous execution to deliver extraordinary results. He was the CEO of Hindustan Zinc Limited from 2012 to 2015 and also appointed President of global zinc business. He provided guidance to gold mining companies in Armenia, engaged and worked closely with companies like SRK/ AMC etc., for benchmarking and mining methodology evaluations. In his long global career, he has been recognized with numerous awards including Business Today CEO Award, HZL Gold Medal award by Indian Institute of Metals. In 2012, he was facilitated by the then Honorable Finance Minister for his excellent contribution to the mining sector. He is also a member of The Institution of Engineers (India), Mining Engineers Association of India (MEAI), Mining Geological and Metallurgical Institute of India (MGMI) and Indian Institute of Mineral Engineers (IIME). He has also co-authored a book titled 'Blast Design Theory and Practice' and written various technical papers in relation to exploration and mining since 1995.
Directorship of other Boards as on 31 March 2023	1. Gabriel India Limited 2. Filatex India Limited 3. Grant Thornton Advisory Private Limited	1. Vedanta Limited 1. Rajasthan State Mines and Minerals Ltd. 2. Wolkem Industries Limited 3. Wolkem India Limited 4. Hindustan Zinc Limited

Number of Memberships in Audit/Stakeholder Committee(s) including this Company	5	10
Number of shares held in the Company as on 31.03.2023	NIL	Nil

ESL STEEL LIMITED
(Formerly known as Electrosteel Steels Limited)

Name of the Director	Mr. AR Narayanaswamy (DIN: 00818169)	Mr. Sujalkumar Jitendra shah (DIN: 09394796)
Date of Birth/ Age	December 22, 1951	June 20, 1970
Date of first appointment / reappointment	December 08, 2022	March 30, 2023(Appointed as Add. Director) April 1, 2023(Appointment- Whole-Time Director and Chief Executive Officer)
Qualification	Mr. AR Narayanaswamy holds a bachelor's degree in commerce from the University of Mumbai and is also a fellow member of the Institute of Chartered Accountants of India.	Mr. Sujal Shah completed his Electrical Engineering from MS University, Baroda
Expertise	Mr A R Narayanaswamy joined the Board on 1 June 2021.With over four decades of experience as a chartered accountant in Management Consulting, Operational Audit and Information Technology practice.	Mr. Sujal Shah He has been associated with Vedanta Ltd. for last 8 years. He has contributed significantly to his various leadership roles at Hindustan Zinc Ltd. and Sesa Goa. Prior to joining Vedanta-, he has worked globally with Companies like Egyptian Sponge, Iron & Steel Company, Saudi Iron & Steel Company and Essar.
Directorship of other Boards as on 31 March 2023	1. Sterlite Power Transmission Limited 2. Sesa Resources Limited. 3. Sesa Mining Corporation Limited 4. Twin Star Technologies Limited 5. Malco Energy Limited 6. Vedanta Resources Limited- Holding Company of Vedanta Ltd. (a UK Registered Company) 7. IBIS Systems & Solutions Private Limited 8. Maritime Ventures Private Limited	1. Desai Cement Company Pvt. Ltd.
Number of Memberships in Audit/Stakeholder Committee(s) including this Company	8	2
Number of shares held in the Company as on 31.03.2023	NIL	Nil

BOARD'S REPORT

To the Members,

The Board of Directors presents the 67th Annual Report of Ferro Alloys Corporation Limited together with the Audited Statements of Account for the Financial Year ended March 31, 2023. This report, therefore, is drawn for the Company on a stand-alone basis.

1. Financial Results

Rs. In Crores

Particular	Year Ended 31 Mar, 2023	Year Ended 31 Mar, 2022
Revenue from operation	778.33	832.90
Profit from operation before other Income, Finance Cost and exceptional Item	105.33	291.42
Other Income	17.73	62.38
Finance Cost	11.76	15.16
Exceptional Item	18.02	(0.32)
Profit & Loss before tax	**111.30**	**338.32**
Tax Expense /(Credit)	(198.86)	84.99
Net profit/(Loss) after tax	292.15	253.32
Reserves excluding revaluation reserves as on balance sheet date	1025.58	594.93
EPS	8.59	7.45
Transferred to general reserve	-	-
Interim Dividend	-	-

2. Dividend

With a view to conserve resources for future business operations of the Company, your directors do not recommend any dividend for the financial year 2022-23.

3. Transfer to Reserves

No amounts have been transferred to the Reserves during the year under review.

4. Business Performance

During the year under consideration, your company achieved the production of 67390 MT as against 75301 MT in the previous year. Revenue from operations decreased to Rs. 778.33 crores (Previous year Rs. 832.90 crores). Other income also decreased to Rs.17.73 crores (Previous year Rs. 62.38 crores). EBIT decreased to Rs. 123.07 crores against Rs. 353.80 crores in Previous year and profit before exceptional items has increase to Rs. 111.32 crores.

Exports including deemed exports were at Rs. 588.32 crores as against Rs. 331.36 crores in the previous year and during the year under review foreign currency earning in rupee terms was Rs. 107.18 crores.

During the year under review our mines namely Kalarangiatta Chromite Mines was discontinued its mining operation due to vacation of stay by Hon'ble High Court of Orissa, the company does not have Forest Clearance, but the Top Court stayed the matter in January 2017 and allowed mining operation, for Forest Clearance.

5. Projects

The company is implementing 33MVA furnace project. The total project cost at Rs.210 crores. The Project work was completed in February and a trial run was conducted in March 23. Erection and commissioning work is underway for final commercial production will start from end of May 23. After this project the production capacity will increase to 150 KTA.

The Company also implementing a 60 TPH chrome ore beneficiation plant at Tomka, Jajpur, Odisha at a total outlay of Rs.55.00 crores. The capacity of the plant to beneficiate 450000 MT of low grade ore.

6. Material changes and commitments, if any, affecting the financial position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

7. Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

8. Safety

HSE Report for the year 2021-22:

Particulars	**2022-23**	**2021-22**
Fatalities	2	0
Lost Time Injury Accidents	1	2
First-aid Injury Accident (inside)	70	15
Medically Treated Injury	5	3
Near miss & incidents	714	165
HIPO Incident	9	7
Environment Incidents	0	0
UC & UA	9811	850
Fire Incident	5	0

During the year under review the Company recorded 'two' fatalities and reportable incidents. One fatality reported at Kalarangiatta Chromite Mining area, Sukinda Vallley and second one reported at Plant at Bhadrak. One fatality from Bhadrak Plant was reported in the month of April 2023.

9. Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor and evaluate the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

10. Extract of Annual Return

Pursuant to the provisions of Section 92 of the Companies Act, 2013 read with the applicable Rule thereunder, the Extract of the Annual Return of the Company is enclosed herewith as '***Annexure B***'.

11. Subsidiary/ Associate/ Joint Venture Companies

1. The Hon'ble National Company Law Tribunal (NCLT), Cuttack Bench passed an order an order on 15th November 2022 sanctioning the Scheme of Amalgamation of Facor Power limited, Subsidiary Company, into the Company, under section 230 & 232 of the Companies Act, 2013. The Scheme was effective on 22 November 2022, upon filing of the certified copy of the NCLT order with Registrar of Companies, Cuttack, Odisha.

2. During the year under review Facor Realty & Infrastructure Ltd., a wholly owned subsidiary, was struck-off from the register of Companies.

3. Boula Platinum Mining Private Limited., an Associate Company, is in process of strike-off from the register of Companies.

12. 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.

13. Auditors

Statutory Auditors

S R Batliboi & Co. LLP (Firm Regn. No. 301003E/E300005) were appointed as Statutory Auditors of the Company by the members at the 66th Annual General meeting held on 30th June 2022, for a period of 5 years to hold office from the conclusion of 66th AGM till the conclusion of the 71st AGM to be held in the year 2027.

As per the Notification of Ministry of Corporate Affairs dated 7th May 2018, ratification of appointment of Statutory Auditors at every AGM is not required.

Auditor's Report
The report issued on Audited financial statements of the Company for the year March 31, 2023, is enclosed to this Report. The observations, if any, made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

During the year under review, the Auditors have not reported any fraud under Section 143 (12) of the Companies Act, 2013 therefore no detail is required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013.

Cost Auditors
Your Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records are made and maintained.

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, as amended from time to time, the cost audit records maintained by the Company in respect of its activity are required to be audited. Your directors have appointed Niran & Co., Cost Accountant, to audit the cost accounts of the Company for the Financial 2023-24 at a remuneration of Rs. 1,00,000/-.

In accordance with the provisions of the Companies Act, 2013, the appointment and remuneration of the Cost Auditors was approved by the Members at the Annual General Meeting of the Company held on June 30, 2023.

Internal Auditors
Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rule made in there under, the Company has appointed KPMG Assurance and Consulting Services LLP, to undertake the Internal Audit of the Company for financial Year 2023-24.

Secretarial Auditors
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Vinod Kothari and Company, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for financial Year 2023-24. Secretarial Audit Report for FY 2022-23 in **MR-3** is annexed herewith as ***Annexure E.***

14. Capital Structure

During the year, the company had allotted 1800 Equity Shares of Rs.1/- to shareholder of Facor Power Limited as per Scheme of Amalgamation sanctioned/approved by Hon'ble NCLT Cuttack Bench.

The paid-up Equity Share Capital as on 31st March 2023 was Rs. 34,00,01,800 divided into 34,00,01,800 (Thirty-Four Crore One Hundred Eight Hundred) equity shares of Rs. 1/- (Rupees One only) each.

The Company's Authorised Capital increased from Rs.480,00,00,000 to Rs.730,00,00,000 pursuant to amalgamation of Facor Power Limited with the Company vide order dated 15th November 2022 passed by Hon'ble national Company Law Tribunal (NCLT), Cuttack Bench.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

The Directors of the Company do not hold convertible instruments of the Company.

15. Scheme of Arrangement between the Company and Facor Power Limited

The Board of Directors Has approved a Scheme of Amalgamation of Facor Power Limited, a subsidiary, with the Company.

The Scheme of Arrangement("the Scheme")was approved by Hon'ble national Company Law Tribunal (NCLT), Cuttack Bench and become effective from 22nd November 2022. The appointed date of the Scheme is 1st October 2020.

16. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as ***Annexure A.***

17. Details of Directors & Key Managerial Personnel Appointed/Resigned

During the year under review following changes in Board of Directors by appointment/resignation:

1. Mr. Rahul Sharma ceased to be Director of the Company with effect from 20th September 2022.
2. Mr. Sauvick Mazumder ceased to be Director of the Company with effect from 23rd December 2022.
3. Mr. Balwant Singh Rathore, who was appointed as Additional Director with effect from 23rd December 2022 and later Board appointed him as Whole-Time Director designated as Chief Executive Officer with effect from 18th January 2023, ceased to be Director/Whole-Time Director of the Company with effect from 31st March 2023.
4. The first term of two years of Mr. Akhilesh Joshi as Independent Non-Executive Director expired on 20th September 2022. The Board of Director through resolution by circulation dated 17th September 2022 has appointed Mr. Akhilesh Joshi as Independent Non-Executive Director for second term for a period of two years from 21.09.2022 till 20.09.2024.
5. The Board of Director has appointed Mr. AR Narayanaswamy as an Additional Director in the capacity of Non – Executive and Independent Director of the Company for the first term of 2 years with effect from 8th December 2022 till 7th December 2024.
6. The Board pursuant to the recommendation of NRC appointed Mr. Sujalkumar Jitendra Shah as Additional Director of the Company with effect from 30th March 2023. The Board pursuant to the recommendation of NRC has appointed Mr. Sujalkumar Shah as Whole-time Director designated as Chief Executive Officer w.e.f. 1st April 2023.
7. Mr. Anand Prakash Dubey ceased to Chief Financial Officer with effect from 30th April 2022 and Mr. Karan Kumar Kejriwal Appointed as Chief Financial Officer with effect from 1st May 2022.
8. Mrs. Pallavi Joshi Bakhru retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offer herself for re-appointment.

18. Corporate Social Responsibility (CSR) Committee

During the year under review the CSR Committee of the Company was reconstituted with effect from 8th December 2022 with following members:

a) Mr. Akhilesh Joshi - Chairman
b) Mr. AR Narayanaswamy - Member
c) Mr. Arun Misra – Member

During the year under review, there were two meetings of the Corporate Social Responsibility Committee were held.

19. Audit Committee and Nomination & Remuneration Committee

During the year under review following Committees were constituted upon change of status of the Company from wholly owned subsidiary to subsidiary:

1. The Audit Committee of the Company was reconstituted with effect from 8th December 2022 with following members:
   i. Mr. A R Narayanaswamy (Independent Non-Executive Director) - Chairperson
   ii. Mr. Akhilesh Joshi (Independent Non-Executive Director)-Member
   iii. Ms. Pallavi Bakhru (Non-Executive Director)- Member
2. The Nomination and Remuneration Committee of the Company was reconstituted with effect from 8th December 2022 with following members:
   i. Mr. A R Narayanaswamy (Independent Non-Executive Director) - Chairperson
   ii. Mr. Akhilesh Joshi (Independent Non-Executive Director)-Member
   iii. Mr. Arun Misra (Non-Executive Director)-Member

20. Meetings & Attendance during the Year

Board Meeting:

During the year ended 31st March 2023 6 meetings of Board of Directors were held on April 21, 2022, July 20, 2022, October 17, 2022, November 21, 2022, January 18, 2023 and February 11, 2023.

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year under review four Board Meetings were held as under:

The attendance of Members at the meetings was as follows:

Name of Director	No. of the meetings during the year 2022-2023	
	Held	Attended
Mr. Akhilesh Joshi, Chairman	6	6
Mr. Arun Misra	6	6
Mrs. Pallavi Joshi Bakhru	6	6
Mr. Rahul Trivedi Sharma	6	2
Mr. Sauvick Mazumder*	6	4
Mr. Balwant Singh Rathore**	6	2
Mr. AR Narayanaswamy#	6	2

* Mr. Sauvick Mazumder was ceased to be Director w.e.f. 23rd December 2023 and Mr. Rahul Sharma ceased to be Director w.e.f. 20th September 2022.

** Mr. Balwant Singh Rathore was appointed as Director w.e.f. 23 December 2022 and Whole-Time Director w.e.f. 18th January 2023.

Mr. AR Narayanaswamy appointed as additional Director w.e.f. 8th December 2022.

