September 05, 2026

The General Manager (Listing Department)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

SCRIP CODE: 532656

Dear Sir/Madam,

Sub: **Annual Report for Financial Year 2025-26**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the following:

1. Annual Report for FY 2025-26 including, inter alia, Notice convening the 23rd Annual General Meeting (AGM) of the Company, which is being sent through electronic mode to the Members of the Company.

The 23rd AGM of the Company will be held on Tuesday, 29th September, 2026 at 12:00 P.M. through Video Conferencing / Other Audio-Visual Means.

The above is also available on the website of the Company www.facoralloys.in.

You are requested to kindly take the above on record.

Thanking you,

Yours faithfully,
For Facor Alloys Limited

Sachin Kumar Gupta
Digitally signed by Sachin Kumar Gupta
Date: 2026.09.05 17:56:24 +05'30'

Sachin Kumar Gupta
Company Secretary & Compliance Officer
ACS 22874

TWENTY THIRD ANNUAL REPORT 2025-26

FACOR ALLOYS LIMITED

CORPORATE INFORMATION

CIN: L49120AP2004PLC043252

Board of Directors

Mr. Muralidhar Rambhatla
Chairman
Independent Director

Mr. Ashish Santosh Agrawal
Whole-time Director

Mr. Manoj Saraf
Non-Executive Director

Mr. M D Saraf
Non-Executive Director

Mr. M. B. Thaker
Independent Director

Ms. Vinita Bahri
Independent Director

Executives

Mr. Vinod Saraf
President

Mr. Mohammad Asim Quraishi
Chief Financial Officer

Mr. Sachin Kumar Gupta
Company Secretary and
Compliance Officer

Solicitors
Wadhwa Law Chambers

Statutory Auditors
K K Mankeshwar & Co.
Chartered Accountants

Internal Auditors
Rao & Kumar
Chartered Accountants

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

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110020
Phone No.+91-11-26387281-83
Fax No.+91-11-26387384
E-Mail : investor@masserv.com

Contents:

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of Facor Alloys Limited will be held on Tuesday, the 29th day of September, 2026 at 12:00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. **Adoption of the Audited Standalone and Consolidated Financial Statements and Report of the Board of Directors and Auditors thereon for the Financial Year 2025-26**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the Annual Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2026, including the Balance Sheet as at 31st March, 2026, the statement of Profit and Loss and Statement of Cash Flow for the Financial Year ended on that date along with Annexures and the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and is hereby approved and adopted."

   "RESOLVED THAT the Annual Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2026, including the Balance Sheet as at 31st March, 2026, the statement of Profit and Loss and Statement of Cash Flow for the Financial Year ended on that date along with Annexures and the Report of the Auditors thereon, as circulated to the Members, be and is hereby approved and adopted."

2. **To appoint a Director in place of Mr. Manojkumar Umashankar Saraf (DIN: 00234570), who retires by rotation and, being eligible, offers himself for re-appointment, and in this regard, pass the following resolution as an Ordinary Resolution:-**

   "**RESOLVED THAT** Mr. Manojkumar Umashankar Saraf (DIN: 00234570), a Director of the Company who retires by rotation at this Meeting, being eligible for re-appointment as Director of the Company, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

SPECIAL BUSINESS

3. **To Ratify the remuneration to Cost Auditors**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the remuneration payable to M/s. Uppalapati & Associates LLP, Cost Accountants (Firm Registration No.: 100506) appointed as the Cost Auditors of the Company, to conduct an audit of the cost records of the Company for the Financial Year ending on March 31, 2027, at Rs. 40,000/- (Rupees Forty Thousand Only) plus all applicable taxes and reimbursement of out-of-pocket expenses, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

By order of the Board,
For Facor Alloys Limited
Sd/-
Sachin Kumar Gupta
Company Secretary and Compliance Officer
M.No. : A22874

Date: 12th August, 2026
Place: Nagpur

Registered Office:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CIN: L49120AP2004PLC043252
E-Mail: facoralloys@falgroup.in
Website: www.facoralloys.in

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No. 3 to 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM are also annexed.

2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated 8th April 2020, No. 17/ 2020 dated 13th April, 2020, No. 20/2020 dated 5th May, 2020, 10/2022 dated 28th December, 2022, 09/ 2023 dated 25th September, 2023 and 09/2024 dated 19th September, 2024 and 03/2025 dated September 22, 2025 ("collectively referred to as MCA Circulars") read with applicable SEBI Circulars permitted the companies for holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and above referred MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue for the meeting shall be registered office of the Company at Shreeramnagar-535 101, Garividi, Dist. Vizianagaram, Andhra Pradesh

   The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 23.

3. As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The Route Map is also not required to be annexed to the Notice.

4. The facility for joining AGM through VC/OVAM will be available to all the Members, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 30 (thirty) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 30 (thirty) minutes after the scheduled time.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting. They are requested to send a certified copy of the Board Resolution of authorization to the Scrutinizer by e-mail at tumul11@gmail.com with a copy marked to evoting@nsdl.co.in.

7. In case of Joint Holders attending the AGM, only such Joint Holder whose name appears first in the order of names will be entitled to vote.

8. Only bona fide members of the Company, whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/ OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

9. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at sachin@falgroup.in up to the date of AGM.

10. In line with the aforesaid MCA and SEBI circulars, the notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2025-26 has been uploaded on the Company's website www.facoralloys.in and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of evoting.nsdl.com

11. National Securities Depositories Limited ("NSDL") will be providing the facility of voting through remote e-Voting for participation in the AGM through VC/OAVM facility and e-Voting during the 23rd AGM.

12. M/s Mas Services Ltd, having their office at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110 020, Tel. 011-26387281, 282, 283, Email: investor@masserv.com are the Company's Registrar and Share Transfer Agent ("RTA") for its Share Registry Work (Physical and Electronic).

13. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2026 to 29.09.2026 (both days inclusive).

14. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of the listed companies can only be transferred in dematerialized form with effect from 1st April, 2019. In view of this and to eliminate all risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Members can contact the Company's Registrar and Share Transfer Agents M/s Mas Services Ltd for assistance in this matter.

15. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to RTA to do the needful.

16. Members holding shares in dematerialized mode who have not registered / updated their email addresses are requested to register / update their email addresses with the relevant Depository Participants.

    Members holding shares in physical mode may please note that the Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by all the shareholders who are holding their shares in physical form.

    In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

    i. PAN;

    ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;

    iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;

    iv. Bank Account details including Bank name and branch, Bank account number, IFS code;

    v. Specimen signature (in Form ISR-2)

    Any cancellation or change in nomination shall be provided in Form No.SH-14.

All of above required documents/details shall be provided to RTA at investor@masserv.com and send the documents to RTA. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at www.facoralloys.in.

The shareholders can also download the forms mentioned in SEBI circular from the website of RTA i.e. www.masserv.com

17. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8, dated 25th January, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at www.facoralloys.in. It may be noted that any service request can be processed only after the folio is KYC Compliant.

    Further, SEBI, vide its circular dated 3rd November, 2021 (subsequently amended by circulars dated 14th December, 2021, 16th March, 2023 and 17th November, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1st April, 2024, only upon furnishing all the aforesaid details to the Company's Registrar and Share Transfer Agent. The relevant FAQs published by SEBI in this regard on its website can be viewed at https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members can avail of the facility of nomination in respect of shares held by them. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from downloads link under Investors page at the Company's website at www.facoralloys.in. Members are requested to submit the said forms to their DP in case the shares are held in electronic form and to the RTA at investor@masserv.com in case the shares are held in physical form by quoting their Folio No.

18. Members holding shares in demat form are requested to:

    i. Intimate their latest bank account details viz. name and address of the branch of the bank with 9 digit MICR code of the branch & 11 digit IFSC code, type of account and account number, to the respective depository participant.

    ii. Intimate changes, if any, pertaining to their registered addresses, email address, telephone/mobile numbers, specimen signatures (duly attested by the bank), nomination, etc. to their respective depository participants.

19. Shareholders can claim back the amount of unpaid dividend pertaining to the financial year 2008-09 to 2010-11 along with shares transferred to "Investor Education and Protection Fund" pursuant to the provisions of Section 124 of the Companies Act, 2013, on expiry of seven years from the date of transfer to unpaid dividends A/c after complying with the procedure prescribed under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

    Also, pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has already uploaded details of unpaid and unclaimed dividend amounts and shares transferred to the IEPF Authority on the website of the Company.

    The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in / www.mca.gov.in.

20. SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through applicable forms. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

    Accordingly, the Company had sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.

    Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to our Registrar at investor@masserv.com in case the shares are held in physical form, quoting their folio number. Changes intimated to the DP will then be automatically reflected in the Company's records.

21. Members desirous of obtaining any information concerning the accounts and operations of the Company or desirous of availing an opportunity to speak during the AGM, are requested to address their questions in

writing to the Company Secretary of the Company by 21st September, 2025.

Relevant documents referred to in the accompanying Notice shall be available for inspection by the Members through electronic mode on the basis of request being sent on sachin@falgroup.in.

22. Appointment /Re-appointment of Director

Mr. Manojkumar Umashankar Saraf (DIN: 00234570) shall retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM, is provided in the Corporate Governance Report.

23. Voting through electronic means:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in.

For the sake of convenience, detailed procedure for e-voting is also available in the letter attached with this notice.

By order of the Board,
For Facor Alloys Limited
Sd/-
Sachin Kumar Gupta
Company Secretary and Compliance Officer
M.No. : A22874

Date: 12th August, 2026
Place: Nagpur

Registered Office:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CIN: L49120AP2004PLC043252
E-Mail: facoralloys@falgroup.in
Website: www.facoralloys.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

The Board of Directors of the Company, on recommendation of the Audit Committee, approved the appointment of M/s Uppalapati & Associates LLP, Cost Accountants (Firm Registration No. 100506) as the Cost Auditor of the Company to conduct audit of the cost records of the Company for the financial year 2026-27 on a remuneration of Rs. 40,000/- (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

By order of the Board,
For Facor Alloys Limited
Sd/-
Sachin Kumar Gupta
Company Secretary and Compliance Officer
M.No. : A22874

Date: 12th August, 2026
Place: Nagpur

Registered Office:

Administrative Building, Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram, Andhra Pradesh
CIN: L49120AP2004PLC043252
E-Mail: facoralloys@falgroup.in
Website: www.facoralloys.in

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows:

Login method for remote e-Voting for Individual shareholders holding securities in demat mode

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-voting process has been enabled to all individual shareholders who hold shares in dematerialized form, by way of single login credential, through their demat accounts on the websites of Depositories/ e-voting service provider in order to increase the efficiency of the voting process.

Accordingly, the shareholders would be able to cast their vote without having to register again with the e-voting service provider (ESP). Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

The details of the process and manner for remote e-Voting are explained herein below:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speed e**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 142499 then user ID is 142499001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tumul11@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to sachin@falgroup.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to sachin@falgroup.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the 23rd ANNUAL REPORT on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2026.

FINANCIAL RESULTS

₹ in Lakh

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Gross Revenue from operations	146.99	16.97	146.99	16.97
Other Income	41.79	1041.33	41.79	1041.33
Total Revenue	**188.78**	**1058.30**	**188.78**	**1058.30**
Operating expenses	1917.40	1264.17	1917.50	1264.13
Profit before interest, Depreciation, Tax and Amortization (EBIDTA)	**(1728.62)**	**(205.87)**	**(1728.72)**	**(205.83)**
Finance Costs	506.52	256.34	506.52	256.34
Depreciation and amortization expenses	130.68	155.10	130.68	155.10
Profit/(Loss) before exceptional item and tax	**(2365.82)**	**(617.31)**	**(2365.92)**	**(617.27)**
Exceptional item	381.90	(5503.81)	381.90	(5503.81)
Profit/(Loss) before taxation	**(1983.92)**	**(6121.12)**	**(1984.02)**	**(6121.08)**
Taxation (including Deferred Tax)	(504.35)	(1099.65)	(504.35)	(1099.65)
Profit/(Loss) after Taxation (PAT)	**(1479.57)**	**(5021.47)**	**(1479.67)**	**(5021.43)**
Other Comprehensive Income	52.23	(82.23)	52.24	(82.21)
Total Comprehensive Income for the period Comprising profit/(loss) & Other comprehensive Income for the period	**(1427.34)**	**(5103.70)**	**(1427.43)**	**(5103.64)**

OVERALL PERFORMANCE

The financial year 2025-26 marked an important phase in the Company's strategic journey. During the year under review, the Company continued to undertake limited operational activities and generated revenue therefrom, while maintaining compliance with applicable statutory and regulatory requirements. The Company also continued to evaluate strategic alternatives with a view to strengthening its financial position and identifying appropriate opportunities for its future business.

