



67th ANNUAL REPORT

OF

FERRO ALLOYS CORPORATION LIMITED

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 Valley 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 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
- 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.

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.

- 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
- b) Benefits derived as a result of the above R&D

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.

- 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	:	<u>Rs. in crores</u>
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**

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) Foreign	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) FIs	0	0	0	0	-	-	-	-	-	-
h) Foreign Venture 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
SUB TOTAL:(B)(2)	0	-	-	0.00	0	1800	0	0	0	0
Total Public shareholding (B)= (B)(1)+(B)(2)	0	-	-	0.00	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	1800	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 beginning 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	Balasure 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	
		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)	-	1,800.00	1,800	0.00

(v) Shareholding of Directors & KMP

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the Year	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		
		Balwant Singh Rathore (CEO)	Anand Prakash Dubey CFO	Total
1	Gross Salary			
	(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 (Reimbursement of Expenses)	0.01		0.01
	Total	1.07	0.60	1.67

VII **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
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/-

Sujalkumar Jitendra Shah
Whole-Time Director
DIN: 09394796

Sd/-

AR Narayanaswamy
Director
DIN:00818169

Place: Bhadrak
Date: 24th April, 2023

**Annual Report on CSR Activities
FY 2022-23**

1.	Brief outline on CSR Policy of the Company	<p>CSR PHILOSOPHY: FACOR has a well-established history and commitment to reinvest in the social good of our neighbourhood communities and nation.</p> <p>CSR VISION: “Empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth.”</p> <p>We believe that:</p> <ul style="list-style-type: none"> • 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. <p>THEMATIC FOCUS AREAS:</p> <p>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</p>
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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
<p>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.</p>				
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

FORM NO. AOC -2

(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 18 th September 2020	1. Interest @ 10.5% p.a. reduced to SBI 6M MCLR with effect from 1 st April 2022. 2. Interest will be paid at the time maturity of loan	19 th April 2023(original agreement was approved on 18 th Sep. 2020	No
2.	STL Digital Limited (SDL) a Group Entity of Vedanta Ltd.	Service Level Agreement	Five years w.e.f. 1 st October 2022 till 30 th 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.	31 st 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

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.

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.

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 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;
 - (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
 - 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

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 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.
- (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.
- (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.
- (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.

- (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

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

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.

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

per Ajay Bansal

Partner

Membership Number: 502243

UDIN: 23502243BGTIUK2724

Place of Signature: Gurugram

Date: April 24, 2023

Particulars	Note	₹ In Crores	
		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
EQUITY & LIABILITIES			
Equity			
Equity share capital	18	34.00	34.00
Other equity	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)

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

A R Narayanaswamy
Director
(DIN 00818169)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Karan Kumar Kejriwal
Chief Financial Officer

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

Place : Gurugram
Date : 24 April 2023

Place : Bhadrak
Date : 24 April 2023

FERRO ALLOYS CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023



Particulars	Note	(₹ In Crores)	
		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		<u>796.07</u>	<u>853.30</u>
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		<u>684.75</u>	<u>565.77</u>
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			
Current tax	42	-	81.71
Tax for earlier years		(113.50)	-
Deferred tax		(85.29)	3.28
Profit/(Loss) for the period (A)		<u>292.09</u>	<u>202.54</u>
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)		<u>(0.65)</u>	<u>(1.79)</u>
Total comprehensive Income for the period (A + B)		<u>291.44</u>	<u>200.75</u>
Earnings per equity share of face value of ₹ 1/- each			
Basic	43	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)

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

A R Narayanaswamy
Director
(DIN 00818169)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Karan Kumar Kejriwal
Chief Financial Officer

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

Place : Gurugram
Date : 24 April 2023

Place : Bhadrak
Date : 24 April 2023

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
	<i>Adjustments For:</i>		
	Interest income	4.31	3.62
	Depreciation	43.61	25.21
	Interest expense	11.76	15.53
	Operating cash profit before working capital changes	<u>152.97</u>	<u>331.90</u>
	<i>Movement in Working Capital:-</i>		
	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	<u>316.20</u>	<u>106.17</u>
	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)	<u>307.95</u>	<u>76.21</u>
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)	<u>(266.19)</u>	<u>(98.57)</u>
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)	<u>(45.92)</u>	<u>(22.59)</u>
	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	<u>4.02</u>	<u>8.17</u>

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)

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

A R Narayanaswamy
Director
(DIN 00818169)

per Ajay Bansal
Partner
(ICAI Membership No.502243)

Karan Kumar Kejriwal
Chief Financial Officer

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

Place : Gurugram
Date : 24 April 2023

Place : Bhadrak
Date : 24 April 2023