Corporate Social Responsibility (CSR) Committee:

During the year ended 31st March 2023 2 (two) meetings of CSR Committee were held on April 21, 2022, and January 18, 2023.

The attendance of Members at the meetings was as follows:

Name of Director	No. of the meetings during the year 2022-2023	
	Held	Attended
Mr. Arun Misra	2	2
Mr. Rahul Trivedi Sharma	2	1
Mr. Sauvick Mazumder	2	1
Mr. Akhilesh Joshi	2	1
Mr. AR Narayanaswamy	2	1

Note: Mr. Arun Misra chaired the 1st CSR meeting held on 21.04.2022. After re-constitution of the Committee w.e.f. 08.12.2022 Mr. Akhilesh Joshi chaired the 2nd Meeting held on 18.01.2023.

Audit Committee:

During the year ended 31st March 2023 1(one) meeting of the Audit Committee was held on January 18, 2023.

Name of Director	No. of the meetings during the year 2022-2023	
	Held	Attended
Mr. AR Narayanaswamy (Chairman)	1	1
Mr. Akhilesh Joshi	1	1
Mr. Pallavi Bakhru	1	1

Nomination & Remuneration Committee (NRC) :

During the year ended 31st March 2023 1(one) meeting of the NRC was held on January 18, 2023.

Name of Director	No. of the meetings during the year 2022-2023	
	Held	Attended
Mr. AR Narayanaswamy (Chairman)	1	1
Mr. Akhilesh Joshi	1	1
Mr. Arun Misra	1	1

21. Annual Evaluation of Board Performance and performance of its committees and individual directors

The Annual Performance Evaluation of the Board, Board Committees and Individual Directors for the financial year 2022- 23 has been carried out by third party independent consultant, through online survey mechanism pursuant to the provisions of the Companies Act, 2013 and the report has been submitted to Chairperson of Board.

22. Corporate Social Responsibility Initiative

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects mainly in the areas of promoting sanitation, education, healthcare, empowerment of woman, infrastructure, and Covid-19 support.

The Annual Report on CSR activities and the CSR Policy adopted by the Company is annexed herewith as ***Annexure C.***

23. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

24. Particulars of Contracts or Arrangements with Related Parties

All related party transactions that were entered into during the Financial Year under review were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are duly approved by the Board.

In accordance with the requirements of Section 188 of the Companies Act, 2013, particulars of Related Party Transactions entered into by the Company during the year under review are provided in Form **AOC -2** enclosed herewith as ***Annexure D***

25. Managerial Remuneration

During the year under review your Company paid sitting fees and commission to Independent/Non-Executive Directors .

The Company does not have any Managing Director or manager. However, Mr. Balwant Singh Rathore was appointed as Whole-Time Director designated as Chief Executive Director from 18th January 2023 and resigned w.e.f. 31st March 2023. He has paid remuneration for this period.

The information required pursuant to Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Companies Act, 2013 the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

26. Risk Management

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

27. Shares

a. **Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

b**. Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

c. **Bonus Shares**

No Bonus Shares were issued during the year under review.

d. **Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2022-23:

- No of complaints received: Nil
- No of complaints disposed off: Nil

29. Compliance as per Secretarial Standards

The Company has complied with the requirements of the applicable Secretarial Standards *i.e.* Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2).

30. Director's Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

a. that in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken 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 fraud and other irregularities.

d. that the annual financial statements have been prepared on a going concern basis;

e. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

31. Acknowledgements

The Directors would like to thank the employees and employee unions, shareholders, customers, suppliers, bankers, regulatory authorities and all the other business associates of the Company for their confidence and support to its Management. They would also like to thank the Central and State Governments for their support. Sesa Resources Limited recognizes and appreciates the cooperation and support from its holding company Vedanta Limited.

For and on behalf of the Board of Directors

Sd/-
Sujalkumar Jitendra Shah
Whole-Time Director
DIN: 09394796

Sd/-
AR Narayanaswamy
Director
DIN: 00818169

Place: Bhadrak
Date: 24th April, 2023

ANNEXURE 'A' TO BOARD'S REPORT

Additional information as required under Section 134(3)(m) read with Rule 8(3) of Companies (Accounts) Rules 2014.

A CONSERVATION OF ENERGY:

a)	Measures Taken		Conservation of Energy is an ongoing process. Efficient electric equipment and other measures taken in recent past have brought down energy consumption. However, it is difficult to quantify the same and/or assess its impact on cost of production.
b)	Additional investment and proposals if any being implemented for reduction of consumption of energy		
c)	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.		
d)	Total energy consumption and energy consumption per unit of production in prescribed form 'A'.		Form 'A' is not applicable to Ferro Alloys Industry.

B) TECHNOLOGY ABSORPTION:

Research & Development (R&D):

a)	Specific areas in which R & D carried out by the company		R&D in the operation of Ferro Chrome Production and manufacturing of briquettes is again a continuous process. Studies to recover the maximum entrapped metal from the discharged slag are in progress.
b)	Benefits derived as a result of the above R&D		
c)	Future Plan of action	:	(i) The Company is analysing and experimenting different methods of briquetting to cut down cost of production. (ii) Slag Utilisation and Waste Management.
d)	Expenditure on R&D	:	Recurring expenditure on R&D has been shown under respective heads of accounts in Profit & Loss Account.
e)	Technology absorption, adaptation and innovation:	:	
	i) Efforts, in brief, made towards technology absorption, adaptation and innovation.	:	Not applicable since no new technology has been adopted

ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	:	Not applicable
iii) Information regarding technology imported during last 5 years	:	No technology has been imported during the last five years.

2) Total Foreign Exchange used and earned	:	Rs. in crores
i) CIF value of imports	:	59.98
ii) Expenditure in Foreign currency	:	4.62
iii) Foreign exchange earned on FOB basis	:	107.18

For and on behalf of the Board of Directors

Sd/-
Sujalkumar Jitendra Shah
Whole-Time Director
DIN: 09394796

Sd/-
AR Narayanaswamy
Director
DIN: 00818169

Place: Bhadrak
Date: 24th April, 2023

ANNEXURE-*B*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2023
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I **REGISTRATION & OTHER DETAILS:**

i	CIN	**U45201OR1955PLC008400**
ii	Registration Date	**27th September, 1955**
iii	Name of the Company	Ferro Alloys Corporation Limited
iv	Category of the Company	Public Limitec Company
v	Sub-category of the Company	Indian Non-Government Company
vi	Address of the Registered office & contact details	D P Nagar, Randia, Bhadrak, Odisha 756135 Email Id: Facor.CCP@vedanta.co.in
vii	Whether listed company	No
viii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Pvt. Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 Phone No. +91-11-29961281-83 Fax No. +91-11-29961284 E-mail: beetal@beetalfinancial.com beetalrta@gmail.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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Ferro Chrome	27110	100%

III **PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION

NA

IV **SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

i) **Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	6	0	6	0.00	6	-	6	0	0	
b) Central Govt.or State Govt.	0	0	0	0	-	-	-	-	0	
c) Bodies Corporates	339999994	0	339999994	100.00	339999994	0	339999994	100	0	-
d) Bank/FI	0	0	0	0	-	-	-	-	0	-
e) Any other	-	0	-	-	-	-	-	-	0	-
SUB TOTAL:(A)(1)	**34,00,00,000**	0	**34,00,00,000**	**100.00**	**34,00,00,000**	**-**	**34,00,00,000**	**100.00**	**-**	**-**
(2) Foregin	0	0	0	0	0	0	0	0	0	0
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0**	0
Total Shareholding of Promoter(A)= (A)(1)+(A)(2)	**340000000**	**0**	**34,00,00,000**	**100.00**	**34,00,00,000**	**0**	**34,00,00,000**	**100**	**0**	0
B. Public Shareholding										
(1) Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds	0	0	0	0.000	-	-	-	-	-	-
b) Banks / FI	0	0	0	0.000	-	-	-	-	-	-
c) Central Govt	0	0	0	0.000	-	-	-	-	-	-
d) State Govt(s)	0	0	0	0.000	-	-	-	-	-	-
e) Venture Capital Funds	0	0	0	0	-	-	-	-	-	-
f) Insurance Companies	0	0	0	0.000	-	-	-	-	-	-
g) FIIs	0	0	0	0	-	-	-	-	-	-
h) ForeignVenture Capital Funds	0	0	0	0	-	-	-	-	-	-
i) Others(specify)	0	0	0	0	-	-	-	-	-	-
SUB TOTAL:(B)(1)	**0**	**-**	**-**	**0.000**	0	0	0	0	0	0
(2) Non-Institutions	0	0	0	0	0	0	0	0	0	0
a) Bodies Corp.										
i) Indian	0	0	0	0.00	1800	1800	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	-									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0	0
ii) Individual shareholder sholding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0	0
					0	0	0	0	0	0
SUB TOTAL:(B)(2)	**0**	**-**	**-**	**0.00**	0	1800	0	0	0	0
					0	0	0	0	0	0
Total Public shareholding (B)= (B)(1)+(B)(2)	**0**	**-**	**-**	**0.00**	0	0	0	0	0	0
					0	1800	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	**34,00,00,000**	**-**	**34,00,00,000**	**100.00**	**34,00,00,000**	**1,800**	**34,00,01,800**	**100**	**-**	**-**

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding 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	Vedanta Limited	33,99,99,994	100.00	-	33,99,99,994	100.00	-	100.00
2	Sauvick Mazumdar	1	0.00	-	-	-	-	-
3	Navin Kumar Jaju	1	0.00	-	1	0.00	-	-
4	Joseph Coelho	1	0.00	-	1	0.00	-	-
5	Leena Bhiku Verenkar	1	0.00	-	1	0.00	-	-
6	Navanath Vhatte	1	0.00	-	-	0.00	-	-
7	Joy Afonso	1	0.00	-	1	0.00	-	-
8	Saptesh A S Sardesai	0	0.00		1	0.00	-	-
9	Abhinav Gupta	0	0.00		1	0.00	-	-
10	Balasore Alloys Limited	0	0.00		1,800	0.00	-	-
	Total	**34,00,00,000**	**100.00**	**-**	**34,00,01,800**	**100.00**	-	100.00

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding 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	34,00,00,000	100.00	34,00,01,800.00	100.00
	Transfer on various dates	-	-	-	-
	At the end of the year	34,00,00,000	100.00	34,00,01,800.00	100.00

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
1	At the beginning of the Year	Nil	Nil	Nil	Nil
2	Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc)	Nil	1,800	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)			1,800	
		-	**1800.00**	**1,800**	**0.00**

(v) **Shareholding of Directors & KMP**

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the Year	NIL	NIL	NIL	NIL
	Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweet equity etc)	NIL	NIL	NIL	NIL
	At the end of the year	-	-	-	-
	Total	**-**	**-**	**-**	**-**

V **INDEBTEDNESS**

(Rs. in Cores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount	143.27	25.59	-	168.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
	-	-	-	
Total (i+ii+iii)	**143.27**	**25.59**	**-**	**168.86**
Change in Indebtedness during the financial year				
Additions (Interest on unsecured loan)	-	23.27	-	23.27
Reduction	(71.64)	-	-	(71.64)
Net Change	**(71.64)**	23.27	-	**(48.37)**
Indebtedness at the end of the financial year				
i) Principal Amount	71.63	25.59	-	97.22
ii) Interest due but not paid		23.27	-	23.27
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**71.63**	**48.86**	**-**	**120.49**

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. **Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	**Gross salary**	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(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)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	Mr. Akhilesh Joshi	-
	(a) Fee for attending board committee meetings	0.02	0.02
	(b) Commission	0.09	0.09
	(c) Others, please specify	-	-
	Total (1)	**0.11**	**0.11**
2	Other Non Executive Directors	Mrs. Pallavi Joshi Bakhru	-
	(a) Fee for attending board committee meetings	0.02	0.02
	(b) Commission	0.09	0.09
	(c) Others, please specify.	-	-
	Total (2)	**0.11**	**0.11**
	Total (B)=(1+2)	**0.23**	**0.23**
	Total Managerial Remuneration	-	-
	Overall Cieling as per the Act.	-	-

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. in crores)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1	**Gross Salary**	**Balwant Singh Rathore (CEO)**	**Anand Prakash Dubey CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0.39	0.14	0.53
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.14	0.16	0.30
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.52	0.30	0.83
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, please specify (Rembursement of Expenses)	0.01		0.01
	Total	**1.07**	**0.60**	**1.67**

VII **PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-	**Sd/-**
Sujalkumar Jitendra Shah	**AR Narayanaswamy**
Whole-Time Director	**Director**
DIN: 09394796	**DIN:00818169**

Place: Bhadrak
Date: 24th April, 2023

Annexure-C

Annual Report on CSR Activities
FY 2022-23

1.	Brief outline on CSR Policy of the Company	CSR PHILOSOPHY: FACOR has a well-established history and commitment to reinvest in the social good of our neighbourhood communities and nation. CSR VISION: “Empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth.” We believe that: • We can positively impact and contribute to the realization of integrated and inclusive development of the country, in partnership with National and State Government as well as local, national and international partners; • Sustainable development of our businesses is dependent on sustainable, long lasting and mutually beneficial relationships with our stakeholders, especially the communities we work with; • Partnerships with government, corporates and civil societies/community institutions, offer a strong multiplier for complementing efforts, resources and to building sustainable solutions; • Our employees have the potential to contribute not just to our business, but also towards building strong communities. **THEMATIC FOCUS AREAS**: Our programs focus on poverty alleviation programs, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in line with baseline and need assessment, the national and international development agendas. The major thrust areas will be – a) Children’s Well-being & Education b) Women’s Empowerment c) Health Care d) Drinking Water & Sanitation e) Agriculture & Animal Welfare f) Skilling the Youth g) Environment Protection & Restoration h) Sports & Culture i) Development of Community Infrastructure j) Participate in programs of national importance including but not limited to disaster mitigation, rescue, relief and rehabilitation. The Company running all these projects in the name of FACOR viz. FACOR SATHI SIKSHA AMRUT, FACOR SATHI GAA KALYAN, FACOR SATHI NIRMAL PARIBESA, FACOR SATHI AROGAYA, FACOR SATHI KRIDA VIKAS, FACOR SATHI JIVIKA, FACOR SATHI HARYALI and FACOR SATHI PASHU KALYAN

2	Composition of CSR Committee	

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Akhilesh Joshi	Independent Non-Executive Director	2	1
2.	Mr. AR Narayanaswamy	Independent Non-Executive Director	2	1
3.	Mr. Arun Misra	Non-Executive Director	2	2
4.	Mr. Sauvick Mazumder	Non-Executive Director	2	1
5.	Mr. Rahul Sharma	Non-Executive Director	2	1

Note: Mr. Rahul Sharma ceased to be Director w.e.f. 20th September 2022.
Mr. AR Narayanaswamy appointed as additional Director w.e.f. 8th December 2022.