In view of the prevailing business environment and the substantial capital investment that would have been required for revival of the Company's manufacturing operations, the Company undertook monetisation of its manufacturing assets. Pursuant to the approval accorded by the Members through Postal Ballot on 10th July, 2025 under Section 180(1)(a) of the Companies Act, 2013, the Company completed the sale of its plant and machinery situated at Shreeramnagar, Andhra Pradesh. The proceeds realised from the transaction were primarily utilised towards repayment of the Company's outstanding liabilities, thereby improving liquidity and strengthening the Company's financial position.

Following the monetisation of the manufacturing assets, the Board evaluated opportunities for deployment of the Company's existing infrastructure and resources towards future business activities. In this context, the Company's existing private railway siding and allied infrastructure were identified as potential assets for development of logistics and cargo infrastructure, having regard to the Government of India's continued focus on integrated logistics infrastructure under the PM Gati Shakti National Master Plan and the Gati Shakti Cargo Terminal (GCT) Policy of the Ministry of Railways.

Accordingly, the Board proposed diversification of the Company's business activities into the logistics sector by leveraging its existing railway infrastructure. The Members, through Postal Ballot on 20th July, 2026, approved the alteration of the Main Objects Clause of the Memorandum of Association of the Company, enabling the Company to undertake activities relating to the development, operation and management of General Cargo Terminals (GCTs), railway sidings, freight terminals, logistics parks, warehousing, cargo handling, freight forwarding and allied logistics activities.

The Company has also received In-Principle Approval from the Ministry of Railways for development of a General Cargo Terminal by upgrading its existing private railway siding. The Company is evaluating the feasibility, implementation requirements and applicable approvals for the proposed project and is progressing the same in accordance with applicable statutory and regulatory requirements.

The Board believes that the monetisation of the manufacturing assets and the subsequent evaluation of opportunities in the logistics sector provide a strategic direction for the Company's future business. The Company intends to leverage its existing railway infrastructure and pursue the proposed logistics initiatives, subject to feasibility, applicable statutory and regulatory approvals and other requisite conditions.

Further to the disclosure made in the Directors' Report for the financial year 2024-25, the Company has taken appropriate legal steps in respect of the Arbitral Award dated 31.07.2025 passed by the Delhi International Arbitration Centre in the matter of Rajadhiraj Tirupani Vinayak Natraj Pvt. Ltd. ("RTVNPL") v. Facor Alloys Limited. Pursuant thereto, an interim order of attachment was obtained by the Company on 19.09.2025 in respect of the finished goods of RTVNPL lying at the Company's premises. RTVNPL has challenged the Arbitral Award, and the matter is presently pending before the appropriate forum for adjudication. The final outcome of the matter will depend upon the conclusion of the ongoing legal proceedings.

DIVIDEND

In view of the overall financial position and liquidity position of the Company, the Board of Directors has not recommended any dividend on the equity shares for the financial year ended 31st March 2026.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2026 is Rs. 19.55 crores. During the year under review, the Company has not issued any further shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

The equity shares of the Company are listed on BSE Limited and the Company has duly paid the annual listing fees for the current financial year i.e. 2026-27.

ANNUAL RETURN

The annual return of the company as on March 31, 2026, in terms of the provisions of Section 134(3)(a) of the Companies Act, 2013 is available on the company's website www.facoralloys.in. The weblink for accessing Form MGT-7 is https://facoralloys.in/investor.php

NUMBER OF MEETINGS OF THE BOARD

The Board met four (4) times in FY 2025-26 viz. on 20th May 2025, 12th August, 2025, 12th November, 2025, and 14th February, 2026.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standards ('IND-AS') under Companies Act, 2013 on accounting and disclosure requirements, and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited Consolidated Financial Statements are provided in this Annual Report.

SUBSIDIARIES

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries and Associates' (in updated Form AOC-1) is given in the Note No.-38 of the consolidated financial statements. Further, the Consolidated Financial Statements presented by the Company also includes the financial results of the subsidiary companies.

Further, the company has already uploaded the Annual Accounts of the subsidiary company(s) on its website which is accessible to all the member. The annual accounts of the Company as well as its respective subsidiary company(s) shall also be kept open for inspection at the Registered Office of the Company.

During the year, it has come to notice that our Step-down subsidiary – "Facor Turkkrom Mining (Netherlands) B.V." (FTMN) has been de-registered from the Business Register in Netherlands. FTMN was non-operational and no commercial or revenue generating activities were being carried out. Further, the Company's investments in its overseas subsidiaries, including FTMN, had already been fully impaired in earlier years. Accordingly, the deregistration has no material impact on the operations or financials of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions the under Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm:

that in the preparation of the annual accounts for the financial year ended 31st March, 2026, the applicable accounting standards read with requirements set out under schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same except for the non-consolidation of Foreign Subsidiary as disclosed in Note 35 to the Consolidated Financial Statements.

that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss for the year under consideration;

that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2026 on a going concern basis;

they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Independent Directors have given declaration that they meet the criteria specified under Section 149 (6) of the Companies Act, 2013 read with the applicable rules framed thereunder as well as regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has a policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as well as well-defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The Policy broadly lays down the guiding principles for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of Companies Act, 2013.

During the year under review, no changes were made in the above policy. Salient features of this policy are enumerated in the Corporate Governance Report which forms part of the Annual Report. The above policy is available at the website of the Company at www.facoralloys.in.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company at their 19th Annual General Meeting held on 28th September, 2022 approved the reappointment of M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration no.106009W) as the Statutory Auditors of the Company for further term of 5 years i.e. from the conclusion of 19th Annual General Meeting till the conclusion of 24th Annual General Meeting of the Company to be held in the year of 2027.

The Statutory Auditors have confirmed their eligibility to continue to hold office and have submitted a written confirmation that they are not disqualified from continuing to hold office as the Statutory Auditors of the Company.

The Statutory Auditors have issued their reports on the Standalone and Consolidated Audited Financial Statements for the financial year ended 31st March 2026. The report on the Standalone Financial Statements does not contain any qualifications, observations, or adverse comments that have a material bearing on the functioning of the Company. However, the report on the Consolidated Financial Statements contains a disclaimer of opinion as follows:

Disclaimer of Opinion: *"As stated in* ***Note 35*** *to the consolidated financial statements, the Group has excluded the financial statement of an overseas subsidiary for the year ended 31st March 2026 due to the non-availability of complete and reliable financial data following a change in management. Based on legal advice and a complaint lodged with Economic Offences Wing (EOW), the management has concluded that the financial impact of such non-consolidation is not material. However, in the absence of sufficient appropriate audit evidence regarding the financial performance, position, and cash flows of the said subsidiary, we are unable to determine whether adjustments might have been necessarily had such financial results been consolidated.*

Because of the significance of the matter described above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

Accordingly, we do not express an opinion on the accompanying consolidated financial statements of the Group."

Reply to the Disclaimer of Opinion: During the financial year 2024-25, there was a change in the management of the Company. Following this transition, the new management was unable to obtain complete and reliable financial information relating to the Company's overseas subsidiary, which is necessary for the purpose of consolidation. Accordingly, the management has taken a considered decision to present the consolidated financial results for the year ended 31st March, 2026, excluding the financial results of the said overseas subsidiary. It is further clarified that the current year transactions of the overseas subsidiary have not been considered for the purpose of consolidation. Based on the managements assessment, the financial impact arising from the non-consolidation of these transactions is not material to the consolidated financial statements. In connection with the above matter, the Company had also filed a formal complaint with the Economic Offences Wing (EOW) seeking appropriate action. The CJM directed the Economic Offences Wing, Delhi Police to submit an action taken report on the preliminary investigation conducted pursuant to the Company's complaint. The report was filed, and part arguments filed a formal complaint with the Economic Offences Wing (EOW) for appropriate action and investigation.

Secretarial Auditors

The Company has appointed Mr. Tumul Maheshwari of M/S. MT & Co., New Delhi, Company Secretaries to conduct secretarial audit and his Report on Company's Secretarial Audit is appended to this Report as Annexure-2.

There are following qualifications / reservations / observations / disclaimers made in the Secretarial Audit Report for the financial year ended 31st March, 2025 by the Practicing Company Secretary which are self explanatory.

1. *Company has overseas subsidiary company in Netherlands namely M/s Facor Minerals (Netherlands) ('FMN") which has further step-down subsidiary company namely Facor Turkkrom Mining (Netherlands) ('FTMN'). ("FMN and FTMN are collectively referred to as the "Overseas Subsidiaries).*

   As per managements explanation presently only FMN is existing, FTMN is deregistered presently, but company is unable to provide present status. Erstwhile promotor Director of the company, who was director in Overseas Subsidiaries has stepped down with effect from 04/04/2024 since then company was asking all documents and information pertaining to affairs of overseas companies from erstwhile directors, issued notices, emails to him but did not get any information or reply from erstwhile director. Company is taking all legal course of action. In absence of documents pertaining to overseas companies, company is unable to consolidate the same in consolidated financial statements /results for the period ended on 31st March 2026. Company obtained legal opinion and put forth before Board for necessary action, Board discussed the legal opinion and observed the situation arose on account of non-availability of financial records as well as information pertaining to affairs of overseas subsidiaries and resolved that company will declare consolidated financial statements/ results without consolidating overseas subsidiaries. However, these overseas subsidiaries are non-operational and no commercial or revenue generating activities were carrying out, no expenses were incurred during the quarter and investments in overseas subsidiaries have already been fully impaired years back, Hence, there is no material impact on the results for the quarter/period ended on 31/03/2026. As per Management's explanation, legal notices have been issued to the erstwhile Management in this regard. Since, no information was forthcoming, legal action also has been initiated against them, including making complaints to the Economic Offences Wing, Delhi Police and subsequently before the Hon'ble Metropolitan Magistrate Courts in New Delhi.

2. *The company's operations have been shut down since 31/10/2023 and has reported minimal revenue. Company*

has incurred continuous losses since last 3 years and promoters are infusing funds to meet fund requirements.

3. *In view of the matters described in Point No. 1 and the ongoing issues concerning the overseas subsidiaries, the Company is in the process of compiling the requisite information and, accordingly, the filing of the Annual Performance Report under the Foreign Exchange Management Act, 1999 (FEMA) is pending.*

Cost Auditor

Maintenance of cost account records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are applicable for the business activities carried out by the Company during the period under review.

M/s. Uppalapati & Associates LLP, Cost Accountants has been appointed by the Board as Cost Auditor of the Company to conduct audit of cost account records for the year ended 31st March, 2027 pursuant to the provisions of Section 148 of the Companies Act, 2013 and the rules made there under. Members are requested to consider the ratification of the remuneration payable to M/s. Uppalapati & Associates being the Cost Auditor.

There are no qualifications, reservations or adverse remarks or disclaimers made in the Cost Audit Report for the financial year 2025-2026.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not provided any guarantee, made a Loan and investment pursuant to Section 186 of the Companies Act, 2013 during the Financial Year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, the Company entered into contracts, arrangements and transactions with related parties in the ordinary course of business and on an arm's length basis. The particulars of such contracts, arrangements and transactions, as required under Section 188(1) of the Companies Act, 2013, are set out in **Form AOC-2 annexed to this Report as an Annexure-1**.

The details of related party transactions undertaken during the year are also disclosed in **Note 35 to the Financial Statements** forming part of this Annual Report

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER CLOSE OF THE FINANCIAL YEAR

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

The Board of Directors, at its meeting held on 20th May 2025, approved a proposal, subject to the approval of shareholders with requisite majority under the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the monetisation of the whole or substantially the whole of the plant and machinery (used for manufacturing high carbon ferro chrome) and/or undertaking(s) of the Company located at Shreeramnagar, District Vizianagaram, Andhra Pradesh. This includes fixed assets, plant and machinery, inventories, and other assets of the Company, with the objective of meeting pressing and unavoidable liabilities, on such terms and conditions as may be determined by the Board in the best interest of the Company. The said proposal was subsequently approved by the shareholders via Postal Ballot on 10th July 2025 with requisite majority.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company. Further, there was no significant change in the nature of business carried on by its subsidiaries.