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	https://www.facorgroup.in/esg/csr/csr-committee https://www.facorgroup.in/esg/csr/csr-projects https://www.facorgroup.in/wp-content/uploads/2022/03/CSR-Policy
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	NA
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2020-21	₹ 10,05,280	₹ 3,35,093
2.	2021-22	₹ 17,28,263	₹ 5,76,088

6	Average net profit of the company as per section 135(5).	₹ 140,59,34,495
7	(a) Two percent of average net profit of the company as per section 135(5)	₹ 2,81,19,122
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0.00
	(c) Amount required to be set off for the financial year, if any	₹ 9,11,181

	(d) Total CSR obligation for the financial year (7a+7b-7c).	₹ 2,72,07,941
8	(a) CSR amount spent or unspent for the financial year:	

Total Amount Spent for the Financial Year 2023. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
₹ 1,01,38,263	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	NA				

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

-1	-2	-3	-4	-5		-6	-7	-8	
Sl. No.	Name of the Project	Item from List of activities in schedule VII to the Act.	Local Area (Yes/ No).	Location of the Project.		Amount Spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	FACOR Sathi Arogaya	(i) Promoting healthcare (xii) disaster relief	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	26,57,457	No	Punaruthan Voluntary Organisation	CSR00000650
2	FACOR Sathi Pragati	(iii) Empowering women (ii) Livelihood enhancements (iv)Environmental Sustainability	Yes	Odisha	Jajpur, Bhadrak	34,29,492	No	Punaruthan Voluntary Organisation	CSR00000650
3	FACOR Sathi Shiksha Amrit	(ii) Promoting Education	Yes	Odisha	Jajpur, Dhenkanal	32,65,637	No	Punaruthan Voluntary Organisation	CSR00000650

4	FACOR Sathi Nirmal Paribesa	(i) safe Drinking water & sanitation (iv) Ensuring Environmental Sustainability	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	62,75,415	Yes	-	-
5	FACOR Sathi Gaa Kaliyan	(xi) Rural development (ii) Promoting Education (iv) Conservation of natural resources	Yes	Odisha	Jajpur, Dhenkanal, Bhadrak	1,11,05,468	Yes	-	-
6	FACOR Sathi Krida Vikas	(xi) Rural development	Yes	Odisha	Bhadrak	14,97,258	Yes		
7	FACOR Sathi Pashukalyan	(iv) Animal Welfare	Yes	Odisha	Bhadrak	1,11,041	No	Punaruthan Voluntary Organisation	CSR00000650

(d) Amount spent in Administrative Overheads	₹ 3,12,275
(e) Amount spent on Impact Assessment, if applicable	NA
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 2,86,54,043

(g) Excess amount for set off, if any

Sl. No.	**Particular**	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,81,19,122
(ii)	Total amount spent for the Financial Year	2,86,54,043
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,34,921
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9	(a) Details of Unspent CSR amount for the preceding three financial years: **NA**	
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**	
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).** (a) Date of creation or acquisition of the capital asset(s). (b) Amount of CSR spent for creation or acquisition of capital asset. (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	**NA**
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NA

Mr. Sujalkumar Shah
(Whole-Time Director and Chief Executive Officer).

Mr. Akhilesh Joshi
(Chairman CSR Committee).

ANNEXURE 'D' TO BOARD'S REPORT

<u>FORM NO. AOC -2</u>

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis- NIL

S. No.	Particulars/	Details
1	Name (s) of the re/lated party & nature of relationship	
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions on an Arm's length basis.

Amt in Crores

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/transaction	Duration of the contracts/ arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Vedanta Ltd	Addendum to original Loan Agreement	Same as per original agreement dated 18th September 2020	1. Interest @ 10.5% p.a. reduced to SBI 6M MCLR with effect from 1st April 2022. 2. Interest will be paid at the time maturity of loan	19th April 2023(original agreement was approved on 18th Sep. 2020	No
2.	STL Digital Limited (SDL) a Group Entity of Vedanta Ltd.	Service Level Agreement	Five years w.e.f. 1st October 2022 till 30th September 2027	1. Rs. 2,61,31,770 (Including Rs.1,07,084 onetime charges) plus taxes extra. This amount spread to the entire contract period. The billing will be done on monthly basis. 2. All other terms and conditions are as per the Service agreement.	31st October 2022	No

For and on behalf of the Board of Directors

Sd/-
Sujalkumar Jitendra Shah
Whole-Time Director
DIN: 09394796

Sd/-
AR Narayanaswamy
Director
DIN: 00818169

Place: Bhadrak
Date: 24th April, 2023

Annexure-E

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[*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,
Ferro Alloys Corporation Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ferro Alloys Corporation Limited (hereinafter called "Company") for the financial year ended March 31, 2023 ["Audit Period"] in terms of the engagement letter dated May 5, 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('Act') and the rules made thereunder including any re-enactment thereof;
2. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
    a. The Mines Act, 1952 and Rules made thereunder;
    b. The Mines and Minerals (Development and Regulation) Act, 1957, and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has complied with the provisions of the Act, rules, standards etc. mentioned above, except the following:

1. *Filing of e-Form CHG-1 for securing/ backing a bank guarantee of Rs 1.19 crores from ICICI Bank against fixed deposit.*

   The Financial Standing Committee has approved availing of Bank Guarantee facility of INR 1,19,000/- from ICICI Bank which is 100% backed by Fixed Deposit (FD). Considering a lien has been created over the Fixed Deposit (asset) of the Company, e- Form CHG- 1 should have been filed.

We further report that:

The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, 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.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/ action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards, etc, except the following:

1. **Acquisition of 8.69% of paid up share capital of Facor Power Limited (FPL)**

   The Company has acquired 2,00,00,000 shares of Facor Power Limited (FPL), constituting about 8.69% of the total equity shareholding of FPL, from Ferro Alloys Limited (FAL) through and in accordance with the terms and conditions of Share Purchase Agreement dated August 3, 2022 executed between the Company, FPL and FAL.
   Post acquisition, the Company held 98.69% of the paid up share capital of FPL.

2. **Merger of FPL into the Company**

Subsequently, pursuant to the order of NCLT, Cuttack Bench, dated November 15, 2022, Facor Power Limited (“Transferor Company”) has been merged with Ferro Alloys Corporation Limited (“Transferee Company”) w.e.f appointed date i.e. October 1, 2020.

3. **Ceases to be wholly-owned subsidiary (WOS) of Vedanta Limited**

Pursuant to the aforesaid Merger, the Company ceases to be WOS of Vedanta Limited (VEDL) and is a 99.99% of VEDL.

Place: New Delhi
Date: April 24, 2023

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN:
Peer Review Certificate No.: 781/2020

The report is to be read with our letter of even date which is annexed as **Annexure ‘I’** and forms and integral part of this report

Annexure I

Auditor and Management Responsibility

ANNEXURE TO SECRETARIAL AUDIT REPORT [QUALIFIED]

To,
The Members,
Ferro Alloys Corporation Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;

7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. 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.

Annexure II

List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
   a. Board of Directors;
   b. Audit Committee;
   c. Nomination and Remuneration Committee;
   d. Corporate Social Responsibility Committee;
   e. Financial Standing Committee;
   f. Annual General Meeting.
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
3. Annual Report for financial year 2021-22;
4. Financial Statements and Auditor's Report for financial year 2021-22
5. Directors' disclosures under the Act and rules made thereunder;
6. Statutory Registers maintained under the Act;
7. Forms filed with the Registrar;
8. Policies framed under the Act, 2013
9. Memorandum of Association and Articles of Association of the Company.

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Ferro Alloys Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ferro Alloys Corporation Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 financial statements give the information required by the Companies Act, 2013, as amended ("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, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the 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 Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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.

S.R. BATLIBOI & CO. LLP GURUGRAM

Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 the 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 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 with reference to financial statements 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 management's 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

S. R. BATLIBOI & CO. LLP
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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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 21, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 1" 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 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 it appears from our examination of those books. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

S.R. BATLIBOI & CO. LLP
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(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

(h) 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, as amended 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 its financial statements – Refer Note 44 (B) to the financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 23502243BGTIUK2724
Place of Signature: Gurugram
Date: 24 April, 2023

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: **Ferro Alloys Corporation Limited** ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B) The Company has maintained proper records showing full particulars of intangibles assets as reflected in the financial statements.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements included in property, plant and equipment are held in the name of the Company.

Certain title deeds of the immovable Properties, in the nature of freehold land & buildings, which were acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) Order dated November 15, 2022, are not individually held in the name of the Company, however the deed of merger has been registered by the Company on November 28, 2022. This matter has been disclosed in note 3 (d) to the financial statements.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verification.

S.R. BATLIBOI & CO. LLP
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(b) As disclosed in note 12 and note 53 (vii) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of goods and generation of electricity and High Carbon Ferro Chorme, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

S. R. BATLIBOI & CO. LLP
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(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, , cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales tax, value added tax, excise duty and service tax are not applicable to the Company.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

Note- Pursuant to the approval of the order by the Hon'ble NCLT and as per the terms of the resolution plan, claims were not admitted by the Resolution Professional.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

S. R. BATLIBOI & CO. LLP
GURUGRAM

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud/ material fraud by the Company or no fraud/ material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company.

(xiii) Transactions with related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a),(b),(c) & (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year.

S.R. BATLIBOI & CO. LLP
GURUGRAM

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 53 (iv) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 53 (iii) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 53 (iii) to the financial statements.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S. R. BATLIBOI & CO. LLP * GURUGRAM *

Per Ajay Bansal
Partner
Membership No: 502243
UDIN: 23502243BGTIUK2724
Place: Gurugram
Date: April 24, 2023

S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other legal and Regulatory Requirements" of our Report of even date

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 with reference to financial statements of Ferro Alloys Corporation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the 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 ("ICAI"). 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 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 with reference to these financial statements.

S.R. BATLIBOI & CO. LLP
GURUGRAM

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S. R. BATLIBOI & CO. LLP
GURUGRAM

per Ajay Bansal
Partner
Membership Number: 502243
UDIN: 23502243BGTIUK2724
Place of Signature: Gurugram
Date: April 24, 2023

FERRO ALLOYS CORPORATION LIMITED
BALANCE SHEET AS AT 31 MARCH 2023

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(₹ In Crores)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant & equipment	3	735.17	707.44
Capital work-in-progress	4 (a)	210.13	50.50
Assets held for sale	4 (b)	0.01	0.01
Intangible sssets	5	7.41	10.36
Other Mining sssets	5	10.32	-
Stripping sssets	4 (b)	28.11	22.28
Investment in subsidiaries and associates	6	0.05	0.09
Financial Assets			
Investments - others	7	0.34	0.37
Financial Assets - others	8	33.62	37.00
Other non-current assets	9	20.03	33.50
Deferred tax assets	23	71.54	-
Total Non- Current Assets		1,116.73	861.54
Current Assets			
Inventories	10	113.86	83.98
Financial assets			
Trade receivables	11	28.05	2.69
Cash and cash equivalents	12	4.02	8.17
Other bank balances	13	18.00	83.36
Loans	14	0.19	-
Other financial assets	15	1.85	1.48
Current tax assets (Net)	16	41.96	0.41
Other current assets	17	78.13	89.06
Total current assets		286.06	269.15
Total Assets		1,402.79	1,130.69
EQIUTY & LIABILITIES			
Equity			
Equity share capital	18	34.00	34.00
Other ecuity	19	1,025.58	751.08
Total equity		1,059.58	785.08
Liabilities			
Non Current Liabilities			
Financial liabilities			
Borrowings	20	22.03	72.53
Lease Liabilities	21	0.17	0.17
Provisions	22	7.97	4.65
Deferred tax liabilities (Net)	23	-	13.53
Total non-current liabilities		30.17	90.89
Current Liabilities			
Financial liabilities			
Borrowings	24	72.16	55.82
Lease liabilities	21	0.00	-
Operational buyers credit	25	12.68	-
Trade payables	26		
Micro small and medium enterprises		11.73	2.80
Others		183.37	79.98
Derivatives	27	0.13	-
Other financial liabilities	28	23.33	8.57
Other current liabilities	29	8.28	26.65
Provisions	30	1.36	0.72
Current tax liabilities (Net)	31	-	80.18
Total current liabilities		313.04	254.72
Total liabilities		343.21	345.61
Total equity and liabilities		1,402.79	1,130.69

See accompanying notes to financial statements.

As per our report on even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm's Regn.No.301003E / E300005)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Place : Gurugram
Date : 24 April 2023

Sujalkumar Jitendra Shah
Whole-Time Director & Chief Executive Officer
(DIN 09394796)

A R Narayanaswamy
Director
(DIN 00818169)

Karan Kumar Kejriwal
Chief Financial Officer

Sambit Kumar Sarangi
Company Secretary
(ICSI Membership No.11105)

Place : Bhadrak
Date : 24 April 2023

S. R. BATLIBOI & CO. LLP * GURUGRAM *

FERRO ALLOYS CORPORATION LIMITED * BHADRAK *

FERRO ALLOYS CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Crores)

Particulars	Note	Year Ended 31 March 2023	Year Ended 31 March 2022
Revenue			
Revenue from operations	32	773.56	836.72
Operating income	33	4.78	12.25
Other income	34	17.73	4.34
Total income		796.07	853.30
Expenses			
Cost of materials consumed	35	267.14	261.40
Changes in inventories of finished goods and stock in progress	36	3.49	4.80
Employee benefits expense	37	45.95	41.76
Finance costs	38	11.76	15.53
Depreciation and amortization expense	39	43.61	25.21
Other expenses	40	312.80	217.07
Total expenses		684.75	565.77
Profit Before exceptional items and tax		111.32	287.53
Net exceptional losses	41	18.02	-
Profit before tax		93.30	287.53
Tax expenses	42		
Current tax		-	81.71
Tax for earlier years		(113.50)	-
Deferred tax		(85.29)	3.28
Profit/(Loss) for the period (A)		292.09	202.54
Other comprehensive income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit plans		(0.83)	(1.54)
Fair value of investment		(0.03)	0.26
Income tax on items that will not be reclassified to Profit and loss		0.21	(0.51)
Total other comprehensive income for the period (B)		(0.65)	(1.79)
Total comprehensive Income for the period (A + B)		291.44	200.75
Earnings per equity share of face value of ₹ 1/- each	43		
Basic		8.59	5.96
Diluted		8.59	5.96

See accompanying notes to financial statements.

As per our report on even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm's Regn.No.301003E / E300005)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Place : Gurugram
Date : 24 April 2023

Sujalkumar Jitendra Shah
Whole-Time Director
& Chief Executive Officer
(DIN 09394796)

Karan Kumar Kejriwal
Chief Financial Officer

Place : Bhadrak
Date : 24 April 2023

A R Narayanaswamy
Director
(DIN 00818169)

Sambit Kumar Sarangi
Company Secretary
(ICSI Membership No.11105)

S. R. BATLIBOI & CO. LLP * GURUGRAM *

FERRO ALLOYS CORPORATION LIMITED * BHADRAK *

FERRO ALLOYS CORPORATION LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ In Crores)

Sl. No.	Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
A	**Cash flows from operating activities**		
	Net Profit after prior period items and before tax	93.29	287.53
	Adjustments For:		
	Interest income		
	Depreciation	4.31	3.62
	Interest expense	43.61	25.21
		11.76	15.53
	Operating cash profit before working capital changes	152.97	331.90
	Movement in Working Capital:-		
	Increase/(Decrease) in Trade Payables	112.32	60.41
	(Decrease)/ Increase in Other Current Liabilities	(18.37)	1.34
	Increase/(Decrease) in Other Current Financial Liabilities	27.58	(72.96)
	Increase/(Decrease) in Other Non Current Liabilities	3.38	(27.56)
	Increase/(Decrease) in Provisions	4.68	2.08
	Decrease/ (Increase) in Other Non Current Assets	13.46	(33.36)
	Decrease/ (Increase) in Other Current Financial Assets	64.49	(82.82)
	(Increase)/Decrease in Inventories	(29.88)	(26.22)
	(Increase)/Decrease in Trade Receivables	(25.37)	(0.56)
	Decrease/ (Increase) in Other Current Assets	10.94	(46.07)
	Cash generated from operations	316.20	106.17
	Less: Income tax paid (net of refunds)	8.25	29.96
	Net cash generated from operating activities before extraordinary item	307.95	76.21
	Outflow for extraordinary item	-	-
	Net cash generated from operating activities(A)	307.95	76.21
B	**Cash Flow from Investing Activities:**		
	(Purchase) of property, plant and equipment and capital work in progress	(261.75)	(93.66)
	Net proceeds of property, plant and equipment and capital work in progress	(0.36)	(2.18)
	Interest received	(4.00)	(2.99)
	Net movement in Investments	(0.08)	0.26
	Net Cash Generated from/ (Used in) Investing Activities (B)	(266.19)	(98.57)
C	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Long Term Borrowings	(34.16)	(7.06)
	Interest Expense Paid	(11.76)	(15.53)
	Issue of Shares	(0.00)	-
	Net Cash generated from/ (used in) Financing Activities (C)	(45.92)	(22.59)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(4.15)	(44.95)
	Cash and cash equivalents at the beginning of the year	8.17	53.12
	Cash and Cash Equivalents at the end of the year	4.02	8.17

Note:-
The above cash flow has been prepared under "Indirect method" as set out in Indian Accounting Standard (Ind AS -7) Statement of Cash Flows.

See accompanying notes to financial statements.
As per our report on even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm's Regn.No.301003E / E300005)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Place : Gurugram
Date : 24 April 2023

S. R. BATLIBOI & CO. LLP GURUGRAM

Sujalkumar Jitendra Shah
Whole-Time Director &
Chief Executive Officer
(DIN 08394796)

A R Narayanaswamy
Director
(DIN 00818169)

Karan Kumar Kejriwal
Chief Financial Officer

Sambit Kumar Sarangi
Company Secretary
(ICSI Membership No.11105)

Place : Bhadrak
Date : 24 April 2023

FERRO ALLOYS CORPORATION LIMITED BHADRAK

FERRO ALLOYS CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(a) Equity share capital

FY 2022-23

(₹ In Crores)

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the year
34.00	-	-	0.00	34.00

FY 2021-22

(₹ In Crores)

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the year
34.00	-	-	-	34.00

(b) Other equity

(₹ In Crores)

	Reserves & Surplus			Other Comprehensive Income			
	Capital Reserve	General Reserve	Retained earnings	Equity Portion of Borrowings	Fair value of Investment	Remeasurement of defined benefit obligations	Total
Balance at 1 April 2021	931.31	192.00	(781.99)	2.77	0.06	(0.67)	343.48
Facor Power Limited	-		(892.21)	-	-	-	(892.21)
Total	**931.31**	**192.00**	**(1,674.20)**	**2.77**	**0.06**	**(0.67)**	**(548.73)**
Effect of Merger (Refer Note 50)	230.06	-	869.00	-	-	-	1,099.06
Balance at 1 April 2021	**1,161.37**	**192.00**	**(805.20)**	**2.77**	**0.06**	**(0.67)**	**550.33**
Profit for the year 2021-22	-	-	202.54	-	-	-	202.54
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(1.79)	(1.79)
Total comprehensive income for the year	-	-	**202.54**	-	-	**(1.79)**	**200.75**
Balance at 31 March 2022	**1,161.37**	**192.00**	**(602.66)**	**2.77**	**0.06**	**(2.46)**	**751.08**
Profit for the year 2022-23	-	-	292.08	-	-	-	292.08
Other comprehensive income/(loss) for the year	-	-	-	-	-	(0.65)	(0.65)
Total comprehensive income for the year	-	-	**292.08**	-	-	**(0.65)**	**291.43**
Consideration paid for purchasing additional 10% stake in subsidiary	-	-	(16.92)	-	-	-	(16.92)
Balance at 31 Mar 2023	**1,161.37**	**192.00**	**(327.51)**	**2.77**	**0.06**	**(3.11)**	**1,025.58**

See accompanying notes to financial statements.
As per our report on even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm's Regn.No.301003E / E300005)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Place : Gurugram
Date : 24 April 2023

S. R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Board of Directors

Sujalkumar Jitendra Shah
Whole-Time Director & Chief Executive Officer
(DIN 09394796)

A R Narayanaswamy
Director
(DIN 00818169)

Karan Kumar Kejriwal
Chief Financial Officer

Sambit Kumar Sarangi
Company Secretary
(ICSI Membership No.11105)

Place : Bhadrak
Date : 24 April 2023

FERRO ALLOYS CORPORATION LIMITED BHADRAK

Notes forming part of the financial statements as at and for the year ended 31 March 2023

1 Company overview

Ferro Alloys Corporation Limited referred to as "FACOR" or "the Company" is domiciled in India. The Company's registered office is at DP Nagar, Randia, Dist. Bhadrak, Odisha – 756135.

FACOR which is one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel is also engaged in Chrome Ore exploration, mining, and beneficiation in the state of Odisha.

The financial statements are approved for issue by the Board of Directors on 24 April 2023.

2.A 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.

2.A.1 Basis of preparation

(i) The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement

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

(ii) Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

2.A.2 Basis of measurement

(i) 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

(ii) The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.B Summary of significant accounting policies

A. Revenue recognition

a) Sale of goods- The Company's revenue from contracts with customers is mainly from the sale of ferro alloy. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/goods and service tax and other indirect taxes. Revenues from sale of by products are included in revenue

b) 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.

c) 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.

d) Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

B Property, plant, and equipment:

a) **Mining properties and leases**

When a decision is taken that a mining property is viable for commercial production (i.e., when the Company determines that the mining property will provide sufficient and sustainable return relating to the risks and the Company decided to proceed with the mine development), all further pre-production primary development expenditure other than that on land, buildings, plant, equipment and capital work in progress is capitalized as property, plant and equipment under the heading "Mining properties and leases" together with any amount transferred from "Exploration and evaluation" assets. The costs of mining properties and leases, include the costs of acquiring and developing mining properties and mineral rights.

The stripping cost incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Company uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/mineral production for the purpose of determining the cost of the stripping activity asset.

Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

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In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period in which it occurs i.e. when the Company determines that the mining property will not provide sufficient and sustainable returns relating to the risks and the Company decides not to proceed with the mine development

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code, 'MORC' code or 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

b) Other property, plant and equipment

Items of other 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 including import duties and non-refundable purchase taxes, and any directly attributable cost of bringing the assets to working condition and location for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

For transition to Ind AS, the company had elected to continue with fair value of all the property, plant and equipment recognised as on 1 April 2016 (transition date).

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.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate item (major components) of property, plant, and equipment. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalized, if the recognition criteria are met.

c) Assets under construction

Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant, and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

d) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction and freehold land are not depreciated or amortised.

The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or group of properties and are subject to impairment review.

Depreciation on other property, plant and equipment is provided on the basis of 'straight line 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.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Estimated useful lives (in years) of assets are as follows:

Assets	Useful life (in years)
Buildings	30 to 60 years
Plant and equipment	10 to 40 years
Office equipment	5 to 10 years
Railway Sidings	5 to 15 years
Furniture and fixture	8 to 10 years
Vehicles	6 to 10 years

C Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life ranging from 2-5 years. Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 5-17 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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E Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are not depreciated or amortized while they are classified as held for sale and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the balance sheet.

F Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken and the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

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 expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are 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 for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

G 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.

a) Financial Assets

i) 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the 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.

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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 amortized cost using the Effective Interest Rate (EIR) method. Amortized 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 amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

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

A 'debt instrument' is classified as at FVOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value.Fair value movements are recognised in other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss are recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss.Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

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

FVTPL is a residual category for debt instruments. 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.

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL all subsequent fair value changes are recognised in the statement of profit and loss.

ii) Derecognition

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.

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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.

iii) Impairment

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:
a) Financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities and deposits;
b) Financial assets that are debt instruments and are measured as at FVOCI;
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12- month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:
a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Company does not reduce impairment allowance from the gross carrying amount.
b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b) Financial liabilities

I) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as loans, borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

ii) 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

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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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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/ losses 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.

iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.
The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

d) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non- derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit and loss, unless designated as effective hedging instruments.

e) 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.

f) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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H Derivative financial instruments

a) Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability

I **Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

J Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of an arrangement that contains lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

a) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in 'B' above.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership is transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

K Inventories

Raw material, stores and spares and work in progress are valued at cost. Raw materials including stores and spares are valued on a weighted average basis. Finished products are valued at cost or Net Realisable value whichever is lower, cost is raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis.

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Scraps are valued at net realisable value. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

L Foreign currency transactions

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. For all principal businesses of the Company, the functional currency is Indian rupee (₹). The financial statements are presented in Indian rupee (₹).

(a) In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction.

(b) Monetary assets and liabilities denominated in foreign currencies outstanding at the year end, are translated into functional currency at exchange rates applicable on reporting date.

(c) Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

(d) All exchange differences are included in the statement of profit and loss except those where the monetary item designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

(e) 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 are also recognised in OCI or profit or loss, respectively).

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs in qualifying assets. The statement of profit and loss of oil and gas business is translated into Indian Rupees (INR) at the average rates of exchange during the year / exchange rates as on the date of the transaction. The Balance Sheet is translated at the exchange rate as at the reporting date. Exchange difference arising on translation is recognised in other comprehensive income and would be recycled to the statement of profit and loss as and when these operations are disposed off.

M 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 and are not recycled to the statement of profit and 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.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and

- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the beginning of the year. Defined benefit costs are split into current service cost, past service cost, net interest expense or income and remeasurement and gains and losses on curtailments and settlements. Current service cost and past service cost are recognised within employee benefit expense. Net interest expense or income is recognized within finance costs.

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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:

a) **Leave encashment.**

Leave encashment is payable to eligible employees at the time of retirement. accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

N 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.

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

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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.

O 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 is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

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.

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.

ii) **Deferred tax**

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses.

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 (including MAT credit entitlement) are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets are recognised for unused tax losses, carry forward of unused tax credits and all 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 sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

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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 either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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.

P Provisions, contingent liabilities, and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

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 Equity investment in subsidiaries and associates

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost. A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company has the power over the investee or 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. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

S Buyer's credit/ Vendor financing

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled between twelve months (for raw materials) to thirty-six months (for project materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet.

Interest expense on these are recognised in the finance cost. Payments made by banks and financial instiutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an operating cash outflow reflecting the subtsance of the payment.

T Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also, tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

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Notes forming part of the financial statements as at and for the year ended 31 March 2023

U Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

V 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 criteria: 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 realized 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 realized within twelve 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 twelve 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

W Events occurring after the balance sheet date.
All material events occurring after the balance sheet date up to the date of consideration of financial statements by the Board of Directors April 21, 2022, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period.

2.C Application of new and amended standards

2.C.A The Company has adopted, with effect from 01 April 2022, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendment to INDAS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

2. Amendment to INDAS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities

3. Amendment to INDAS 103 Business Combination, Reference to the Conceptual Framework for Financial Reporting.

2.C.B Standards notified but not yet effective
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022, effective from 01 April 2023. These amendments are not expected to have any impact on the Company. The Company has not early adopted any amendments that has been notified but is not yet effective.

2.D Significant accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

A Significant estimates

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs.
- Useful life of property, plant & equipment
- Recoverability of deferred tax

B Significant judgement

i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A provision is recognised when the Company has a present obligation as a result of past events and it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

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.

2.E Business Combination

Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited

The Board of Directors of the Company at it's meeting held on 19 April 2021 had approved he scheme of amalgamation of Facor Power Limited (transferror Company) into Ferro Alloys Corporation Limited (Transferee company) (Scheme of amalgamation). During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR").
Refer Note 50 on Business combination.