Subsequent to the year under review, the Board proposed diversification of the Company's business activities into the logistics sector by leveraging its existing railway infrastructure. In this regard, the Members, through Postal Ballot on 20th July, 2026, approved the alteration of the Main Objects Clause of the Memorandum of Association of the Company, enabling the Company to undertake activities relating to the development, operation and management of General Cargo Terminals (GCTs), railway sidings, freight terminals, logistics parks, warehousing, cargo handling, freight forwarding and allied logistics activities.

DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to the financial statements as designed and implemented by the Company are adequate and commensurate with the size and scale of its operation. The internal controls are tested for adequacy, efficiency and effectiveness through audits by the internal auditors and the observations, corrective and preventive actions are reviewed by the management and Audit Committee of the Board of Directors.

During the financial year under review, no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such controls.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There are no significant and/or material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status of the Company and its business operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in Annexure-4 hereto forming part of this report.

RISK MANAGEMENT POLICY

The Company's Risk Management framework is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. Major risks in particular are monitored regularly at executive meetings and the Board of Directors of the Company is kept abreast of such issues.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance policy towards sexual harassment at the workplace.

Although the manufacturing operations of the Company remained suspended during the financial year, the Internal Complaints Committee (ICC) constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, continued to be in place in compliance with statutory requirements.

No complaints were received by the Committee during the year under review. Accordingly, the disclosure regarding the number of complaints disposed of during the year and those pending for more than ninety days does not arise.

Compliance with the Maternity Benefit Act, 1961

The Company remains compliant with the provisions of the Maternity Benefit Act, 1961. Although manufacturing operations were suspended during the financial year, the Company continues to adhere to statutory obligations. All benefits prescribed under the Maternity Benefit Act, 1961, have been and shall continue to be provided to eligible women employees, if any, in compliance with applicable law.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a duly approved CSR Policy, which is available on its website at www.facoralloys.in.

In view of the continued suspension of operations and the absence of average net profits during the immediately preceding three financial years, the provisions relating to mandatory CSR spending were not applicable to the Company for the financial year ended 31st March 2026. Accordingly, no CSR expenditure was required or incurred during the year under review.

ANNUAL BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

In the opinion of the Board, the independent directors possessing the necessary skills like integrity, expertise and experience (including the proficiency) etc. for being appointed on the Board of the Company.

DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

Pursuant to IEPF Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, all unclaimed shares have already been transferred to the IEPF Authority.

All the corporate benefits in terms of securities accruing to on these unclaimed shares shall be credited to the aforesaid account. Voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares.

Any person, whose unclaimed or unpaid amount has been transferred by the Company to IEPF may claim his/her refunds from the IEPF authority. The detailed procedure for claiming shares and/or dividend amount is available on the website of IEPF (www.iepf.gov.in).

The Nodal Officer for the purpose of IEPF is Company Secretary and the website address is www.facoralloys.in.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same is hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

PUBLIC DEPOSITS

During the year under review, the Company has not invited any deposits from the public.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year under review, there were no employees receiving remuneration in excess of Rs. 1,02,00,000/- per annum or Rs. 8,50,000/- per month requiring disclosure.

Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure - 3 forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on date, the Company has total no. of 6 Directors out of which 1 is Whole-time Director and 5 are Non-Executive Directors. The 5 Non-Executive Directors consist of 3 Independent Directors including one Woman Independent Director and 2 are Non-Executive Non-Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 read with the rules framed thereunder and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Manojkumar Umashankar Saraf, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ashish Santosh Agrawal was re-appointed as Whole-time Director of the Company with effect from 30th May 2025 for a period of three years. Based on the recommendation of the Nomination and Remuneration Committee and approval of the Board. The said re-appointment was approved by the shareholders through postal ballot on 10th July 2025.

Mr. Gaurav Vinod Saraf resigned from the Board with effect from 13th January 2026. The Board places on record its sincere appreciation for the valuable guidance and contributions made by Mr. Gaurav Vinod Saraf during his tenure as Non-executive Non -Independent Director of the Company.

Presently, the following persons are designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013:

Mr. Ashish Santosh Agrawal – Whole-time Director

Mr. Mohammad Asim Quraishi – Chief Financial Officer

Mr. Sachin Kumar Gupta – Company Secretary and Compliance Officer

None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.

Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has formulated a code of conduct for all members of the Board and Senior Management Personnel. All concerned members/executives have affirmed compliance with the said code.

COMMITTEES OF THE BOARD

The Board of Directors have constituted all the requisite committees of Directors as are required by law from time to time.

Details of composition of all the committees of the Board are provided in the corporate governance report which is part of Directors' Report and majority of the committees consists entirely of independent directors. During the year, all recommendations made by the committees were approved by the Board.

REPORTING OF FRAUDS BY AUDITORS OF THE COMPANY

During the year under review, none of the Auditors of the company has reported to the audit committee under Section 143 (12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on the Corporate Governance, Management Discussion and Analysis, Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance have been made a part of the Annual Report.

DISCLOSURE UNDER INSOLVENCY AND BANKRUPTCY CODE

During the year under review, there are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DISCLOSURE UNDER ONE TIME SETTLEMENT

During the year under review, your Company has not made any one time settlement with any of its Banks or Financial Institutions.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) respectively relating to Meetings of the Board and its Committees including general meetings of the company which are mandatory in nature.

INDUSTRIAL RELATIONS

During the year under review, the overall industrial relations in the Company remained cordial.

ACKNOWLEDGEMENT AND APPRECIATION

The Board wishes to place on record its sincere appreciation for the support and co-operation extended by all the customers, vendors, business associates and investors at large.

Further, the Board places on record their sincere appreciation for the significant contribution made by its employees through their dedication, hard work and commitment and also for the trust reposed in the company by all other stakeholders.

The Company sincerely thanks the Central and State Governments for their continued support and warm co-operation extended towards the business as well as the Company's social functions. It looks forward to your continued support in the company's endeavour to accelerate access to innovative and affordable business.

On behalf of Board of Directors
for Facor Alloys Ltd

Sd/-
(Ashish Santosh Agarwal)
Whole-time Director
DIN: 02148665

Sd/-
(Murlidhar Durgaprasadji Saraf)
Director
DIN: 00011966

Place : Nagpur
Dated : 12th August, 2026

Annexure - 1

FORM AOC-2

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 transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   Nil (No non-arm's length contracts or arrangements were entered into during the financial year ended March 31, 2026).

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

S. No.	Particulars	Disclosure Details
a	**Name(s) of the related party and nature of relationship**	Rai Bahadur Shreeram & Company Private Limited and Promoter Group Entity (CIN: U99999MH1953PTC021694)
b	**Nature of contracts / arrangements / transactions**	1. Sale of Assets 2. Rent Paid
c	**Duration of the contracts / arrangements / transactions**	Financial Year 2025-26
d	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**1. Sale of Assets:** ₹ 79.14 Lakhs **2. Rent Paid:** ₹ 1.20 Lakhs
e	**Date(s) of approval by the Board, if any**	**1. Sale of Assets:** 12th August, 2025 **2. Rent Paid:** 20th May, 2025
f	**Amount paid as advances, if any**	Nil

On behalf of Board of Directors
for Facor Alloys Ltd

Sd/-
(Ashish Santosh Agarwal)
Whole-time Director
DIN: 02148665

Sd/-
(Murlidhar Durgaprasadji Saraf)
Director
DIN: 00011966

Place : Nagpur
Dated : 12th August, 2026

Annexure - 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Facor Alloys Limited,
Sreeramnagar, P.O. Garividi
Vizianagaram-535101(Andhra Pradesh)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Facor Alloys Limited, (CIN No. L27101AP2004PLC043252) (hereinafter called the Company). I have not done audit of financial statements of the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March 2026, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2026 according to the provisions of:

(i) *The Companies Act, 2013 (the Act) and the rules made thereunder;*

(ii) *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;*

(iii) *The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;*

(iv) *Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;*

(v) *The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-*

  (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;*

  (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;*

  (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; NA*

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*; NA*

  (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; NA*

  (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;*

  (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; NA and*

  (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; NA*

I have also examined compliance with the applicable clauses of the following:

(i) *Secretarial Standards issued by The Institute of Company Secretaries of India*

(ii) *SEBI Listing Regulations (LODR), 2015;*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned above subject to below stated exceptions and observations:

1. ***Company has overseas subsidiary company in Netherlands namely M/s Facor Minerals (Netherlands) ('FMN") which has further step-down subsidiary company namely Facor Turkkrom Mining (Netherlands) ('FTMN'). ("FMN and FTMN are collectively referred to as the "Overseas Subsidiaries).***

   As per managements explanation presently only FMN is existing, FTMN is deregistered presently, but company is unable to provide present status. Erstwhile promotor Director of the company, who was director in Overseas Subsidiaries has stepped down with effect from 04/04/2024 since then company was asking all documents and information pertaining to affairs of overseas companies from erstwhile directors, issued notices, emails to him but did not get any information or reply from erstwhile director. Company is taking all legal course of action. In absence of documents pertaining to overseas companies, company is unable to consolidate the same in consolidated financial statements /results for the period ended on 31st March 2026. Company obtained legal opinion and put forth before Board for necessary action, Board discussed the legal opinion and observed the situation arose on account of non-availability of financial records as well as

information pertaining to affairs of overseas subsidiaries and resolved that company will declare consolidated financial statements/ results without consolidating overseas subsidiaries. However, these overseas subsidiaries are non-operational and no commercial or revenue generating activities were carrying out, no expenses were incurred during the quarter and investments in overseas subsidiaries have already been fully impaired years back, Hence, there is no material impact on the results for the quarter/period ended on 31/03/2026. As per Management's explanation, legal notices have been issued to the erstwhile Management in this regard. Since, no information was forthcoming, legal action also has been initiated against them, including making complaints to the Economic Offences Wing, Delhi Police and subsequently before the Hon'ble Metropolitan Magistrate Courts in New Delhi.

2. ***The company's operations have been shut down since 31/10/2023 and has reported minimal revenue. Company has incurred continuous losses since last 3 years and promoters are infusing funds to meet fund requirements.***
3. ***In view of the matters described in Point No. 1 and the ongoing issues concerning the overseas subsidiaries, the Company is in the process of compiling the requisite information and, accordingly, the filing of the Annual Performance Report under the Foreign Exchange Management Act, 1999 (FEMA) is pending.***

I further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act as required under the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed note on agenda were sent at least seven days in advance, and 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the year under report, the Company has not undertaken any corporate event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. ***except observations as mentioned above***.

For **MT & Co.**
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464
C.P. No. 5554
UDIN No. **A016464H000835315**
PR-1749/2022
PR Code-512

Place: Delhi
Date: 14/07/2026

This report is to be read with Annexure-A which forms an integral part of this report.

ANNEXURE-A

To,
The Members,
Facor Alloys Limited,
Sreeramnagar, P.O. Garividi
Vizianagaram-535101 (Andhra Pradesh)

My report of even date is to be read along with this letter.

1. *Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.*
2. *I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.*
3. *I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.*
4. *Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*
5. *The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.*
6. *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.*

For **MT & Co.**
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464
C.P. No. 5554
PR-1749/2022
PR Code-512

Place: Delhi
Date: 14/07/2026

Annexure-3

PARTICULARS OF REMUNERATION

Pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Act and the Rules made there under, in respect of employees of the Company is as under:-

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year :-

Name of the Director	Ratio
Mr. Muralidhar Rambhatla	2.45:1
Mr. M. D. Saraf	Sitting fees forgone
Mr. Manoj Saraf	0.82:1
Mr. Gaurav Saraf	0.91:1
Ms. Vinita Bahri	2.45:1
Mr. M. B. Thaker	1.73:1

ii) The percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the financial year:

Name of the Director	% increase/(Decrease)
Mr. Muralidhar Rambhatla	35%
Mr. M. D. Saraf	Sitting fees forgone
Mr. Manoj Saraf	-71.88%
Mr. Gaurav Saraf	-61.54%
Ms. Vinita Bahri	17.39%
Mr. Ashish Santosh Agrawal	-
Mr. M. B. Thaker	-55.81%
Other KMP	
Chief Financial Officer	-24.19%
Company Secretary	-11.36%

iii) The percentage increase in the median remuneration of the employees in the financial year 2025-26: (63%)

iv) The number of permanent employees on the rolls of the Company: 23

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average increase in the salaries of employees other than managerial personnel in the last financial year i.e. 2025-26 was 6.48% and percentage increase in the managerial remuneration for the same financial year was (23.84%)

vi) The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

Annexure-4

Particulars required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014:

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Additional information as required in the Report of Board of Directors

A. CONSERVATION OF ENERGY

a) Measures taken	:	All Yard/Tower lightings were continuing to be replaced with the LED lightings to save energy as conservation of energy being an ongoing process. Other necessary steps are also being taken for the efficient use of energy.
b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy	:	Not identified.
c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods	:	Not measurable
d) Total energy consumption and energy consumption per unit of production in prescribed form 'A'	:	Form "A" is inapplicable to Ferro Alloys Industry

B. TECHNOLOGY ABSORPTION

Research and development

a. Specific areas in which R & D carried out	:	NIL
b. Benefits derived as a result of above R & D	:	NIL
c. Future plan of action	:	Optimization of input cost of production.
d. Expenditure on Research & Development	:	NIL
e. Technology absorption, adaptation and innovation:-		
i) Efforts, in brief, made towards Technology absorption, adaptation and innovation	:	NIL
ii) Benefits derived as a result of above efforts	:	NIL
iii) Information regarding technology imported during the last five years	:	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans	:	The Company is continuing to explore new avenues of exports and to understand latest developments in the international markets.
2) Total Foreign Exchange used and earned		
(2024-2025)	:	**(Rs. in Lacs)**
i) CIF value of imports	:	NIL
ii) Expenditure in Foreign Currency	:	NIL
iii) Foreign Exchange earned	:	NIL

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis Report ("MD&A") is prepared pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Management Discussion and Analysis ("MD&A") provides an overview of the industry in which the Company has historically operated, its business performance, strategic developments, opportunities and risks, financial performance, internal controls and human resource matters. This discussion should be read together with the Audited Financial Statements, Directors' Report and other disclosures forming part of the Annual Report.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Ferro Alloy Industry

Ferro chrome is an alloy of chromium and iron containing approximately 50% to 68% chromium and is primarily used in the manufacture of stainless steel. Ferro chrome imparts strength and corrosion resistance to stainless steel and is therefore an important input in the production of stainless and special steels. The ferro alloy industry constitutes a critical link in the steel manufacturing value chain. Ferro chrome and Silico Manganese, which have historically been the principal products of the Company, are important alloying elements used in the production of stainless steel, carbon steel, alloy steel and other specialised grades of steel.

The ferro alloy market is primarily linked to end-use segments such as carbon steel, alloy steel, stainless steel and other specialised steel applications. Alloy steels have applications across various end-use industries, including general engineering, aerospace and defence, railways and other industrial sectors. Increasing investment in the manufacturing sector across emerging economies is expected to support demand for alloy steels and, consequently, ferro alloys, although the industry remains subject to cyclical and market-related factors.

Ferro alloys include ferro chrome, ferrosilicon, ferromanganese, ferromolybdenum and other specialised alloys, each serving specific metallurgical requirements in the production of steel. Different types of ferro alloys perform different functions in steelmaking and are selected depending upon the grade and specifications of steel being manufactured.

A substantial proportion of ferro alloys is consumed in the production of steel. Accordingly, the production and consumption of steel and related products have a significant influence on the demand and pricing of ferro alloys. The cost of ferro alloys is an important consideration in determining the economics of producing different grades of steel, while the required specifications of steel also influence the type and quantity of ferro alloys used in the manufacturing process.

For instance, where a particular grade of steel requires low phosphorus content, the desired specification may be achieved either through the use of ferro alloys having appropriate low-phosphorus specifications or through additional refining processes involving extended refining time and increased slag basicity. Accordingly, the selection and consumption of ferro alloys depend upon the quality specifications of steel as well as the manufacturing process adopted by steel producers.

The Company has historically been engaged in the manufacture and sale of ferro alloys, principally High Carbon Ferro Chrome and Silico Manganese. The demand for ferro alloys is closely linked to steel production and consumption and, consequently, to developments in infrastructure, construction, automotive, engineering and other manufacturing sectors. The industry comprises large, medium and small-scale producers and operates in a competitive environment.

The principal factors influencing the ferro alloy industry include the availability and cost of chrome ore and manganese ore, power costs, product prices, logistics costs, international trade conditions, foreign exchange movements and environmental and other regulatory requirements.

Global ferro alloy markets are also influenced by steel production, international trade flows, geopolitical developments and changes in demand from major consuming economies. Volatility in commodity prices and input costs can have a direct impact on the operating economics and competitiveness of ferro alloy producers.

India continues to have a significant role in the ferro alloy industry, supported by the development of the domestic steel industry and infrastructure-led economic growth. However, sustained competitiveness in the sector depends upon efficient utilisation of resources, cost management, availability of key inputs, operational efficiency and prevailing market conditions.

The Company's historical business operations and performance have to be viewed in this industry context.

Developments in the Company's Business Profile

During FY 2025–26, there was no change in the nature of business of the Company. The Company continued to evaluate strategic alternatives with a view to strengthening its financial position and identifying appropriate opportunities for its future business.

Considering the prevailing business environment and the substantial capital investment that would be required for revival of the Company's manufacturing operations, the Company has been evaluating monetisation and optimum utilisation of its manufacturing assets.

Pursuant to the approval accorded by the Members through Postal Ballot on 10th July 2025 under Section 180(1)(a) of the Companies Act, 2013, the Company initiated the process for monetisation of its manufacturing assets. The actual sale of the plant and machinery, except the sub-station, was completed subsequent to the financial year under review.

Logistics and Cargo Infrastructure

Following the strategic evaluation of its available infrastructure, the Company identified its existing private railway siding and allied infrastructure as a potential asset for development of logistics and cargo-related activities.

The opportunity is being evaluated in the context of the Government of India's broader focus on integrated logistics infrastructure under the PM Gati Shakti National Master Plan and the Gati Shakti Cargo Terminal (GCT) Policy of the Ministry of Railways.

The PM Gati Shakti framework provides a broader policy context for integrated infrastructure planning and improved connectivity, while the Gati Shakti Cargo Terminal framework provides an enabling environment for development and utilisation of railway-linked cargo infrastructure.

The Company's existing railway siding is therefore being evaluated as a potential platform for development of logistics and cargo-related activities, subject to applicable statutory and regulatory approvals and availability of appropriate resources.

The Company also has a strategic locational advantage for its proposed foray into the logistics business, with the new Bhogapuram International Airport and the nearby seaport, in addition to its existing private railway siding, providing proximity to key air, sea and rail transportation infrastructure. This strategic location provides an opportunity for the Company to explore integrated and multimodal logistics and cargo-related activities.

2. OPPORTUNITIES AND THREATS

Opportunities

Leveraging Existing Railway Infrastructure

The Company's existing private railway siding provides an opportunity to explore an alternative business activity based on infrastructure already available with the Company.

The Company is evaluating the possibility of upgrading its existing private railway siding for development of a General Cargo Terminal. The proposed initiative is being considered in the context of the Government of India's focus on improving logistics efficiency and multimodal connectivity under PM Gati Shakti and the Ministry of Railways' Gati Shakti Cargo Terminal Policy.

The Company has received In-Principle Approval from the Ministry of Railways for development of a General Cargo Terminal by upgrading its existing private railway siding. The Company is presently evaluating the feasibility, implementation requirements and applicable approvals relating to the proposed development.

The In-Principle Approval is being considered as an important enabling development; however, implementation of the proposed project remains subject to completion of the requisite processes, feasibility assessment, approvals and other applicable conditions.

Diversification into Logistics and Allied Activities

Subsequent to the year under review, the Members, through Postal Ballot on 20th July 2026, approved alteration of the Main Objects Clause of the Memorandum of Association of the Company.

The amended objects enable the Company to undertake activities relating to development, operation and management of General Cargo Terminals, railway sidings, freight terminals, logistics parks, warehousing, cargo handling, freight forwarding and allied logistics activities.

The alteration of the Main Objects provides the corporate framework for the Company to evaluate and, subject to applicable requirements, undertake logistics and allied infrastructure activities.

Strategic Utilisation of Existing Infrastructure

The proposed logistics initiative provides an opportunity to examine productive utilisation of the Company's existing railway-linked infrastructure following the strategic transition in its historical manufacturing operations.

The Company's objective is to evaluate opportunities that can utilise existing resources while avoiding, to the extent practicable, dependence on substantial fresh investment in a manufacturing business whose revival would require significant capital expenditure.

Long-term Business Opportunity

The development of railway-linked logistics infrastructure may provide the Company with an alternative avenue for future business activity.

However, the Company remains conscious that the commercial viability of the proposed initiative will depend upon cargo potential, customer demand, connectivity, investment requirements, operating economics and other relevant factors. Accordingly, the Company will proceed in a measured manner based on feasibility and commercial assessment.

Threats and Challenges

The principal challenges associated with the Company's proposed business transition include project execution, commercial viability, funding requirements, regulatory approvals and competition.

The logistics sector is competitive and the success of a cargo terminal would depend upon cargo volumes, customer requirements, railway connectivity, operating efficiency, pricing and the overall demand for rail-linked freight services.

The proposed development may also require investment in infrastructure, equipment and other facilities. The Company will evaluate such requirements having regard to its financial position and available resources.

3. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company has historically operated principally in the ferro alloy segment, with High Carbon Ferro Chrome and Silico Manganese as its principal products.

During FY 2025–26, the Company did not commence any new business segment and there was no change in the nature of business of the Company during the year under review. The Company continued to undertake limited operational activities and generated revenue therefrom.

Revenue from operations during FY 2025–26 stood at Rs. 146.99 lakh as compared with Rs. 16.97 lakh during FY 2024–25.

The Company's financial and operational performance during FY 2025–26 should therefore be considered in the context of its limited operating activities and the continuing evaluation of strategic alternatives for its future business.

The proposed logistics and cargo infrastructure activities are also subsequent developments and did not constitute a separate operating segment during FY 2025–26.

The Company's future business profile is expected to evolve based on the outcome of its evaluation of logistics and allied infrastructure opportunities and the optimum utilisation of its available resources.

4. OUTLOOK

The Company's outlook is focused on prudent financial management, optimum utilisation of available infrastructure and identification of commercially viable opportunities for its future business.

During FY 2025–26, the Company continued to evaluate strategic alternatives in view of the prevailing business environment and the substantial capital investment that would be required for revival of its historical manufacturing operations.

Pursuant to the approval obtained from the Members in 10th July 2025, the Company proceeded with the monetisation of its manufacturing assets. Subsequent to the financial year-end, the Company completed the sale of its plant and machinery, except the sub-station.

The transaction represents an important development in the Company's asset rationalisation process and provides greater flexibility to evaluate the future deployment of its available resources.

Following this strategic transition, the Company has identified its existing private railway siding as a potential platform for development of logistics and cargo infrastructure.

The proposed development of a General Cargo Terminal is being evaluated in the context of the Government of India's PM Gati Shakti National Master Plan and the Ministry of Railways' Gati Shakti Cargo Terminal Policy.

The Company has received In-Principle Approval from the Ministry of Railways for development of a General Cargo Terminal by upgrading its existing private railway siding. The Company is evaluating the technical feasibility, commercial viability, implementation requirements, funding requirements and applicable approvals for the proposed project.

Further, subsequent to the year under review, the Members through via Postal Ballots on 20th July, 2026, approved alteration of the Main Objects Clause of the Memorandum of Association to enable the Company to undertake logistics and allied infrastructure activities.

These developments provide a framework for the Company to evaluate a potential transition towards logistics and allied infrastructure activities, leveraging its existing railway-linked infrastructure.

The Company will progress the proposed initiative in a measured manner and subject to feasibility, availability of resources, requisite approvals and applicable statutory and regulatory requirements.

Financial Position and Going Concern

The Company continues to focus on strengthening its financial position through prudent management of available resources, management of liabilities and evaluation of future business opportunities.

The financial statements for FY 2025–26 have been prepared on a going concern basis based on management's assessment of the Company's future business prospects, expected financial support from group entities and lenders and the measures being undertaken by the Company.