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3. PROPERTY, PLANT AND EQUIPMENT

(₹ In Crores)

Particulars	ROU Assets-Leasedhold Land	Freehold Land	Buildings	Roads & Drains	Railways Siding	Plant and Equipment (a)	Office Equipments	Furniture and Fixtures	Vehicles	Total
At Cost										
As at 01 April 2021	3.83	99.63	119.77	8.66	26.96	529.25	5.34	1.49	3.74	798.66
Additions	-	10.30	3.06	-	-	103.19	1.83	1.18	0.45	120.02
Disposals/ adjustments	-	-	1.23	-	-	0.45	1.36	0.61	0.57	4.21
As at 31 March 2022	3.83	109.93	121.61	8.66	26.96	631.99	5.82	2.06	3.62	914.47
Additions	-	3.58	3.23	-	-	62.45	1.46	0.22	0.48	71.42
Disposals/ adjustments	-	-	-	-	-	2.96	0.56	0.17	2.01	5.70
As at 31 March 2023	3.83	113.51	124.84	8.66	26.96	691.48	6.72	2.11	2.09	980.19
Accumulated depreciation and impairment										
As at 01 April 2021	0.31	-	31.13	4.97	12.70	131.53	2.62	0.83	2.77	186.86
Depreciation charge for the year	0.05	-	3.87	0.65	1.64	14.35	0.91	0.21	0.20	21.88
Disposals/ adjustments	-	-	0.12	-	-	0.40	0.50	0.22	0.46	1.71
As at 31 March 2022	0.36	-	34.88	5.62	14.35	145.47	3.03	0.82	2.51	207.03
Depreciation charge for the year	0.05	-	3.82	0.65	1.64	18.74	0.74	0.16	0.17	25.97
Impairment charge for the year	-	-	15.63	0.12	-	0.54	-	-	-	16.29
Disposals/ adjustments	-	-	-	-	-	2.30	0.28	0.04	1.65	4.27
As at 31 March 2023	0.41	-	54.33	6.39	15.99	162.45	3.49	0.94	1.03	245.02
Net Book Value										
As at 31 March 2023	3.42	113.51	70.51	2.27	10.97	529.03	3.23	1.17	1.06	735.17
As at 31 March 2022	3.47	109.93	86.73	3.04	12.61	486.52	2.79	1.24	1.11	707.44

Notes:

a) Plant and equipment include smelters, power plants and related facilities.

b) Movable Property, Motor Vehicles and Trade Mark are pledged as collateral against Non-Convertible Debentures, the details related to which have been described in Note 24 on "Borrowings".

c) The Company performed its annual impairment test for years ended 31 March 2023 and identified triggers for impairment analysis in Kathpal mines as the said block has been non-operational. The Company is unable to establish future economic benefits/ cash flows from this asset. Therefore, the carrying value of the property, plant and equipment of ₹ 16.29 crores and mining rights of ₹ 1.73 crores for the said mine has been fully impaired during the year in accordance with Ind AS-36.

d) Title deeds of Immovable Property not held in name of the Company:-
Certain title deeds of the immovable Properties, in the nature of freehold land & buildings, as indicated in the below mentioned cases which were acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal's (NCLT) Order dated 15 November 2022, are not individually held in the name of the Company, however the deed of merger has been registered by the Company on 28 November 2022.

(₹ In Crores)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying Value as at 31 March 2023	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Freehold land	6.96	FACOR Power Limited (Now merged with FACOR)	No	27-Aug-07	Held in the name of erstwhile transferor company (FPL) which was amalgamated with the Company through approved Scheme.
Property, Plant and Equipment	Leasehold land	0.05	FACOR Power Limited (Now merged with FACOR)	No	16-Dec-11	Held in the name of erstwhile transferor company (FPL) which was amalgamated with the Company through approved Scheme.
Property, Plant and Equipment	Leasehold land	1.32	FACOR Power Limited (Now merged with FACOR)	No	17-Nov-11	Held in the name of erstwhile transferor company (FPL) which was amalgamated with the Company through approved Scheme.

4 (a) Capital work in progress

(₹ In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Carrying amount of Capital work in progress	210.13	50.50

(₹ In Crores)

Particulars	CWIP	Total
At Cost		
As at 01 April 2021	103.56	103.56
Additions	69.45	69.45
Capitalisation during the year	122.51	122.51
As at 31 March 2022	50.50	50.50
Additions	231.05	231.05
Capitalisation during the year	71.42	71.42
As at 31 March 2023	210.13	210.13

Capital work in progress(CWIP) Ageing Schedule

(₹ In Crores)

CWIP	As at 31 March 2023			As at 31 March 2022		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	159.62	-	159.62	41.58	-	41.58
1-2 years	50.50	-	50.50	-	-	-
2-3 years	-	-	-	8.92	-	8.92
More than 3 years	-	-	-	-	-	-
Total	210.12	-	210.12	50.50	-	50.50

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Notes forming part of the financial statements as at and for the year ended 31 March 2023

4 (b) STRIPPING ASSETS AND ASSETS HELD FOR SALE

(₹ In Crores)

Particulars	Assets Held for Sale	Stripping Assets	Total
At Cost			
As at 01 April 2021	0.01	-	0.01
Additions	-	25.00	25.00
Disposals	-	-	-
As at 31 March 2022	0.01	25.00	25.01
Additions	-	21.53	21.53
Disposals	0.00		0.00
As at 31 March 2023	0.01	46.53	46.54
Accumulated depreciation			
As at 01 April 2021			
Charge for the year	-	2.72	2.72
As at 31 March 2022	-	2.72	2.72
Charge for the year	-	15.69	15.69
As at 31 March 2023	-	18.41	18.41
Net Book Value			
As at 31 March 2023	0.01	28.12	28.13
As at 31 March 2022	0.01	22.28	22.29

Change in accounting estimates

The Company was following the practice of creating stripping assets and amortising the same on the basis of UNFC method until the period ended 31 March 2022. In order to align with the Parent Company's adhered method of amortisation of stripping assets, the Company has now adopted JORC method in place of UNFC method during the current year. JORC method reserve estimation process is on the conservative side in comparison to the UNFC method and further it also takes into factor additional considerations such as statutory, legal compliance etc. As a result, the level of confidence in JORC classification.

Due to change of such accounting estimates, there has been an increamental amortisation of Stripping asset by ₹ 9.86 Crs.

5. INTANGIBLE ASSETS

(₹ In Crores)

Particulars	Mining Right	Other Mining Assets	SAP Implimentation	Total
At Cost				
As at 01 April 2021	14.54	-	-	14.54
Additions	-	-	1.65	1.65
Disposals	-	-	-	-
As at 31 March 2022	14.54	-	1.65	16.19
Additions	-	10.81	0.24	11.05
Disposals	-	-		-
As at 31 March 2023	14.54	10.81	1.89	27.24
Accumulated depreciation and impairment				
As at 01 April 2021	4.72	-	-	4.72
Depreciation charge for the year	0.90		0.21	1.11
As at 31 March 2022	5.62	-	0.21	5.83
Depreciation charge for the year	0.90	0.49	0.56	1.95
Impairment charge for the year*	1.73	-		1.73
As at 31 March 2023	8.25	0.49	0.77	9.51
Net Book Value				
As at 31 March 2023	6.29	10.32	1.12	17.73
As at 31 March 2022	8.92	-	1.44	10.36

* Refer note 3 (c)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
6 Investment in Subsidiary and Associates		
1,00,000 (Previous Year 1,00,000) Facor Realty & Infrastructure Ltd. of ₹ 10/- each	-	0.10
Less: Provision for Impairment	-	(0.06)
	-	0.04

FACOR Reality and Infrastructure Limited, a wholly owned subsidiary of Ferro Alloys Corporation Limited (FACOR), has now been struck off w.e.f. 13 January 2023.Hence, the loss in value of investment has been recognised in Exceptional Items in statement of profit & loss.

	As at 31 March 2023	As at 31 March 2022
In Equity Shares of Associate Company -Unquoted - fully paid up		
4,66,164 (Previous Year: 4,66,164) Boula Platinum Mining Pvt. Ltd. of ₹ 1/- each	0.05	0.05
	0.05	0.09
Aggregate book value of quoted investments	-	-
Aggregate Market value of quoted investments	-	-
Aggregate book value of un-quoted investments	0.05	0.09
Aggregate amount of impairment in value of investments	-	0.06

7 Investment Others

	As at 31 March 2023	As at 31 March 2022
Investment Measured at fair Value through OCI		
Investments in Equity Shares of Other Companies - Quoted, fully paid-up		
5,00,000 (Previous Year: 5,00,000) Facor Alloys Limited of ₹ 1/- each	0.33	0.36
Investment Measured at amortised cost		
Government Securities - Unquoted		
6 years National Savings Certificates	0.01	0.01
	0.34	0.37

Investments at fair value through OCI (fully paid) reflect investment in quoted securities. These equity shares are designated as FVTOCI as they are not held for trading purpose. Thus, disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. Decrease in amount of Quoted securities is due to decline in market value of shares.

	As at 31 March 2023	As at 31 March 2022
Aggregate book value of quoted investments	0.33	0.36
Aggregate Market value of quoted investments	0.33	0.36
Aggregate book value of un-quoted investments	0.01	0.01
Aggregate amount of impairment in value of investments	-	-

Equity Investments in FACOR Alloys Limited are pledged as collateral against Non-Convertible Debentures, the details related to which have been described in Note 24 on "Borrowings".

	As at 31 March 2023	As at 31 March 2022
8 Financial Assets - Others		
Financial assets at amortised cost		
Security deposits	17.66	5.31
Fixed Deposits with Banks*	15.96	31.70
	33.62	37.00

*Fixed Deposits include Lien Marked FDs of maturity less than 12 months which will be renewed after maturity until business requirement.

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(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
9 Other Non-Current Assets		
Unsecured, considered good		
Capital Advances*	2.35	16.29
Balance with Government Authorities**	17.18	17.18
Prepaid Expenses	0.50	0.03
Unsecured, considered doubtful	5.46	5.46
Provision for Doubtful Advances	(5.46)	(5.46)
	20.03	33.50

* Capital advance not include related party suppliers.

** Balance with Government Authorities includes deposit with Government Authorities of ₹ 15.38 Crs, Royalty of ₹ 0.93 Cr and VAT receivable of ₹ 0.86 Cr. Out of this 15.38 Crs, the entity had paid deposits under protest to various authorities aggregating to ₹ 12.02 Crs. By the virtue of the NCLT approved resolution plan dated 30 January 2020 and as per the HC order dated 10 December 2021, the demands raised by various departments of the government are to be set aside and accordingly the deposits under protest for those demands are to be refunded.

10 Inventories

Raw materials (At Cost)	94.43	64.96
Stock-in-Process (At Cost)	1.28	1.97
Finished Products (At cost or NRV)	2.96	5.71
Stores and spares (at cost)	15.19	11.35
	113.86	83.98

For method of valuation for each class of inventories Refer Note 2.B (K).

11 Trade Receivables

Unsecured,Considered good	28.05	2.69
	28.05	2.69

Trade receivables Ageing Schedule

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured-Undisputed		
Not Due	18.53	-
Less than 6 months	9.51	2.69
6 months – 1 year	0.01	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	28.05	2.69
Less: Provision for doubtful trade receivables	-	-
Total Trade receivables	**28.05**	**2.69**

For amounts due and terms and conditions relating to related party receivables, see note 46.

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

There are no Secured-Undisputed and Unsecured-Disputed Trade Receivables.

Book Debts are pledged as collateral against Non-Convertible Debentures, the details related to which have been described in Note 24 on "Borrowings".

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(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
12 Cash and Cash Equivalent		
Balance with banks		
On current account	4.02	8.17
Cash on hand	-	0.00
	4.02	8.17

At 31 March 2023, the company had available ₹ 10 Crs (31 March 2022 : ₹ 0 Cr) of undrawn cash credit limit.

	As at 31 March 2023	As at 31 March 2022
13 Other Bank Balance		
Bank deposits	18.00	83.36
	18.00	83.36

Bank deposits earn interest at fixed rate based on respective deposit rates on an average of 3-4% p.a.

	As at 31 March 2023	As at 31 March 2022
14 Loans		
Loans to employees	0.19	-
	0.19	-
15 Other Financial Assets		
Financial assets at amortised cost		
Security Deposits	0.87	0.18
Interest accrued on term deposits	0.98	1.30
	1.85	1.48
16 Current Tax Assets		
Advance Tax (Net of Provision for Tax)	41.96	0.41
	41.96	0.41
17 Other Current Assets		
Unsecured, considered good		
Advance related to Supplies	44.18	84.18
Balance with government authorities	25.67	0.87
Prepaid Expenses	8.27	3.89
Others	0.01	0.12
Unsecured, considered doubtful	4.57	4.50
Less:Provision for Doubtful Advances	(4.57)	(4.50)
	78.13	89.06

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18. Share Capital

	As at 31 March 2023	As at 31 March 2022
		(₹ In Crores)
Authorised :		
7,07,00,00,000 (Previous Year - 4,72,00,00,000) Equity Shares of ₹ 1/- each	707.00	472.00
23,00,000 (Previous Year - 800,000) 0.01% Redeemable Preference Shares of ₹ 100/- each	23.00	8.00
	730.00	480.00
Issued, subscribed & fully paid up:		
34,00,01,800 (Previous Year - 34,00,13,800) Equity Shares of ₹ 1/- each	34.00	34.00
	34.00	34.00

(a) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share.

(b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets, if any of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(c) Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
		(in Crores)
Outstanding at the 1 April 2021	34.00	34.00
Changes during the period	-	-
Outstanding at the 31 March 2022	34.00	34.00
Changes during the period*	0.00	-
Outstanding at the 31 March 2023	34.00	34.00

*1800 Shares alloted to the shareholder of FACOR Power Limited (Transferor Company)-Balasore Alloys Limited and 12,000 shares transfer to capital reserve as per scheme of Amalgamation approved by NCLT, Cuttack vide their order dated 15 November 2022.