As disclosed in the Auditor's Report on Standalone Financial Statements for the financial year ended 31st March 2026, the Statutory Auditors have drawn attention to the matter under the section titled "Material Uncertainty Related to Going Concern" and have stated that the relevant circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements have nevertheless been prepared on a going concern basis and, as stated in the Statutory Auditors' Report, the Auditors' opinion has not been modified in respect of this matter.

The management remains focused on implementing the measures being undertaken to strengthen the Company's financial position and on evaluating viable future business opportunities.

5. RISKS AND CONCERNS

The Company's risk profile is evolving in line with its strategic transition and evaluation of logistics and allied infrastructure opportunities.

Business Transition Risk

The Company is evaluating a potential transition from its historical manufacturing-oriented business towards logistics and allied infrastructure activities. The future business profile will depend upon the outcome of such evaluation and the Company's ability to develop commercially viable opportunities.

Project Development and Execution Risk

The proposed General Cargo Terminal would involve upgrading existing railway infrastructure and may require additional infrastructure, equipment and other facilities.

The implementation schedule and scale of investment would depend upon technical assessment, project planning, feasibility, applicable approvals and availability of financial resources.

Commercial Risk

The commercial viability of the proposed logistics initiative would depend upon cargo volumes, customer demand, railway connectivity, operating costs, pricing, competition and the overall demand for rail-linked freight services.

Financial and Funding Risk

Development of logistics infrastructure may require financial resources. The Company will evaluate the investment and funding requirements of the proposed project having regard to its financial position, available resources and expected commercial returns.

Regulatory and Approval Risk

The proposed logistics initiative is subject to applicable statutory, regulatory and railway requirements. Any change in applicable laws, policies, regulations or approval requirements may affect the timing, scope or economics of the proposed development.

Market and Competition Risk

The logistics sector is competitive and is influenced by economic activity, freight volumes, transportation patterns, infrastructure availability, customer preferences and competing modes of transportation.

Financial Position Risk

The Company continues to manage its financial obligations and liquidity prudently. The management is undertaking measures aimed at strengthening the financial position and developing future business opportunities.

The Company's Risk Management framework is designed to identify, assess and monitor various risks relating to key business and strategic objectives and facilitate formulation of appropriate mitigation measures. Major risks are monitored regularly and the Board of Directors is kept apprised of significant matters.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established internal financial controls designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, appropriate authorisation and recording of transactions and compliance with applicable laws and regulations.

The Internal Financial Controls with reference to the financial statements, as designed and implemented by the Company, are adequate and commensurate with the size and scale of its operations.

The adequacy, efficiency and effectiveness of the internal control systems are reviewed through the internal audit process. The observations, corrective and preventive actions are reviewed by the management and the Audit Committee of the Board.

During FY 2025–26, no material or serious observation was received from the Internal Auditors regarding inadequacy or ineffectiveness of such controls.

The Company will continue to review and strengthen its internal control environment in line with its evolving business activities, including the requirements associated with its proposed logistics and infrastructure initiatives.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE

a) Key ratios and margins

Particulars	FY 2025-26 (%)	FY 2024-25 (%)
Debtors' turnover ratio	0.05	0.00
Inventory turnover ratio	0.65	0.06
Interest coverage ratio	(2.66)	(22.27)
Current ratio	0.52	0.55
Debt equity ratio	0.11	0.10
Operating profit margin (%) (before exceptional items)	(1265)	(2127.11)
Net profit ratio (%) (after tax)	(1007)	(29590)

b) Significant change in Financial Ratios

Particulars	**FY 2025-26 (%)**	FY 2024-25 (%)	**Changes in %**	**Reasons for Changes**
Debtors' turnover ratio	0.05	0	(97)	Manufacturing operation was shut down, consequently, turnover has reduced causing reduction in ratio.
Inventory turnover ratio	0.65	0.06	1022	
Interest coverage ratio	(2.66)	(22.67)	(88)	The reduction in ratio is due to reduction in EBITDA after exceptional items.
Operating profit margin (%) (before exceptional items)	(1265)	(2127)	(41)	Company incurred operating losses due to temporary shutdown of operation which caused reduction of ratio. (Refer note no.44)
Net profit ratio (%) (after tax)	(1007)	(29590)	(97)	

DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH DETAILED EXPLANATIONS THEREFORE

Particulars	FY 2025-26 (%)	FY 2024-25 (%)	Changes in %	Reasons for Changes
Return on net worth (%) (after Exceptional items)	(15.61)	(39.40)	(60)	Company has incurred losses during the year, which has caused negative return on net worth.

The financial performance should be viewed together with the strategic measures undertaken during the year, particularly the monetisation of the manufacturing assets and utilisation of the proceeds primarily towards repayment of outstanding liabilities.

The Company continues to focus on prudent financial management, efficient deployment of available resources and development of future business opportunities.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

In connection with the monetisation of the manufacturing assets and the corresponding change in operational requirements, the Company implemented in earlier year a Voluntary Retirement Scheme ("VRS") for eligible employees.

The objective of the Scheme was to align the manpower structure with the prevailing operational requirements of the Company. The separation process was undertaken in a cordial manner and industrial relations remained harmonious during the year. There were no reportable incidents of industrial unrest or disruption.

The Company remains committed to maintaining an appropriately structured workforce and ensuring efficient utilisation of human resources while exercising prudence in employee-related expenditure.

9 . CAUTIONARY STATEMENT

This Management Discussion and Analysis contains certain statements that may constitute forward-looking statements. Such statements are based on the Company's present expectations, assumptions and information available to the management.

Forward-looking statements include statements relating to the proposed logistics and infrastructure activities, development of the General Cargo Terminal, future business opportunities and the Company's strategic direction.

The proposed logistics initiative is subject to technical and commercial feasibility, availability of financial resources, applicable statutory and regulatory approvals, implementation requirements, market conditions and other factors beyond the control of the Company.

Accordingly, actual results, performance and future developments may differ materially from those expressed or implied by such forward-looking statements.

The Company does not undertake any obligation to publicly update or revise any forward-looking statement except as may be required under applicable laws and regulations.

CORPORATE GOVERNANCE REPORT

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practice and compliance with laws and regulations leading to effective control and management of the Company. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all stakeholders and satisfy the tests of accountability, transparency and fair play. The Company believes that all its operations and actions must be directed towards overall shareholders' value.

The best Corporate Governance practices has been adopted by Facor Alloys Limited to protect the interest of its stakeholders, customers and employees and the same is being continuously reviewed to ensure that they adhere to the latest corporate developments and conform to the best Corporate Governance ethics.

2. BOARD OF DIRECTORS

The Company has total no. of 6 Directors out of which 1 is Whole-time Director and 5 are Non-Executive Directors. The 5 Non-Executive Directors consist of 3 Independent Directors including one Woman Independent Director and 2 are Non-Executive Non-Independent Directors. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 read with the rules framed thereunder and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company, being the highest governance authority within the Management structure of the Company, is at the core of our Corporate Governance practices. The Board exercises its fiduciary responsibilities to foster sound standards of Corporate Governance within the Company thus providing direction and independence to the Management to achieve its objectives for value creation as well as protecting long-term interests of all stakeholders.

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected.

The Board composition is in conformity with Regulations 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Companies Act, 2013 ('the Act').

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI Listing Regulations) across all public companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors hold office in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than 7 listed companies as required under Regulation 17A of the SEBI Listing Regulations.

The composition of the Board as on during the year 2025-26 was as under:

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies	Names of the other Listed Entities where the Director holds Directorship and the Category of Directorship	No. of Membership/ Chairmanship of Board Committee of other Public Limited Companies	No. of Board Meetings attended	Whether Last AGM attended	Share-holding
Mr. Muralidhar Rambhatla (000982212)	Independent Non-Executive	Nil	Nil	Nil	4	Yes	Nil
Mr. Manojkumar Umashankar Saraf (DIN : 00234570)	Non-Executive*	Nil	Nil	Nil	4	Yes	5,92,871
Mr. M.B Thaker (DIN: 00004263)	Independent Non-Executive	Nil	Nil	Nil	4	Yes	5294
Ms. Vinita Bahri (DIN:03109454)	Independent Non-Executive	Nil	Sunflag Iron and Steel Co Ltd.— Independent Non-Executive Director	I. Audit Committee II. Nomination and Remuneration Committee Risk Management Committee III. CSR Committee	4	Yes	Nil

Name of the Directors	Category	No. of Directorship held in other Public Limited Companies	Names of the other Listed Entities where the Director holds Directorship and the Category of Directorship	No. of Membership/ Chairmanship of Board Committee of other Public Limited Companies	No. of Board Meetings attended	Whether Last AGM attended	Share-holding
Mr. M. D. Saraf (DIN: 00011966)	Non-Executive*	Nil	Nil	Nil	4	Yes	2851974
Mr. Gaurav Saraf (DIN:00197231) (Ceased to be Director w.e.f. 13.01.2026)	Non-Executive*	Nil	Nil	Nil	4	Yes	5156
Mr. Ashish Santosh Agrawal (02148665)	Executive	Nil	Nil	Nil	4	Yes	Nil

* Belongs to Promoter Group

1. The details of familiarization program imparted to Independent Directors are disclosed in the Website of the company www.facoralloys.in.
2. During the period under review i.e. as on 31st March, 2026, Mr. Gaurav Vinod Saraf resigned due to pre-occupation. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management.

   The Board met four (4) times in FY 2025-26 viz. on 20th May 2025, 12th August, 2025, 12th November, 2025, and 14th February, 2026. The necessary quorum was present for all the Board Meetings.

   The meetings of the Board have been held on regular intervals and the gap between two meetings did not exceed one hundred and twenty days. Different corporate operations were elaborately reviewed in the Board Meetings in context of business plans of the Company
3. The agenda was circulated well in advance to the Board/Committee Members along with comprehensive background information forming part of the agenda to enable the Board and Committees to arrive at appropriate decisions.
4. As on March 31, 2026, all the Board Members and Senior Management of the Company have affirmed compliance with their respective Codes of Conduct. A declaration to this effect duly signed by the Whole-time Director / CEO forms part of this Report. The Company has also received a confirmation from the Non-Executive Directors and Independent Directors regarding compliance of the Code for the year under review.
5. Criteria for evaluation of individual Directors include aspects such as attendance and contribution at the Board/ Committee Meetings. Criteria for evaluation of the Committees of the Board are broadly based on the Guidance Note on Board Evaluation issued by SEBI which inter alia, included a questionnaire on the structure of Board, Meetings of the Board and the functions of Board and Management after considering aspects of the Board's composition, functioning, obligations and governance. In terms of the requirement of the Act and the SEBI Listing Regulations, during the year under review, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.
6. The Company is engaged in Iron and Steel Industry. It is having a manufacturing unit with facilities to manufacturing of ferro alloys.
7. The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its aforesaid business for it to function effectively and those actually available with the Board are as follows:

Name of the Director & Category of Directorship	Specific skills/expertise/competence acquired
Mr. Muralidhar Rambhatla, Non-Executive, Independent	Vast experience in the field of Finance, Taxation, Project Management etc.
Ms. Vinita Bahri, Non-Executive, Independent	Rich experience in the field of Finance, wealth management etc.

Name of the Director & Category of Directorship	Specific skills/expertise/competence acquired
Mr. Manojkumar Umashankar Saraf, Promoter, Non-Executive & Non-independent Director	Vast experience of setting-up and overseeing the operations of ferro chrome plant and power plants including their financing, engineering, procurement, on-site execution and corporate affairs.
Mr. Mahendra Bhawanji Thaker, Non-Executive, Independent	Rich and versatile experience in the field of ferro alloys, steel as well as manganese mining.
Mr. Murlidhar Durgaprasadji Saraf, Promoter, Non-Executive & Non-independent Director	Vast experience in the Ferro Alloys industry.
Mr. Gaurav Saraf, Promoter, Non-Executive & Non-independent Director*	Rich experience in Business Administration.
Mr. Ashish Santosh Agrawal, Whole-time Director	Vast experience in the field of manganese alloys.

* Ceased to be the Director with effect from13th January, 2026

3. Independent Directors, separate meeting thereof and familiarization program

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (“the Act”). The maximum tenure of Independent Directors is in compliance with the Act. All Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The details of familiarization program imparted to Independent Directors are disclosed in the Website of the company www.facoralloys.in.

During the FY 2025-26, a separate meeting of the Independent directors of the Company was held on 24th March, 2026 in accordance with the Companies Act, 2013 and Listing Regulations, to review the performance of non-independent Directors, the Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board. All independent Directors as on that date have attended the meeting.

4. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

a) Composition, name of members and Chairman:

The Committee presently comprises three Members, namely, Mr. Muralidhar Rambhatla and Ms. Vinita Bahri, Non-Executive Independent Directors of the Company, and Mr. Asish Santosh Agrawal, Whole-time Director of the Company. Mr. Muralidhar Rambhatla is the Chairman of the Committee.

Mr. Gaurav Saraf, Non-Executive Non-Independent Director of the Company, ceased to be a Member of the Committee with effect from 13th January 2026.

Mr. Murlidhar Rambhatla, aged about 70, is a qualified Chartered Accountant. he is having experience of over 45 years in the field of Finance, Taxation, Project Management etc. He also served as Chief Financial Officer and Director (Finance) on the Board of Directors of Listed Company.

Ms. Vinita Bahri (DIN: 03109454), aged about 55, is a qualified Chartered Accountant. She is having experience of over 30 years in wealth advisory practice. She also serves on the Board of Directors of M/s. Sunflag Iron and Steel Co Ltd. (Listed Company). Apart from her wealth advisory, she also mentors young professionals and is invited as a speaker in the institutions for the same.

Mr. Ashish Santoash Agrawal is having vast experience in the field of manganese alloys.

Mr. Gaurav Saraf is having rich experience in business administration.

b) No. of meetings and attendance:

There were four meetings held during the year in FY 2025-26 viz. on 20th May 2025, 12th August, 2025, 12th November, 2025, and 14th February, 2026. The necessary quorum was present for all the Board Meetings.

c) Brief description of terms of reference:

The Committee’s terms of reference, authority and powers are in conformity with the requirement of the Section 177 of the Companies Act, 2013, the rules made there under and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. NOMINATION AND REMUNERATION COMMITTEE:

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, the composition, name of members and Chairman of "Nomination and Remuneration Committee" is as follows:

a) The Committee presently consists of 4 Members viz. Mr. Manoj Saraf, Non-executive Director and Mr. Muralidhar Rambhatla, Ms. Vinita Bahri and Mr. M. B. Thaker who are Non-executive Independent Directors of the Company. The Chairman of the Committee is Mr. M. B. Thaker, Independent Director.

b) The Committee oversees the Company's nomination process for the Directors, Senior Management and specifically to identify, screen and review individuals qualified to serve as Directors and at Senior Management consistent with criteria approved as per the Nomination & Remuneration Policy approved by the Board and to recommend, for approval of the Board, nominees for election at the AGM of the shareholders.

The Committee also reviews the compensation of the Company's whole-time Directors and senior management. The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors.

c) No. of meetings and attendance:

During the financial year 2025–26, one meeting of the Committee were held on 20th May, 2025. All members of the Committee attended the said meeting.

Brief description of terms of reference:

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e) Details of remuneration payable to Managerial Personnel for the year 2024-25:

Name of Directors		Total Remuneration including perquisites in cash	Estimated value of other perquisites in kind	Period of Agreement
1.	Mr. Ashish Santosh Agrawal	Nil	Nil	3 year from 30/05/2025

f) The Non-Executive Directors are paid remuneration by way of sitting fees only for each meeting attended by them. During the year 2025-26, they were paid sitting fees/remuneration as under:

Name of Director		Sitting fees paid for Board/ Committee Meeting (Amount in INR)	No. of equity shares of Re.1/- each held as on 31.03.2025
1.	Mr. Muralidhar Rambhatla	1,35,000	—
2.	Mr. M.B. Thaker	95,000	5,294
3.	Mr. Manojkumar Umashankar Saraf	45,000	5,92,871
4.	Ms. Vinita Bahri	1,35,000	17,008
5.	Mr. Gaurav Vinod Saraf	50,000	5,156
	TOTAL	4,60,000	

*Mr. M D Saraf has waived his siting fees.

Notes: (i) There are no stock options and severance fees.

(ii) No notice period is specified for Directors resignation/termination.

(iii) The Company's Remuneration Policy is aligned with its philosophy for payment of remuneration to Executive Directors, KMPs and all other employees based on the commitment of fostering a culture of leadership with trust.

(g) The Company believes that sound succession planning for the senior leadership is critical for developing bench strength to ensure growth, stability and a robust future for the Company. The NRC works for a structured leadership succession plan.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, the Committee reviews and resolves the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

The Committee presently consists of four Members viz., Mr. Muralidhar Rambhatla, Ms. Vinita Bahri, Mr. M.D. Saraf and Mr. M.B. Thaker. The Chairman of the Committee is Mr. Muralidhar Rambhatla, Independent Director. One meeting of the Committee was held during the year on 14.02.2026 and the meeting was attended by all the members.

Mr. Sachin Kumar Gupta, Company Secretary of the Company is the Compliance Officer.

a)	No. of Shareholders' complaints received during the period 01-04-2025 to 31-03-2026	3
c)	No. of complaints not solved to the satisfaction of the Shareholders	Nil
d)	Number of pending complaints as on 31-03-2026	Nil

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 178 of the Companies Act, 2013, the rules made there under and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In terms of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy. The CSR policy of the Company can be accessed at www.facoralloys.in.

The Committee presently consists of three Members viz., Mr. Muralidhar Rambhatla, Ms. Vinita Bahri, Mr. M.D. Saraf and Mr. Gaurav Saraf (upto 12th January, 2026). The Chairman of the Committee is Mr. Muralidhar Rambhatla, Independent Director.

In view of the continued suspension of operations and the absence of average net profits during the immediately preceding three financial years, the provisions relating to mandatory CSR spending were not applicable to the Company for the financial year ended 31st March 2026. Accordingly, no CSR expenditure was required or incurred during the year under review and no meeting of CSR was convened.

The Committee's terms of reference, authority and powers are in conformity with the requirement of the Section 135 of the Companies Act, 2013 and rules made thereunder.

Policy for Determining Material Subsidiaries

Regulation 16 of the SEBI Listing Regulations defines a 'material subsidiary' to mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In addition to the above, Regulation 24 of the SEBI Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. The Company did not have any material subsidiary during the year as defined in the SEBI Listing Regulations.

In terms of Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website www.facoralloys.in.

Vigil Mechanism

The Board has approved the Vigil Mechanism that provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

Under the Policy, every Director, employee or vendor of the Company has an assured access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Directors' Report. Further, the details of vigil mechanism can be accessed at www.facoralloys.in. No instances of fraud or other irregularities have been observed which need to be reported to the Board/Audit Committee.

5. GENERAL BODY MEETINGS

a) Location and time where last three Annual General Meetings (AGMs) were held :

AGM held	Day, date & time	Venue
20th AGM	Thursday, 28th December, 2023 at 12.00 p.m.	Through VC / OAVM in view of the MCA Circular dated September 25, 2023.
21st AGM	Monday, 30th September, 2024 at 12.00 P.M.	Through VC / OAVM in view of the MCA Circular dated September 19, 2024.
22nd AGM	Monday, 29th September, 2024 at 4.00 P.M.	Through VC / OAVM in view of the MCA Circular dated September 19, 2024.

b) The following special resolutions were passed in the previous three Annual General Meetings :

28th December, 2023	1. Approval for continuation of directorship of Mr. A. S. Kapre (DIN: 00019530) as an Independent Director after attaining the age of 75 (seventy five) years.
30th September, 2024	2. Appointment of Ms. Vinita Bahri (03109454) as an Independent Director 3. Appointment of Mr. Muralidhar Rambhatla (DIN: 00982212) as an Independent Director
29th September, 2025	Appointment of Mr. Murlidhar Durgaprasadji Saraf as Non-executive Non-independent Director

c) Whether any special Resolutions passed last year through postal ballot : Yes

(The shareholders have approved for sale/disposal of Plant and Machinery at Shreeramnagar, District Vizianagaram, Andhra Pradesh (Undertaking) on 10th July, 2025)

d) Person who conducted the postal ballot exercise : Mr. Ashish Santosh Agrawal

e) Whether any special Resolution is proposed to be conducted through postal ballot this year : No

f) Procedure for postal ballot followed : Yes

6. DISCLOSURES

a) All transactions entered into with related parties as defined under the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year, if any, were on an arm's length price basis and in the ordinary course of business and with requisite approvals as required. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: www.facoralloys.in. There were no materially significant related-party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their Subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

b) There was following non-compliance reported as well as penalties imposed:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount* in Rs.	Management Re-sponse
1	*Statement on Impact of Audit Qualification: Consolidation of Financial statements for the period ended 31/03/2025*	*33*	*Late submission of impact of Audit Qualification on Consolidated Financial Results*	*Stock Exchange*	*BSE imposed a penalty of Rs. 23,600 including GST (Rs. 20,000 + 18%GST)*	*Late submission of impact of Audit Qualification on Consolidated Financial Results*	*23,600 including GST*	*The Company has paid the amount and but has requested for waiver of the penalty.*

c) Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a 'Code of Conduct' for 'Prevention of Insider Trading' (The code). The code is applicable to all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company.

Mr. Sachin Kumar Gupta, Company Secretary is the Compliance Officer for monitoring adherence to the Regulations.

d) During the period under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations, 2015.

e) There was no case of not accepting any recommendations of any Committee of the Board which was mandatorily required during the year 2025-26.

f) The Company has neither issued any debt instruments nor accepted any fixed deposit program or any scheme or proposal involving mobilization of funds in India or abroad during the year 2025-26.

g) The Company has received a certificate from M/s. MT & Co., Company Secretaries, certifying that none of the Directors of the Company are debarred or disqualified from being appointed for continuing as Directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed herewith as a part of the report.

h) The details of the total fees of all services paid by the Company and its Subsidiaries for the financial year-2025-2026, on a consolidated basis, to M/s K. K. Mankeshwar & Co, Statutory Auditors and all the entities in the network firm/network entity of which the statutory auditor is a part, are as under:-

₹ in Lacs

Payment to Statutory Auditors	3.50
Other Services	0.75
Reimbursement of expenses	1.62
Total	**5.87**

i) The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Prevention of Sexual Harassment at workplace Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. There were no complaints pending at the beginning of the year i.e. as on 1st April, 2025. During the year, the Company has not received any complaint and no complaints were pending as on 31st March, 2026.

j) The Company has not given any loans or advances to any firm / company in which its Directors are interested.

k) The Company has complied with the requirements, as specified in Para 2 to 10 of Part C of Schedule V of the SEBI (LODR) Regulations, 2015.

7. MEANS OF COMMUNICATION

a) Quarterly results are communicated through newspaper advertisement.

b) The quarterly results are published in the “Financial Express” and “Prajasakti” newspapers.

c) The Company has a functional website for displaying results.

d) No presentation is made to institutional investors or to the analyst.

e) No official news releases are displayed in the website of the company.