(d) Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries /associates are as below:

	As at 31 March 2023	As at 31 March 2022
Vedanta Limited (Holding Company)	33,99,99,994	33,99,99,994

(e) Details of shareholders holding more than 5% shares in the company*

Name of the Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% held	No. of Shares	% held
Vedanta Limited (Holding Company)	33,99,99,994	99.99%	33,99,99,994	99.99%

* The % of holding has been calculated on the issued and subscribed share capital as at the respective balance sheet dates.
As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

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		(₹ In Crores)	
		As at 31 March 2023	As at 31 March 2022
19	**Other equity**		
	(a) Capital Reserves		
	Balance at the beginning of the year	1,161.37	1,161.37
	Addition during the year*	0.00	-
	Balance at the end of the year	1,161.37	1,161.37
	* Refer note 50 on Business combination.		
	(b) General Reserve		
	Balance at the beginning of the year	192.00	192.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	-	-
	Balance at the end of the year	192.00	192.00
	(c) Retained Earnings		
	Balance at the beginning of the year	(602.66)	(1,674.20)
	Due to merger effect	(16.92)	869.00
	Add: Profit for the year after taxation as per statement of Profit and Loss	292.09	202.54
		(327.51)	(602.66)
	(d) Other Comprehensive Income		
	Balance at the beginning of the year	0.37	2.16
	Addition during the year	(0.65)	(1.79)
	Balance at the end of the year	(0.28)	0.37
	Total Equity (a+b+c+d)	1,025.58	751.08

Nature and purpose of other reserves

Capital reserve

The balance in capital reserve has mainly arisen consequent to merger of FACOR Power Limited with FACOR. Refer note 50 on Business combination.

General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013 ("Act"), the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

Other Comprehensive Income

(a) Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
Actuarial gains and losses.
The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

(b) Fair value of Investment.

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20 Borrowings

	As at 31 March 2023	(₹ In Crores) As at 31 March 2022
From related parties Vedanta Ltd (Holding Company) *	22.03	22.03
Non - convertible debentures**	50.50	106.32
Less: Current maturity of Non - convertible debentures	(50.50)	(55.82)
	22.03	72.53

* During the year, interest rate has changed to 6M SBI MCLR (PY: 10.5% fixed) based on the addendum with Vedanta Ltd. The said loan from Vedanta Limited is due after the NCDs have been fully repaid.

** NCDs third installment paid in March 2023 and last installment which is due in March 2024 is reclassified to Current Borrowings.

Movable Property, Motor Vehicles, Book Debts, Trade Mark and Equity Investments in Facor Alloys Limited are pledged as collateral against Non-Convertible Debentures.

21 Lease Liabilities

(₹ in Crores)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Lease Liabilities*	0.17	0.00	0.17	-
	0.17	0.00	0.17	-

* The movement in lease liabilities is as follows:

Particulars	(₹ in Crores)
As at 31 March 2022	0.17
Less: Lease land rent charges FY 2022-23	(0.02)
Add: Lease liability Interest unwinded for FY 2022-23	0.02
As at 31 March 2023	0.17

22 Provisions

Provision for Gratuity (Refer note 47)	1.14	0.88
Provision for compensated absences	2.25	2.14
Provision for mine restoration & decommissioning*	4.58	1.63
	7.97	4.65

* The movement in provisions for restoration, rehabilitation and environmental costs is as follows

Particulars	(₹ in Crores) Amount
As At 01 April 2021	**1.43**
Unwinding of discount	0.20
Revision in estimates	-
Exchange differences	-
At 31 March 2022	**1.63**
Unwinding of discount	2.95
Revision in estimates	-
Exchange differences	-
At 31 March 2023	**4.58**

Restoration, rehabilitation and environmental costs

The provisions for restoration, rehabilitation and environmental liabilities represent the management's best estimate. The principal restoration and rehabilitation provisions are recorded within mines where a legal obligation exists relating to the mining fields, where costs are expected to be incurred in restoring the site of production facilities at the end of the producing life of mine. The Company recognises the full cost of site restoration as a liability when the obligation to rectify environmental damage arises of the costs which will be incurred in the future to meet the Company's obligations under existing Indian law and the terms of the Company's exploration and other licences and contractual arrangements.These amounts are calculated by considering discount rates 6.84% and become payable at the end of the producing life of mine and are expected to be incurred over a period of 13 years for Ostapal Mine ,8 years for kathapal mine and 36 years for Kalarangitta mine. An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production from mines.

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(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
23 Deferred Tax Assets / (Liabilities)		
Deferred Tax Liability:		
Difference between Book and Income Tax depreciation	107.81	13.53
Others	6.30	-
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	0.96	-
Current year Unabsorbed Depreciation and Business Loss*	184.69	-
Net Deferred Tax Assets / (Liabilities)	71.54	(13.53)

*Section 72 A of Income Tax Act,1961 allows carry forward and set off of accumulated losses / unabsorbed depreciation in case of amalgamation / demerger. Total Business Losses amounting to ₹ 308 Crs and Unabsorbed Depreciation amounting to ₹ 405 Crs claimed in Revised Income Tax Return filed after merger of FPL with FACOR.

24 Borrowings		
From Banks - Bills Discounting*	21.66	-
Current maturities of long-term debts **	50.50	55.82
	72.16	55.82

* Bills discounting interest rate is 8.29% and maturity with in one year.

** An amount mentioned in the Resolution Plan, forming part of the Admitted Financial Debt will be converted into zero coupon, secured and unlisted Non Convertible Debentures ('NCD) of the Company and will be issued to the Financial Creditors in proportional manner (Deferred consideration') on the terms and conditions mentioned in the Resolution Plan. As per the Resolution Plan,Non convertible debentures has to be paid in four equal instalments, third being due on 31 March 2023.Accordingly the company has made payment of the third instalment amount to the financial creditors directly to there accounts amounting to ₹ 71.63 crores.

NCDs third installment paid in March 2023 and last installment is due in March 2024 is shown in Current Borrowings.

Movable Property, Motor Vehicles, Book Debts, Trade Mark and Equity Investments in Facor Alloys Limited are pledged as collateral against Non-Convertible Debentures.

25 Operational Buyers Credit/ Suppliers' Credit		
Operational Buyers Credit	12.68	-
	12.68	-

Operational Buyers'/Suppliers' Credit is availed in foreign currency from Indian banks at interest rate of (6M SOFR+ Spread) as at 31 March 2023. The maximum tenure of these trade credits is 180 days from the value date of buyers credit.

26 Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	11.73	2.80
Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	183.37	79.98
	195.10	82.78

For amount due and terms and conditions relating to related party payables, refer note 46.
Trade payables are non-interest bearing and are normally settled up to 90 days terms.
For explanations on the Company's credit risk management processes, refer to Note 48.

Trade payables Ageing Schedule

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Undisputed dues- Micro Enterprises and Small Enterprises		
Unbilled Dues*	0.14	-
Not due	-	-
Less than 1 year	11.59	2.87
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	11.73	2.87
Undisputed dues- Other than Micro Enterprises and Small Enterprises		
Unbilled Dues*	18.06	-
Not due	34.31	5.78
Less than 1 year	130.99	74.14
1-2 years	-	
2-3 years	-	
More than 3 years	-	
Total	195.10	82.78

*Includes Unbilled dues 31 March 2022 is Nil

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	As at 31 March 2023	(₹ In Crores) As at 31 March 2022

The disclosures relating to Micro Enterprises and Small Enterprises have been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. There is no interest paid/payable as at 31 March 2023 (31 March 2022: NIL)

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Principal amount due to micro and small enterprises	11.73	2.80
(ii) Interest due on above	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(vi)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest ues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	11.73	2.80

27 Derivatives

Foreign Exchange Forward Contracts at FVTPL (Refer note 48)	0.13	-
	0.13	-

28 Other Financial Liabilities

Security Deposits	23.29	5.47
Employee Benefits Payable	0.04	3.10
	23.33	8.57

29 Other current liabilities

Statutory liabilities	2.52	21.07
Advance from customers	5.62	5.54
Other liabilities	0.14	0.03
	8.28	26.65

a) Statutory liabilities includes payable for PF,PT, ESIC ,Goods and Services Tax and withholding tax.

b) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on 01 April 2022 was ₹ 5.54 Crs. During the current year, the Company has recognised revenue of out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

c) Other liabilities includes other deduction from salary.

30 Provisions

Provision for gratuity (Refer note 47)	0.73	0.13
Provision for compensated absences	0.64	0.59
	1.36	0.72

31 Current tax liabilities

Provision for Income Tax (Net of advance tax)	-	80.18
	-	80.18

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FERRO ALLOYS CORPORA... BHADRA...

(₹ In Crores)

	Year Ended 31 March 2023	Year Ended 31 March 2022
32 Revenue from Operations		
Sale of manufactured goods	769.44	832.90
Sale of power	4.12	3.82
Revenue from contract with customers	773.56	836.72

Notes:-

(a) Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within 90 days.

(b) Revenue Details.

Particulars	FY 2022-23 External	FY 2022-23 Related Party	FY 2021-22 External	FY 2021-22 Related Party
Domestic sale of manufactured goods	511.98	5.82	494.85	6.69
Export sale of manufactured goods*	251.64	-	331.36	-
Sale of power	4.12	-	3.82	-
Total	**767.74**	**5.82**	**830.03**	**6.69**

* Including deemed export

33 Other Operating Revenues		
Export Incentives	1.17	1.20
Scrap sale	3.16	2.76
Others*	0.45	8.29
	4.78	12.25

* Others includes excess provision/ liability written back.

34 Other Income		
Interest income from financial assets measured at amortised cost		
-On bank deposits	3.68	3.55
-Others	0.64	0.08
Foreign exchange fluctuations (net)	-	0.46
Miscellaneous Receipts*	13.42	0.25
	17.73	4.34

*Miscellaneous Receipts includes GST Compensation cess and GST receivable due to merger amounting to ₹ 11.97 Crs.

Facor Power Limited (FPL) was charging off its GST & GST compensation cess paid on input services to Statement of Profit and Loss because its final output (Power) was exempt from GST. Upon merger of FACOR & FPL pursuant to Scheme of Amalgamation, FACOR has now filed for claiming Input Tax Credit ('ITC') relating to FPL's input services for the period October 2020 to November 2022 (i.e. from effective date of merger till the date of actual order) as this ITC can be utilised against the final output of FACOR on which GST is applicable.

35 Cost of Materials Consumed	267.14	261.40
36 Changes in Inventories of Finished Goods and Work in Process		
Opening balance		
Finished Goods	5.71	11.12
Work in progress	1.97	1.36
Total opening balance	**7.68**	**12.48**
Closing balance		
Finished Goods	2.96	5.71
Work in progress	1.23	1.97
Total closing balance	**4.18**	**7.68**
Changes in Inventory	3.49	4.80

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FERRO ALLOYS CORPORATION LIMITED * BHADRAK *

	Year Ended 31 March 2023	(₹ In Crores) Year Ended 31 March 2022
37 Employee Benefits Expense		
Salaries and wages*	36.98	34.64
Contribution to provident and other funds	2.01	2.01
Contribution to Gratuity and Superannuation (Refer Note 47)	0.99	0.73
Staff welfare expenses	5.98	4.39
	45.95	41.76

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

38 Finance Cost		
Interest on loans	17.42	12.30
Bank Charges and Commission	0.47	0.26
Other borrowing costs*	(6.16)	2.97
Interest exp on lease liability	0.02	-
	11.76	15.53

* Other Borrowing cost includes reversal of Interest on Electricity duty due to One Time Settlement of ₹ 5.21 Crs and interest reversal of Sec 234 B and Sec 234 C of Income tax Act,1961 relating to FY 2020-21 due to filing of revised return amounting to ₹ 2.79 Crs.

39 Depreciation and Amortisation Expense		
Depreciation on Property,plant & equipment (Note-no-3 & 4 b)	41.67	24.10
Amortisation on intangible assets (note No-5)	1.94	1.11
	43.61	25.21

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FERRO ALLOYS CORPORATION LIMITED

(₹ In Crores)

	Year Ended 31 March 2023	Year Ended 31 March 2022
40 Other Expenses		
Mining Handling & Other Production expenses	28.32	17.21
Power and fuel	93.35	31.17
Electricity duty on auxiliary consumption	1.00	1.83
Repairs and maintenance:		
- Buildings	3.76	3.69
- Plant and machinery	10.01	7.03
Freight, Shipment & Sales Expenses	8.32	8.34
Consumption of Stores & Spares parts	31.62	33.84
Rent	0.31	0.18
Insurance	2.99	2.18
Rates and Taxes	0.65	0.56
Provision for Doubtful advances	0.07	(3.82)
Loss on Sale of Fixed Assets	1.07	0.31
Remuneration to Auditors (Refer note 40.1)	1.15	0.78
Directors' sitting fees	0.05	0.15
Commission to Non Wholetime Directors	0.50	1.02
Royalty	62.13	63.92
Other operating expenses	23.64	23.88
Water charges	1.94	1.82
Expense towards corporate social responsibility (Refer note 54)	2.87	1.14
Foreign exchange fluctuations (net)	0.40	-
Advertisement expenses	0.08	0.15
Legal Professional expenses	8.35	7.78
Corporate Allocation Expenses	14.20	5.97
Security expenses	4.09	3.63
Sundry balances Written off	0.37	0.41
Travelling expenses	0.78	0.76
Miscellaneous expenses	10.78	3.15
	312.80	217.07

40.1 Remuneration to auditors:		
Statutory Audit Fees	0.15	0.06
	0.15	0.06

41 Exceptional Items		
Impairment of property, plant and equipment and mining rights (refer note 3(c))	18.01	-
Investment written off *	0.01	-
	18.02	-

* FACOR Reality and Infrastructure Limited, a wholly owned subsidiary of Ferro Alloys Corporation Limited (FACOR), has now been struck off w.e.f. 13 January 2023.Hence, the Loss of investment is recognised in Exceptional Items in statement of profit & loss.

42 Tax Expenses

(a) Income Tax Expenses

Current Tax Expenses		
Current year	-	81.71
Adjustments in respect of previous year	(113.50)	-
	(113.50)	81.71
Deferred Tax Expenses		
Relating to origination and reversal of temporary differences	(85.29)	3.28
Total Tax Expenses	(198.78)	84.99

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FERRO ALLOYS CORPORATION * BHADRAK *

(₹ In Crores)

	Year Ended 31 March 2023	Year Ended 31 March 2022
(b) Reconciliation of effective tax rate		
Profit/(loss) before tax	93.30	287.53
Applicable tax rate	0.25	0.25
Computed Tax Expenses	23.48	72.37
Tax Effect of:		
Deferred tax asset recognised on business losses of FPL*	(106.86)	-
Tax Expense - adjustment of PY**	(113.50)	-
Other permanent differences	(1.90)	-
Tax Expenses recognised in profit and loss	(198.78)	72.37
Effective Tax Rate	-213%	25%

* In the current year, ₹ 107 Crore of deferred tax assets (net) largely on unaborbed depreciation and tax losses of Facor Power Limited which is available for utilisation from taxable profits of subsequent years has been recognised post its merger with Facor Alloys Corporation Limited. Based on the financial forecasts of the merged entity, it is probable to realise the deferred tax assets. Refer note 2.E & 50

** This relates to reversal of tax for AY 2021-22 & AY 2022-23 pursuant to utilisation ofunaborbed depreciation and tax losses of Facor Power Limited post merger with FACOR. The Company has revised the returns for both the assessment years to reflect the same. This has resulted in tax recoverable of Rs 42 crores which is disclosed under Current Tax Assets.

43 Earning per Share		
Profit after tax attributable to equity share holders for Basic and Diluted EPS		
Profit for the period	292.09	202.54
Weighted average number of ordinary shares outstanding during the year	34.00	34.00
EPS - Basic and Diluted	8.59	5.96

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44 Commitments, contingencies and guarantees

(A) Capital And Other Commitments

Estimated amount of contracts on Capital Account remaining to be executed and not provided for in accounts ₹ 35.45 Crs (Previous Year ₹ 54.00 Crs).

(B) Contingent Liabilities

Claims against the Company not acknowledged as debts, since disputed ₹ 2.12 Crs (Previous Year ₹ 0.32 Crs). Amounts paid under protest ₹ 0.38 Crs (Previous Year ₹ 0.22 Crs) have been debited to Advance Account.

(₹ In Crores)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount Involved	Paid under protest	Amount Involved	Paid under protest
Excise	0.40	0.07	-	-
Employees and Ex Employees	0.01	-	-	-
Mining Cases*	1.71	0.31	1.71	0.22
Total	2.12	0.38	1.71	0.22

*Out of the total ₹ 1.71 Crs, amount of ₹ 1.4 Crs comprises of Ground Water Tax for which the Company has made representation before the Executive Engineer Jaraka Irrigation Division against the demanded amount as the same is not payable as per the NCLT Cuttack Division order. The balance amount of ₹ 0.31 Cr comprises of Surface Rent and Dead Rent.

(C) Contingent Assets

The company has no contingent asset as on 31 March 2023 and 31 March 2022.

(D) Guarantees

Details of Bank Guarantees are given below:

(₹ In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Mining Authorities	8.53	8.53
Pollution control Board	0.13	0.13
Coal Linkage	1.93	2.46
Sale of power through open access	0.39	0.39
Water linkage	1.68	-
Total	12.66	11.51

45 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 Company primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

(B) Information about Geographical Areas

The Company derives revenue from following major geographical areas:

(₹ In Crores)

Area	For the year ended 31 March 2023	For the year ended 31 March 2022
Outside India (Includes Deemed Export)	251.64	331.36
Domestic	521.92	505.35

All the non-current assets of the Company 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 Crores)

External Customers	For the year ended 31 March 2023	For the year ended 31 March 2022
Mortex	84.61	97.90

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46 Related Party Disclosure:-

I. List of Related Parties and relationship:-

(A) Name and nature of relationship with the related party where control exists:

1 Facor Realty and Infrastructure Limited - Subsidiary Company and Struk off during the year
2 Facor Power Limited - Subsidiary Company and merged with FACOR

(B) Other Entities with whom transactions have taken place during the year :

1 Vedanta Limited- Holding company
2 Hindustan Zinc Limited
3 ESL Steel Limited
4 Bharat Aluminium Company Ltd
5 Vedanta Ltd Sesa Iron Ore
6 Talwandi Sabo Power Limited
7 Vedanta Limited - Sterlite Copper
8 Vizag General Cargo Berths Private Limited.
9 Vedanta Aluminium Limited - Langigarh
10 Vedanta Aluminium Limited - Jharsuguda
11 Vedanta Limited - Carin Oil & Gas
12 FACOR Superannuation Trust
13 FACOR Employees Gratuity Trust

II. Transactions with Related Parties during the year ended 31 March 2023 in the ordinary course of business.

(₹ In Crores)

Particulars		With Subsidiary Companies		Other Entities with whom transactions taken place	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
i)	Purchase of Goods	-	-	3.88	0.20
ii)	Sale of Goods	-	-	5.82	6.69
iii)	Purchase of Assets	-		0.14	-
iv)	Sale of Assets	-		0.03	0.00
v)	Interest paid /accrued and not paid	-	-	1.61	2.35
vi)	Recovery of expenses			0.50	0.97
vii)	Reimbursement of Expenses	-	0.01	18.20	9.13
viii)	Sitting Fee and Commission paid to Directors	-	-	0.24	0.43
ix)	Balances outstanding at the year end		-		
	a) Long term borrowings	-	-	22.03	22.03
	c) Other current liabilities	-	0.03	11.88	8.99
	d) Other current assets	-	-	0.73	1.55

(₹ In Crores)

Sl.No	Particulars		Relationship	31 March 2023	31 March 2022
1	**Purchase Of Goods**				
	ESL Steels Limited		Others	3.88	-
	Sesa Resources Ltd		Others	-	0.12
	Vedanta Ltd Sesa Iron Ore		Others	-	0.08
		Total		**3.88**	**0.20**
2	**Sale of Goods**				
	ESL Steels Limited		Others	5.82	6.69
		Total		**5.82**	**6.69**
3	**Interest Paid/accrued and not paid**				
	Vedanta Limited		Holding Company	1.61	2.35
		Total		**1.61**	**2.35**
4	**Purchase of Assets**				
	ESL Steels Limited			0.01	-
	Vedanta Ltd Sesa Iron Ore			0.12	
		Total		**0.14**	**-**
5	**Sale of Assets**				
	Vedanta Ltd Sesa Iron Ore			0.01	0.00
	ESL Steels Limited			0.01	-
		Total		**0.03**	**0.00**
6	**Recovery of Expenses**				
	Facor Realty And Infrastructure Limited		Subsidiary	-	0.00
	Vedanta Limited		Holding Company	-	0.28
	Vizag General cargo Berth Pvt Ltd		Others	0.03	-
	Bharat Aluminium Company Ltd		Others	0.13	0.03
	Hindustan Zinc Limited		Others	0.13	0.40
	Vedanta Alluminium Limited -Langhigarh		Others	0.10	-
	Vedanta Ltd Sesa Iron Ore		Others	0.03	0.12
	ESL steel Limited		Others	0.02	0.02
	Talwandi Sabo Power Limited		Others	-	0.07
	Vedanta Limited - Sterlite Cooper		Others	-	0.04
		Total		**0.50**	**0.97**
7	**Reimbrushment of Expenses**				
	Bharat Aluminium Company Ltd		Others	-	0.02
	Vedanta Limited		Holding Company	11.50	6.24
	Vedenta Ltd Sesa Iron Ore		Others	5.54	1.95
	Vedanta Limited - Sterlite Cooper		Others	0.38	0.46
	Facor Realty And Infrastructure Limited		Subsidiary	0.01	-
	Superannuation to employees		Others	0.31	0.14
	Subscription of FIMMI		Others	0.01	0.05
	Vedanta Alluminium Limited -Langhigarh		Others	0.06	-
	Hindustan Zinc Limited		Others	0.02	0.19
	ESL steel Limited		Others	0.30	0.01
	Vedanta Alluminium Limited -Jharsuguda		Others	0.02	-
	Vedanta zinc International		Others	-	0.05
	Talwandi Sabo Power Limited		Others	-	0.03
		Total		**18.20**	**9.13**
8	**Sitting Fee and Commission paid to Directors**				
	Commission			0.16	0.39
	Sitting Fees			0.08	0.04
		Total		**0.24**	**0.43**
10	**Balances Outstanding at the year end**				
	(A) Long Term Borrowings				
	Vedanta Limited		Holding Company	22.03	22.03
		Total		**22.03**	**22.03**
	(B) Other Current Liabilities				
	Vedanta Limited		Holding Company	11.62	8.02
	Vedanta Ltd Sesa Iron Ore		Others	0.24	0.91
	Vedanta Limited - Sterlite Copper		Others	0.02	0.06
	Vedanta Limited - Cairn Oil & Gas		Others	-	0.00
	Facor Realty And Infrastructure Limited		Subsidiary	-	0.03
		Total		**11.88**	**9.03**
	(C) Other Current Assets				
	Vedanta Limited		Holding Company	-	-
	ESL steel Limited		Others	0.50	1.55
	Vizag General cargo Berth Pvt Ltd		Others	0.03	-
	Bharat Aluminium Company Ltd		Others	0.05	-
	Vedanta Alluminium Limited -Jharsuguda		Others	0.04	-
	Vedanta Alluminium Limited -Langhigarh		Others	0.11	-
		Total		**0.73**	**1.55**

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47 Employee Benefits

The Company Contributes To The Following Post-Employment Defined Benefit Plans In India

Defined Contribution Plans:

Amount of ₹ 2.01 Crores (Previous Year ₹ 2.01 Crores) is recognised as expenses and included in "Employee Benefits Expense" in Note 37 of the Statement of Profit and Loss.

Defined Benefit Plan :

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with SBI Life Insurance in form of qualifying insurance policy.

The company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of privilege leave for encashment. This is unfunded plan.

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 2023. 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 Crores)

Net Defined Benefit Liability	31 March 2023	31 March 2022
Liability for Gratuity	1.87	1.01
Liability for PL Encashment	2.89	2.74
Total Employee Benefit Liability	4.76	3.75
Non-Current	3.39	3.02
Current	1.37	0.73

(A) Reconciliation of Opening and Closing balances of the present value of the Defined Benefit Obligation

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
Present value of Defined Benefit Obligation at the beginning of the year	0.99	10.61
Interest Cost	0.07	0.73
Current Service Cost	0.65	0.52
Actuarial Losses/(Gains)	0.36	1.94
Benefits Paid	(0.21)	(4.24)
Present value of Defined Benefit Obligation at the close of the year	**1.87**	**9.57**

(B) Changes in the Fair Value of Plan Assets and reconciliation thereof

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
Fair Value of Plan Assets at the beginning of the year	9.58	13.10
Add : Expected Return on Plan Assets	0.63	0.90
Add/(Less) : Actuarial Gains/(Losses)	-	(0.19)
Add : Contributions	0.01	-
Less : Benefits Paid	(2.08)	(4.24)
Fair Value of Plan Assets at the close of the year	**8.14**	**9.58**

(C) Amount Recognised in the Balance Sheet

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
Present Value of Defined Benefit Obligation	10.01	8.53
Less : Fair Value of Plan Assets	8.14	6.06
Present Value of unfunded obligation	**1.87**	**2.47**

(D) Amount Recognised in the Statement of Profit and Loss are as Follows :

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
Charged to statement of Profit and Loss		
Current Service Cost	0.65	0.52
Interest Cost/(Income)	0.07	(0.17)
	0.72	**0.35**
Charged to statement of Profit and Loss		
Net actuarial loss/(gain)	(0.36)	2.13
	(0.36)	**2.13**

(E) Investment Details:

	31 March 2023	31 March 2022
Funds Managed by Insurer (investment with insurer)	100%	100%

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Forming part of the financial statements as at and for the year ended 31 March 2023

(F) Actuarial Assumptions as at the Balance Sheet date

Particulars	31 March 2023	31 March 2022
Discount Rate	7.39%	7.14%
Salary Escalation Rate	5.00%	5.00%

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 2022-23

(G) Principal Acturial Assumption

Particulars	31 March 2023		31 March 2022	
i) Retirement Age (Years)	58		58	
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)		100% of IALM (2012 - 14)	
iii) Attrition at Ages	Withdrawal Rate (%)		Withdrawal Rate (%)	
Up to 30 Years	12	2	12	2
From 31 to 44 years	13	2	13	2
Above 44 years	15	2	15	2

(H) Bifurcation of Actuarial Gain/Loss on Obligation

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
a)Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b) Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.09)	(0.08)
c)Actuarial (Gain)/Loss on arising from Experience Adjustment	0.39	1.99

(I)Actuarial Gain/Loss on Plan Asset

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
Expected Interest Income	0.68	0.90
Actual Income on Plan Asset	0.63	0.72
Actuarial gain /(loss) for the year on Asset	(0.06)	(0.19)

(J) 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	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Change in discounting rate (delta effect of +/- 0.5%)	(0.17)	0.18	(0.17)	0.17
Change in rate of salary increase (delta effect of +/- 0.5%)	0.19	(0.17)	0.18	(0.17)

(K) Risk Analysis:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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48 Financial instruments

A Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

(₹ in Crores)

Financial assets	As at 31 March 2023			As at 31 March 2022		
	Fair value through profit/loss	Fair value other comprehensive income	Amortised Cost	Fair value through profit/loss	Fair value other comprehensive income	Amortised Cost
Non-current investments *	-	0.34	-	-	0.37	-
Other non-current financial assets	-	-	33.62	-	-	37.00
Trade receivables	-	-	28.05	-	-	2.69
Cash and cash equivalents	-	-	4.02	-	-	8.17
Bank balances other than above	-	-	18.00	-		83.36
Other current financial assets	-	-	2.03	-	-	1.48
Total	-	0.34	85.73	-	0.37	132.70

*Excludes investments (in equity and preference shares) in subsidiaries, associates and joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Financial Liabilities	As at 31 March 2023			As at 31 March 2022		
	Fair value through profit/loss	Fair value other comprehensive income	Amortised Cost	Fair value through profit/loss	Fair value other comprehensive income	Amortised Cost
Non-current financial liabilities						
Borrowings	-	-	22.03	-	-	72.53
Lease Liabilities	-	-	0.17	-	-	0.17
Current financial liabilities						
Borrowings*	-	-	72.16	-	-	55.82
Trade payables	-	-	195.10	-	-	82.78
Operational Buyers Credit	-	-	12.68	-	-	-
Derivatives	0.13	-	-	-	-	-
Other financial liabilities	-	-	23.33	-	-	8.57
	0.13	-	325.47	-	-	219.87

*Borrowing includes Bills discounting.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(i) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(ii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The below table summarises the categories of financial assets and liabilities as at 31 March 2023 and 31 March 2022 measured at fair value:

As at 31 March 2023

(₹ in Crores)

Financial Assets	Level 1	Level 2	Level 3
At fair value through other comprehensive income			
Investments	0.34	-	-
Total	0.34	-	-

(₹ in Crores)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivatives designated as hedging instruments			
Derivatives	-	0.13	-
Total	-	0.13	-

As at 31 March 2022

(₹ in Crores)

Financial Assets	Level 1	Level 2	Level 3
At fair value through other comprehensive income			
Investments	0.37	-	-
Total	0.37	-	-

C. 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 Company has an approved a Risk management policy which is reviewed by 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 of the Company to keep abreast of such issues and the Policy was reviewed by the Management.