8. GENERAL SHAREHOLDER INFORMATION

i) AGM-Date, Time and Venue:

Date	Time	Venue
29th September, 2026	12.00 P.M.	The Company is conducting meeting through VC / OAVM in view of MCA General Circular(s) dated 22nd September, 2025. For more details, please refer to the Notice of this AGM.

ii) The particulars of Directors seeking appointment/re-appointment/retiring by rotation at the ensuing Annual General Meeting as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are as under:-

A	NAME	MR. MANOJKUMAR UMASHANKAR SARAF
B	**Brief resume**	
i)	DIN	00234570
ii)	Date of Birth	10th December, 1953
iii)	Date of first appointment on the Board of the Company	01.04.2022
iv)	Qualification	B.E. (Metallurgy)
v)	Experience in specific functional area	Ferro Alloys, Steel & Power Industry dealing especially in the field of Production, Mining, Exports and related functions
C	Terms and conditions of appointment or re-appointment	As per Item No.2 of the Notice convening Annual General Meeting dated
D	Remuneration last drawn (including sitting	Rs.45,000/- (sitting fee)
	fees for FY 2025-26, if any) (per annum)	
E	Remuneration/ Sitting fees proposed to be paid	Payment of sitting fee as payable to all Non-executive Directors
F	Nature of expertise in specific functional areas	Vast experience of setting-up and overseeing the operations of ferro chrome plant including their financing, engineering, procurement, on-site execution and corporate affairs.
G	Name(s) of other Listed entities in which the person holds the Directorship	NIL
H	Chairman/Member of the Committee of the Board of Directors of the Company	Member of Nomination and Remuneration Committee
I	Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director.	NIL
J	No. of Shares of Re.1/- each held by the Director	5,92,871
K	Name(s) of other Listed entities in which the person resigned from Directorship during past 3 years	NIL
L	Relationship with Directors inter-se (As per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014)	He is one of the Promoters of the Company and a senior member of the Saraf family, being the nephew of Mr. M. D. Saraf who is promoter and Director of the Company
M	No. of Board Meetings held/ attended during the last financial year	Board Meeting held during FY 2025-26 :**4**

iii) Financial Year : 1st April to 31st March

iv) Date of Book closure from : Thursday, 24th September, 2026 to Tuesday, 29th September, 2026 (both days inclusive)

v) Dividend payment date : Not Applicable

vi) Listing on Stock Exchange and (Stock Code) : The Bombay Stock Exchange Ltd., (532656)
The Company has paid the listing fees for the F.Y. 2026-27 to BSE

vii) Market price data-High/Low (based on the closing prices) and volume during each month in the financial year 2025-26 as downloaded from BSE website are as under:

Month	Bombay Stock Exchange		
	High (INR)	Low (INR)	Volume (No. of shares)
April 2025	3.28	4.44	1,16,47,582
May 2025	4	4.02	73,91,931
June 2025	3.54	3.82	103,03,832
July 2025	3.79	3.8	66,51,411
August 2025	3.19	3.68	58,68,202
September 2025	3.37	4.04	1,08,46,455
October 2025	3.32	3.44	64,22,147
November 2025	3.24	3.38	65,19,490
December 2025	3.13	3.5	65,86,472
January 2026	2.82	3.39	1,51,36,569
February 2026	2.7	2.94	53,93,613
March 2026	2.33	2.77	1,08,13,884

viii) Registrar & Share Transfer Agent (RTA):

Currently, the Company is availing the services M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 for its share registry work for both the form i.e. physical as well as electronic.

Accordingly, the shareholders are requested to approach M/s MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020, for all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialisation of shares held in the company.

ix) Share Transfer System and other necessary information for the shareholders of the Company:

SEBI has notified vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/ P/2018/73 dated 20th April, 2018 and No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated 16th July, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, the shares in physical mode cannot be transferred after 31st March, 2019. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. However, the shareholders shall be able to continue to hold shares in physical form.

The Company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants.

SEBI vide its Circulars issued from time to time, mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through applicable forms. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.

Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to submit the necessary papers/details to our Registrar in case the shares are held in physical form, quoting their folio number. Changes intimated to the DP will then be automatically reflected in the Company's records.

Further, Members may please note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only while processing any service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company.

x) a) Distribution of shareholding as on 31.03.2026:

No. of equity shares held	No. of shareholders	No. of shares held	% of issued share Capital
1 to 5000	67458	32342670	16.539
5001 to 10000	1779	13704241	7.008
10001 to 20000	804	11622483	5.943
20001 to 30000	282	7071745	3.616
30001 to 40000	119	4578562	2.341
40001 to 50000	89	4111729	2.102
50001 to 100000	144	10665085	5.453
100001 and above	106	111450840	56.994
Total	**70791**	**195547355**	**100.00**
Physical Mode	**313216**	**0.16**	
Electronic Mode	**19,52,34,139**	**99.84**	

b) Categories of shareholders as on 31.03.2026:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86108728	44.03
b.	Financial Institutions/ Banks	5814	0.00
c.	Mutual Funds	1780	0.00
d.	Bodies Corporate	1911679	0.98
e.	Others	107519354	54.99
	Total:	**195547355**	**100.00**

xi) Dematerialization of shares and liquidity:

99.84% of the share capital has been dematerialized as on 31st March, 2026.

xii) The Company has not issued any GDRs / ADRs / Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.

xiii) Plant location: Shreeramnagar-535 101, Garividi, Dist: Vizianagaram, Andhra Pradesh

xiv) Address for correspondence:

a) For matters relating to Company's shares:

M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

b) For other matters:

Polyplex Building, Tower-B, Ground Floor, B-37, Sector-1, Noida – 201301, India.

xv) The policies on dealing with related party transactions and determining material subsidiaries are disclosed in the website of the company www.facoralloys.in.

xvi) Commodity price risk or foreign exchange risk & hedging activities :

The company is resorting to natural hedges across transactions, i.e., netting-off of inflows and outflows and hedging the net flows will not be resorted to.

xvii) Compliance with Discretionary Requirements:

A. During the financial year 2024-25, there was a change in the management of the Company. Following this transition, the new management was unable to obtain complete and reliable financial information relating to the Company's overseas subsidiary, which is required for the purpose of 'consolidation. After obtaining a legal opinion, the management has taken a considered decision to present the consolidated financial results for the year ended 31st March 2026, excluding the financial results of the said overseas subsidiary. It is further clarified that the current year's transactions of the overseas subsidiaries have not been considered for the purpose of consolidation.

Based on the management's assessment, the financial impact of non-consolidation of these transactions is not material to the consolidated financial statements. In relation to the above matter, the Company has also filed a formal complaint with the Economic Offences Wing (EOW) for appropriate action and investigation."

B. The company has appointed a third party firm as the Internal Auditors which carry out the audit and the report is presented to the Audit Committee for review and further directions.

9. COMPLIANCE:

a) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s), back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

b) Accounting treatment in preparation of financial statements:

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015 except as mentioned the disclaimer in Consolidated Audit Report

10. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

a) Registration of Email Addresses:

Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 read with Circular bearing No. CIR/CFD/DIL/7/2011 dated 05.10.2011 of SEBI, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Statement of Profit & Loss, Directors Report, Auditors Report etc. in electronic mode (hereinafter 'documents'), provided the Company has obtained email addresses of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to submit the duly filled & signed Form ISR-1 to our RTA i.e Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020, Phone No. +91-11-26387281-83, Fax No. +91-11-26387384, E-Mail: investor@masserv.com along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agent, i.e. M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

In respect of shares held in electronic form, the email address along with DP ID / Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective Depository Participants. Upon registration of the email address, the Company shall be enable to send notices and documents, in electronic form, to such shareholders.

b) Registration of National Electronic Clearing Services (NECS) / Electronic Clearing Services (ECS) mandate:

NECS/ECS facility ensures timely remittance of dividend without possible loss / delay in postal transit. Shareholders/ Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders / Members holding shares in physical form may register their NECS/ECS details with the Registrars and Share Transfer Agents, to receive dividends, if declared, via the NECS / ECS mode.

c) Updation of Address / Bank Details /PAN no. etc.:

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details/PAN no. with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents as mentioned in point no. 10(a).

d) Consolidation of multiple folios (in respect of physical shareholding):

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence / corporate benefits could then be sent to the consolidated folio.

e) Compliances of mandatory requirements and adoption of the non mandatory requirements

The Company has complied with all the mandatory requirements and the following non-mandatory requirement:

The statutory financial statements both Standalone/Consolidated of the Company are not in qualifying nature except for the non-consolidation of Foreign Subsidiary as disclosed in Note 35 to the Consolidated Financial Statements.

11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

I) There were following non-compliance were reported as well as penalties imposed:

A. "During the financial year 2024-25, there was a change in the management of the Company. Following this transition, the new management was unable to obtain complete and reliable financial information relating to the Company's overseas subsidiary, which is required for the purpose of 'consolidation. After obtaining a legal opinion, the management has taken a considered decision to present the consolidated financial results for the year ended 31st March 2026, excluding the financial results of the said overseas subsidiary. It is further clarified that the current year's transactions of the overseas subsidiaries have not been considered for the purpose of consolidation.

Based on the management's assessment, the financial impact of non-consolidation of these transactions is not material to the consolidated financial statements. In relation to the above matter, the Company has also filed a formal complaint with the Economic Offences Wing (EOW) for appropriate action and investigation."

B.

Sr. No.	Regulation / Provision	Nature of Non-Compliance	Regulatory Action Taken	Company's Response / Status
1	Regulation 33 of SEBI (LODR)	Late submission of impact of Audit Qualification on Consolidated Financial Results	Monetary fine of ₹ 23,600 (incl. GST) imposed by BSE	The Company has paid the amount and but has requested for waiver of the penalty

12. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

I. Disclosure on website in terms of Listing Regulations

Item	Compliance status (Yes/No/NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact in formation of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	NA

II. Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	No
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Disclosure of shareholding by non-executive directors	Yes	
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2),(3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6) : as follows:	

Company has overseas subsidiary company in Netherlands namely M/s Facor Minerals (Netherlands) (˜FMN"). ("FMN is referred to as the "Overseas Subsidiary"). Erstwhile promotor Director of the company, who was director in Overseas Subsidiaries has stepped down with effect from 4th April, 2024 since then company was asking all documents and information pertaining to affairs of overseas companies from erstwhile directors, issued notices, emails to him but did not get any information or reply from erstwhile director. Company is taking all legal course of action. In absence of documents pertaining to overseas companies, company is unable to consolidate the same in consolidated financial statements / results for the quarter/period ended on 30th June, 2025, 30th September, 2025 and 31st December, 2025. Company obtained legal opinion and the Board considered the said legal opinion and observed the situation arose on account of non-availability of financial records as well as information pertaining to affairs of overseas subsidiaries and resolved that company will declare consolidated financial statements/ results without consolidating overseas subsidiaries. However, the said overseas subsidiary is non-operational and no commercial or revenue generating activities were carrying out, no expenses were incurred during the quarter and investments in overseas subsidiary have already been fully impaired years back, Hence there is no material impact on the results for the quarter/period ended on 30th June 2025, 30th September, 2025 and 31st December, 2025. In this regard, appropriate legal notices were issued to the erstwhile Management and appropriate legal action has been initiated against them.

Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance requirements	27	Yes

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct for the year ended 31st March, 2026.

Place: Nagpur
Date: 12th August, 2026

Ashish Santosh Agrawal
Whole-time Director
(DIN: 02148665)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Facor Alloys Limited,
Shreeramnagar-535 101,
Garividi (Andhra Pradesh)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Facor Alloys Limited having CIN L27101AP2004PLC043252 and having registered office at Shreeramnagar-535101, Garividi (Andhra Pradesh)- 535101 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me / us by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MANOJKUMAR UMASHANKAR SARAF	00234570	01/04/2022
2	MAHENDRA BHAWANJI THAKER	00004263	30/06/2022
3	VINITA BAHRI	03109454	14/08/2024
4	MURALIDHAR RAMBHATLA	00982212	30/09/2024
5	ASHISH SANTOSH AGRAWAL	02148665	30/05/2024
6	MURLIDHAR DURGAPRASADJI SARAF	00011966	09/04/2024

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MT & Co.**
Company Secretaries

(Tumul Maheshwari)
Proprietor
C.P. No.5554
ICSI PR-1749/2022
UDIN No. A016464H000835326

Date: 14/07/2026
Place: Delhi

CERTIFICATE/REPORT ON CORPORATE GOVERNANCE

To the Members of
Facor Alloys Limited
Sreeramnagar, P.O. Garividi
Vizianagaram-535101 (Andhra Pradesh)

I, have examined the compliance of the conditions of Corporate Governance by Facor Alloys Limited (CIN: L27101AP2004PLC043252) ("the Company") for the financial year ended on 31st March 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). *The company's operations have been shut down since 31/10/2023 and has reported minimal revenue. Company has incurred continuous losses since last 3 years and promoters are infusing funds to meet fund requirements.*

In the previous financial year there was a change in the management of the Company. Following this transition, the new management was unable to obtain complete and reliable financial information relating to the Company's overseas subsidiary, which is required for the purpose of 'consolidation. After obtaining a legal opinion, the management has taken a considered decision to present the consolidated financial results for the period ended 31st March 2026, excluding the financial results of the said overseas subsidiary.

It is further clarified that the current year's transactions of the overseas subsidiaries have not been considered for the purpose of consolidation. Based on the management's assessment, the financial impact of non-consolidation of these transactions is not material to the consolidated financial statements.

As per Management's explanation, legal notices have been issued to the erstwhile Management in this regard. Since, no information was forthcoming, legal action also has been initiated against them, including making complaints to the Economic Offences Wing, Delhi Police and subsequently before the Hon'ble Metropolitan Magistrate Courts in New Delhi.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations for the year ended on 31st March 2026.

I, state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. The stake holders are also requested to refer to audit report for the year ended 31/03/2026 to make informed decisions.