The Company's Management monitors compliance with the Company's risk management policy and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Management is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc review of risk management controls and procedures, the results of which are reported to the Management.

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 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 ₹ 28.05 Crores (31 March 2022 ₹ 2.69 Crores.)

During the period, the Company has written-off trade receivables Amounting to ₹ 0.00 Crores. The Company's management also pursues 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.

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

Details of funding facilities are given below:

(₹ in Crores)

Particulars	Total facility	Drawn	Un drwan
Fund Based Limit	30.00	21.66	8.34
Non Fund Based Limit	70.00	44.24	25.76
Total	100.00	65.90	34.10

Notes forming part of the financial statements as at and for the year ended 31 March 2023

(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 Crores)

Particulars	Carrying Amounts 31 March 2023	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 (Vedanta Loan)	22.03	22.03	-	22.03	-	-
Borrowings (NCD and Bills Discounting)	72.16	72.16	72.16	-	-	-
Trade payables	195.10	195.10	195.10	-	-	-
Operational Buyers Credit	12.68	12.68	12.68	-	-	-
Lease liabilities	0.17	0.17	-	-	-	0.17
Derivatives	0.13	0.13	0.13	-	-	-
Other financial liabilities	23.33	23.33	23.33	-	-	-
Total non-derivative liabilities	325.60	325.60	303.40	22.03	-	0.17

Particulars	Carrying Amounts 31 March 2022	Contractual cash flows				
		Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Borrowings	128.35	128.35	55.82	50.50	22.03	-
Trade payables	82.78	82.78	82.78	-	-	-
Lease liabilities	0.17	0.17	-	-	-	0.17
Other financial liabilities	8.57	8.57	8.57	-	-	-
Total non-derivative liabilities	219.87	219.87	147.17	50.50	22.03	0.17

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

The company doesn't have any of securities listed on any national or international stock exchange. Hence, there is no Equity Price Risk.

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:

	As at 31 March 2023		As at 31 March 2022	
	USD	EUR	USD	EUR
Financial Asset				
Trade Receivables	18.15	-	0.04	-
Net exposure to foreign currency risk(assets)	18.15	-	0.04	-
Trade Payables	19.18	0.01	0.13	-
Buyers Credit*	12.68	-	-	-
Derivative*	0.13	-	-	-
Bills Discounting**	21.66	-	-	-
Net statement of financial position exposure	53.65	0.01	0.13	-

* Buyer's Credit & Derivatives – Currency risk is involved in buyers credit. So, to mitigate the currency risk involved, we hedge through forwards contract for the principle & interest.

**Bills Discounted – POSCO - $ Company has arrangement for 5% variable position that can be deducted by for quality issues. So, company take the Bills Discounting facility for remaining 95% only to avoid the currency risk.

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.

	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
5% movement				
USD	(1.77)	1.77	(1.77)	1.77
EUR	(0.00)	0.00	(0.00)	0.00
31 March 2022				
5% movement				
USD	(0.00)	0.00	(0.00)	0.00

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 constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Following are the details of the Interest Rate for different Financing arrangements :

Vedanta's Loan - SBI 6M-MCLR	Floating
Bills Discounted - I - MCLR 3M + 0.25% spread	Fixed
Buyer's credit	Fixed
Non Convertible Debentures	Non Interest bearing

Sensitivity Analysis of Interest rate Risk

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in theagreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Company's financial assets to interest rate risk

Particulars	Total	Floating rate	Fixed rate	Non-interest bearing
As at 31 March 2022				
Financials assets	133.07	91.53	31.70	9.84
Financial liabilities	219.87	0.17	22.03	197.67
As at 31 March 2023				
Financials assets	86.07	22.02	15.96	48.09
Financial liabilities	325.60	22.20	34.34	269.06

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate.

Considering the net investment position as at March 31, 2023 and the investment in bank deposits, bonds and debt mutual funds, any increase in interest rates increase and any decrease in interest rates would result would result in a net in a net decrease. The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date The below analysis gives the impact of a 0.5% to 2.0% change in interest rates on floating rate financial assets/ liabilities (net) on profit/(loss) and equity and represents management's assessment of the possible change in interest rates.

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49 Capital Management

The Company's objectives when managing capital is to safeguard, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuinggrowth. TheCompany's overall strategy remains unchanged from previous year. The Company sets the amount of capital required onthe basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of internal accruals, equity and short term borrowings. The Company monitors capital on the basis of net debt to equity. Equity comprises all components including other components ofequity. The Company is not subject to any externally imposed capital requirement.

(₹ In Crores)

Particulars	31 March 2023	31 March 2022
Equity		
Cash and cash equivalents (Refer note 12)	4.02	8.17
Short term investments	-	-
Total cash (a)	4.02	8.17
Total debt (b)	94.36	128.52
Net debt (c = (b-a))	90.34	120.35
Total equity (equity + net debt) (Refer Statement of changes in Equity)	1,059.68	785.08
Net debt to equity ratio (gearing ratio)	0.09	0.15

50 Business Combination

The Hon'ble National Company Law Tribunal (NCLT), Cuttack Bench passed an order an order on 15th November 2022 sanctioning the Scheme of Amalgamation of Facor Power limited, Subsidiary Company, into the Company, under section 230 & 232 of the Companies Act, 2013. The Scheme was effective on 22 November 2022, upon filing of the certified copy of the NCLT order with Registrar of Companies, Cuttack, Odisha.
The Scheme of Amalgamation be sanctioned by this Tribunal to be binding with effect from appointed date which is 1 October 2020.

The Board of Directors of the Company at it's meeting held on 19 April 2021 had approved he scheme of amalgamation of Facor Power Limited (transferror Company) into Ferro Alloys Corporation Limited (Transferee company) (Scheme of amalgamation) During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR").

Details of the purchase consideration the net assets amalgamated and
13,300 equity shares having face value of ₹ 1 each worth ₹ 2,14,278 were issued as part of the consideration paid to minority shareholders of Facor Power Limited with reference to scheme of amalgamation.

Below is the summary of the accounting treatment, which has been given effect to in the financial statements pursuant to amalgamation of Facor Power Limited in accordance with the pooling of interest method as laid down by appendix C to IND AS 103: Business combination of entities under common control

i) The Company has recorded all the assets and liabilities of Facor Power Limited at their respective book values as appearing in the books of Facor Power Limited as at the beginning of April 01, 2021

ii) The value of investment in equity share capital and preference share capital in the books of the Company has been cancelled with the equity share capital and preference share capital appearing in the books of Facor Power Limited.

iii) The difference between the value of assets, liabilities and reserves of Facor Power Limited taken over by the Company, the value of investments in the Company cancelled amounting to ₹ 230 06 has been transferred to Capital reserves

Particulars	(₹ In Crores) Book Value of FACOR Power Ltd
Property, Plant & Equipment	460.82
Capital Work-in-progress	95.01
Investments	0.00
Other Non-Current Financial Assets	1.92
Other Non-Current Assets	0.13
Inventories	8.12
Trade Receivables	17.88
Cash & Cash Equivalents	32.87
Other Current Financial Assets	0.99
Current Tax Assets	0.40
Other Current Assets	13.82
Non-Current Borrowings	(1,241.09)
Non-Current Provisions	(11.72)
Current Borrowings	(6.89)
Trade Payables	(2.11)
Other Current Financial Liabilities	(16.73)
Other current Liabilities	(18.40)
Other current provisions	(0.04)
Reserves	895.08
Book value of Assets, Liability and Reserves as recognised on appointed date	**230.06**

Particulars	Amount
Book value of Assets, Liability and Reserves as recognised on appointed date	230.06
Less: Face value of equity shares issued	(0.00)
Capital reserve	230.06

The difference of ₹ 230 07 Crs between the net value of assets, liabilities and reserves of the transferor company acquired and the sum of the face value of new shares issued and allotted pursuant to scheme of amalgamation and the carrying value of investment of the Company in equity shares of transferor Company being cancelled has been transferred to capital reserve of the Company, as prescribed by the Scheme of amalgamation.

51 Restatement of Financial Statements

The figures for the corresponding previous year has been regrouped / reclassified wherever necessary to confirm this years classification. The assets of Facor Power Limited have been amalgamated as per the Pooling of Interest method as per Ind AS 103. The comparative amounts have been correctly restated to reflect the stated matter The assets of Facor Power Limited have been amalgamated as per the Pooling of Interest method as per Ind AS 103. The comparative amounts have been correctly restated to reflect the stated matter.

The previous year figures were audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

52 Other matters

During March 2023 year end and early April 2023, the entity had 3 fatalities of charging car operators, due to eruptions in furnace. Currently plant operation is temporarily shut down to ensure all remedial measures are undertaken for start of safe operation. The Company does not expect any material costs to be incurred to undertake these remedial measures. The Company also does not expect any claims/ penalty from customers on account of non-supply of goods.

53 Other Statutory Information

Details of items of exceptional nature;

(i) Compliance with approved Scheme(s) of Amalgamation

The Hon'ble National Company Law Tribunal (NCLT), Cuttack Bench passed an order an order on 15 November 2022 sanctioning the Scheme of Amalgamation of Facor Power limited, Subsidiary Company, into the Company, under section 230 & 232 of the Companies Act, 2013.
Scheme of Arrangements have been accounted for in the books of account of the Company in accordance with the Scheme' and in accordance with accounting standards.

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Notes forming part of the financial statements as at and for the year ended 31 March 2023

(ii) Relationship with Struck off Companies

Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 the Company shall disclose the following details, namely:-

Name of struck off Company	Nature of transactions with struck off Company	Transaction during the year	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
FACOR Realty and Infrastructure Limited	Investments in securities	-	-	Subsidiary Company
	Receivables	-	-	
	Payables	-	-	
	Shares invested in struck off co. (impaired)	0.01	-	
	Other outstanding balances	-	-	

(iii) Corporate Social Responsibility (CSR)

Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-

		(₹ In Crores)
(a) amount required to be spent by the company during the year,		2.81
Less: 1/3 Excess CSR Expenses for FY 2020-21	0.034	
1/3 Excess CSR Expenses for FY 2021-22	0.058	
		2.72
(b) amount of expenditure incurred*		2.87

Amount to be spent in CSR in FY 2022-23 is ₹. 2.72 Crs. (after taking adjustment of 1/3rd Excess CSR spent for FY 2020-21 & FY 2021-22). Actual CSR spent in FY 2022-23 was ₹ 2.87 Crs. So there is over spending of ₹. 0.14 Cr.

(c) Nature of CSR activities

Particulars	Amount
Education	0.33
Health	0.27
Infrastructure	1.11
WASH	0.60
Women Empowerment	0.34
Covid Support	0.00
Others	0.22
Grand Total	2.87

(d) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard. NA

(e) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately No

(iv) Following Financial Ratios are disclosed:-

Particulars	FY 2022-23	FY 2021-22	% Change	Reason
(a) Current Ratio(In Times)	0.91	1.06	-14%	
(b) Debt-Equity Ratio (in Times)	0.32	0.44	-26%	The repayment of NCDs and higher profitability contributes towards the lower debt to equity ratio as compared to previous year.
(c) Debt Service Coverage Ratio(In Times)	13.81	20.90	-34%	The profits during the current year are sufficient to pay the finance cost.
(d) Return on Equity Ratio (in %)	0.28	0.26	7%	
(e) Inventory turnover ratio(In Times)	7.82	12.52	-38%	The Inventory turnover Ratio has improved compared to previous year due to average inventory are increased.
(f) Trade Receivables turnover ratio(In times)	0.57	2.87	-80%	During the current year, sales are majorly made on advance basis, therefore higher in both Credit sales and Average Inventory
(g) Trade payables turnover ratio(In Times)	1.71	3.31	-48%	Due to increased in Trade payable and net credit purchase.
(h) Net capital turnover ratio(In Times)	-28.67	57.96	-149%	Due to the better cash flow the net working capital is positive as last year, this indicates smooth operations during the previous year.
(i) Net profit ratio (in %)	0.38	0.24	56%	Strong volume with better margin contributes towards better ratio.
(j) Return on Capital employed(In %)	0.11	0.35	-67%	ROCE turns out to be better due to positive returns but comes down due to higher capital capital employed during the year.
(k) Return on investment (in %)	0.27	0.23	16%	

Formulae for computation of ratios is as follows

Particulars	Numerator	Denominator
(a) Current Ratio(In Times)	Curent Assets	Curent Liability
(b) Debt-Equity Ratio (in Times)	Total Liability	Shareholders Fund
(c) Debt Service Coverage Ratio(In Times)	Net Operating Income/ EBITDA	Total Debt Service Cost
(d) Return on Equity Ratio (in %)	Net Earnings	Shareholders Equity
(e) Inventory turnover ratio(In Times)	Turnover	Average Inventory
(f) Trade Receivables turnover ratio(In times)	Net Credit Sales	Average Account Receivables
(g) Trade payables turnover ratio(In Times)	Net Credit Purchases	Average Account Payables
(h) Net capital turnover ratio(In Times)	Net Annual Sales	Working Capital
(i) Net profit ratio (in %)	Net Profit after tax	Revenue from operations
(j) Return on Capital employed(In %)	EBIT	Capital Employed
(k) Return on investment (in %)	Net Profit after tax	Capital Employed

(v) The Company have not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(vi) The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder

(vii) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(viii) In Current year, no revaluation has been done for Property, plant and equipment and intangible assets.

As per our report on even date

For and on behalf of the Board of Directors

For S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm's Regn.No.301003E / E300005)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Place : Gurugram
Date : 24 April 2023

S. R. BATLIBOI & CO. LLP * GURUGRAM *

Sujalkumar Jitendra Shah
Whole-Time Director & Chief Executive Officer
(DIN 09394796)

Karan Kumar Kejriwal
Chief Financial Officer

Place : Bhadrak
Date : 24 April 2023

A R Narayanaswamy
Director
(DIN 00818169)

Samay Kumar Satangi
Company Secretary
(ICSI Membership No.11105)