For **MT & Co.**
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No. 16464
C.P. No.5554
PR-1749/2022
UDIN No. A016464H000835282

Date: 14/07/2026
Place: Delhi

CERTIFICATION BY WHOLE TIME DIRECTOR AND PRESIDENT

To the Board of Directors
Facor Alloys Limited
SHREERAMNAGAR-535101,
Dist. Vizianagaram (A.P.)

We certify that:

[a] We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2026 and that to the best of our knowledge and belief:

[i] These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

[ii] These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

[b] There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

[c] We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

[d] We have indicated to the auditors and the Audit Committee that:

[i] There have been no significant changes in internal control over financial reporting during the year;

[ii] There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

[iii] There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Nagpur	**Md. Asim Quraishi**	**Vinod Saraf**	**Ashish Santosh Agrawal**
Date: 25th May, 2026	CFO	President	Whole Time Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Facor Alloys Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows 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 standalone financial statements give the information required by the Companies Act, 2013 ("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, 2026, and its loss, total comprehensive income, changes in equity, and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to **Note 43** to the standalone financial statements, which states that the Company has been shut down its manufacturing operations w.e.f. 31-10-2023. The Company has incurred significant losses during the year and has negative operating cash flows. The management has prepared the financial statements on a going concern basis based on its assessment of the Company's future business prospects, expected financial support from group entities and lenders, and planned measures to resume operations.

These conditions, along with other matters as set forth in Note 43, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis, for the reasons stated therein.

Our opinion is not modified in respect of this matter

Emphasis of Matter

We draw attention to **Note 42** to the standalone financial statement regarding the identification of excess quantity of anthracite coal at the production floor during the financial year 2024- 25, arising due to lower-than-anticipated consumption of raw materials in the manufacturing process as compared to the standard norms for production efficiency. The Company has sold part of such excess quantity during the year and, considering the non- recurring and exceptional nature of the transaction, the resultant proceeds have been separately disclosed under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2026.

We draw attention to **Note 16.1** to the standalone financial statements regarding the proposed sale of certain plant and machinery classified as assets held for sale, for which shareholders' approval was obtained through postal ballot on July 10, 2025. The Company has received an amount of INR 27.97 crore from the prospective purchaser, which has been disclosed as an advance from customer/purchaser pending execution of the definitive sale agreement. As stated in the said note, the final terms and conditions relating to the transfer of risks and rewards of ownership of the said assets have not yet been finalized and the definitive contract has not been executed as at the reporting date. Accordingly, no sale transaction has been recognized and no gain or loss has been recorded in the Statement of Profit and Loss for the period.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How Our audit addressed the key audit matter
As disclosed in **Note 48** to the standalone financial statements, a dispute has arisen between the Company and Rajadhiraj Vinayak Natraj Pvt. Ltd. (RTVNPL) concerning the termination of a conversion agreement. The matter is currently under arbitration proceedings before an arbitrator appointed by the Hon'ble High Court of Delhi. While the Company has made claims, RTVNPL has also raised counterclaims. As at the reporting date, no amount has been realized from the said party, and the Holding Company has not made any provision against the outstanding receivables of ₹ 2,444.85 lakhs or any liability for the counterclaims raised by RTVNPL.	• Assessed the management's conclusions through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussed with the management on the development in these litigations during the year ended March 31, 2026. • Rolled out of enquiry letters to the Company's legal counsel and noted the responses received. • Assessed the responses received from Company's legal counsel by engaging our internal legal experts. • Assessed the objectivity and competence of the Company's legal counsel involved in the process and legal experts engaged by us. • Assessed and validated the adequacy and appropriateness of the disclosure made by the management in the Consolidated Ind AS Financial Statements. • Obtained representation letter from the management on the assessment of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone financial statements and our auditor's report thereon.

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

Responsibilities of management and those charged with governance for the Standalone 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 Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Standalone 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.

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

Auditor's responsibilities for the audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone 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 system 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 A", 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, to the extent applicable, 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 appears from our examination of those books;
   c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid Standalone financial statements comply with the Indian 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 31st March, 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
   g. During the year 2025-26, the company has not paid any managerial remuneration to its directors.

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, 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 note no. 33 in its standalone financial statements.

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

iii) There has been no delay in transferring amounts, 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 persons or entities, 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, other than as disclosed in the noted to accounts, no funds have been received by the company from any persons or entities, 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 the audit procedures that were 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 declared or paid during the year by the Company.

vi) Pursuant to the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our knowledge and belief, and according to the information and explanations given to us and based on our examination of the audit trail report.

The company has maintained its books of account using accounting software that has a feature of recording audit trail (edit log) as required under Rule 3(1) of the Companies (Accounts) Rules, 2014. The audit trail feature has been operated throughout the year for all transactions recorded in the software. The audit trail has not been tampered with and has been preserved as per the statutory requirements for record retention.

Mohsin A Hada
Partner
Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
Firm's Registration No. 106009W
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIALS STATEMENTS OF FACOR ALLOYS LIMITED

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our Report of even date)

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 is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 favor of the lessee) disclosed in the financial statements are held in the name of the company;

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year;

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988(45 of 1988) and rules made there under.

ii. (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management During the financial year 2024-25, the management identified an excess quantity of anthracite coal at the production floor. This surplus arose due to lower than-anticipated consumption of raw materials in the manufacturing process when compared with the standard norms for production efficiency. Out of the identified excess, the company sold some quantity during the year. Given the non-recurring and exceptional nature of this event, the proceeds from the sale have been disclosed separately under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2026.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned during any point of time of the year, working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

iv. According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

v. The company has not accepted any deposits or amounts which are deemed to be deposits covered under the directives issued by the RBI & provisions of sections 73 to 76 of the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, clause 3(v) of the Order is not applicable to the company and hence not comment upon.

vi. We have broadly reviewed the books of accounts and records maintained by the Company relating to the products of the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 for the business activities carried out by the company and we are of opinion that prima facie such accounts and records have been made and maintained;

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, chess and any other statutory dues to the appropriate authorities.

According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2026 for a period of more than six months from the date they became payable.

(b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise duty and Value Added Tax which have not been deposited as at March 31, 2026 on account of dispute are given below:

Name of Statute	Nature of Dues	Amount (INR)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	2,10,00,000/-	2017-2018	CIT(A)
A.P Sales Tax Act, 1957	Tax	21,27,304/-	2003-04	High Court of Andra Pradesh.
A.P Sales Tax Act, 1957	Tax	7,44,122/-	2005-06	Andra Pradesh State Tax Appellant Tribunal. (Vishakhapatnam Bench)
A.P Sales Tax Act, 1957	Tax	38,695/-	2010-11	Andra Pradesh State Tax Appellant Tribunal. (Vishakhapatnam Bench)
A.P Sales Tax Act, 1957.	Tax	67,993/-	2011-12	Andra Pradesh State Tax Appellant Tribunal. (Vishakhapatnam Bench)
A.P Excise Act, 1968.		1,58,34,227/-	1988-89	High Court of Andra Pradesh, Hyderabad

*Amount is net of payment under protest

viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.

(e) In our opinion & according to the information and explanations given by the management, the company has not taken any funds from an entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associates.

(f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.

(b) We have not come across any instance of fraud by the Company, notices or reported during the year, nor have we been informed of such case by the management. Consequently, requirement of report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 does not arise;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

xii. As the company is not a Nidhi Company, accordingly, clause (xii) of paragraph 3 of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;

xiv. (a) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company during the year and covering the period up to 31st March, 2026.

xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Since the company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses of Rs. 1918.53 lakhs during the current financial year and Rs. 5966.02 lakhs during the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. Based on our audit and according to the information and explanations given to us, we draw attention to Note 43 of the standalone financial statements, which discloses the existence of a material uncertainty regarding the company's ability to meet its liabilities as and when they fall due within a period of one year from the balance sheet date. In our opinion, this indicates that there exists a material uncertainty as on the date of the audit report regarding the company's capability of meeting its obligations existing at the balance sheet date as and when they fall due within such period of one year.

xx. (a) Based upon the audit procedures performed and the information and explanations given by the management, there is no unspent amount of C.S.R expenditure. Accordingly, there is no need of transfer of amount to funds specified in Schedule VII to the Act in accordance with second proviso to sub-section (5) of section 135 of the said Act.

(b) There is no remaining unspent amount under sub-section (5) of section 135 of the said Act, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

xxi. Please refer Annexure 'A' of the Report on the Audit of the Consolidated Financial Statements in respect of clause 3 (xxi) of the Order.

Mohsin A Hada
Partner
Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
Firm's Registration No. 106009W
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

Annexure- "B" to the Independent Auditors' Report

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the Members of Facor Alloys Limited 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 over financial reporting of M/s Facor Alloys Limited ("the Company") as of 31 March 2026 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, 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.

Mohsin A Hada
Partner
Membership No. 608681
For and on behalf of

K.K. Mankeshwar & Co.
Chartered Accountants
Firm's Registration No. 106009W
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

STANDALONE BALANCE SHEET AS AT 31 MARCH 2026

(₹ in Lakhs)

	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	9,884.42	10,538.61
Right of Use Assets (ROU)	5	-	-
Investments in Subsidiaries and Associates	6	-	-
Financial Assets			
(i) Other Non-Current Financial Assets	7	535.85	532.27
Deferred Tax Asset (Net)	8	3,290.16	2,803.38
Total Non-Current Assets		**13,710.43**	**13,874.26**
Current Assets			
Inventories	9	166.03	285.09
Financial Assets			
(i) Trade Receivables	10	2,971.02	2,971.07
(ii) Cash and Cash Equivalents	11	178.16	30.65
(iii) Other Bank Balances	12	603.62	0.18
(iv) Other Current Financial Assets	13	48.75	47.73
Current Tax Assets (Net)	14	7.18	11.01
Other Current Assets	15	452.42	517.59
Assets Classified as Held for Sale	16	949.73	614.75
Total Current Assets		**5,376.91**	**4,478.07**
Total Assets		**19,087.35**	**18,352.33**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,955.48	1,955.48
Other Equity	18	6,811.67	8,239.01
Total Equity		**8,767.15**	**10,194.49**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Provisions	19	4.48	35.34
Total Non-Current Liabilities		**4.48**	**35.34**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	929.50	1,029.50
(ii) Trade Payables			
Micro Small and Medium Enterprises	21	-	85.67
Others	21	3,892.87	2,360.72
(iii) Other Financial Liabilities	22	344.27	571.89
Other Current Liabilities	23	4,091.95	2,896.55
Provisions	24	1,057.14	1,178.17
Total Current Liabilities		**10,315.72**	**8,122.50**
Total Liabilities		**10,320.20**	**8,157.84**
Total Equity and Liabilities		**19,087.35**	**18,352.33**
Notes to Financial Statements	1 to 50		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
(Membership No. 608681)

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue			
Revenue from Operations	25	146.99	16.97
Other Income	26	41.79	1,041.33
Total Income		**188.78**	**1,058.30**
Expenses			
Cost of Materials Consumed		-	-
Change in Inventory of Finished Goods and Work in Progress/ Purchase of Stock-in-Trade	27	101.64	-
Employee Benefits Expenses	28	1,239.68	792.55
Finance Costs	29	506.52	256.34
Depreciation and Amortisation Expense		130.68	155.10
Other Expenses	30	576.08	471.62
Total Expenses		**2,554.60**	**1,675.61**
Profit/ (Loss) Before Tax and Exceptional Items		**(2,365.82)**	**(617.31)**
Exceptional Items			
A) Profit / (Loss) on Sale of Investment		-	-
A) Profit / (Loss) on Sale/Discard of Fixed Asset		266.52	3.44
B) Arrear Electricity Charges (FPPCA Charges) (Refer note 42)		-	(3,242.03)
C) Profit / Loss on Sale of Excess Inventory (Refer note 42)		50.09	61.78
D) Sundry Balance Written off		79.86	-
E) Expenses for Recovery on Conversion (Refer note 33 (d))		-	(2,327.00)
F) Diminish in the value of Raw Material		(14.57)	
Profit/ (Loss) Before Tax		**(1,983.92)**	**(6,121.12)**
Tax Expense:			
Current Tax	31	-	-
Tax for earlier years		-	-
Deferred Tax		(504.35)	(1,099.65)
Profit/ (Loss) for the Period (A)		**(1,479.57)**	**(5,021.47)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of defined benefit plans		69.80	(109.89)
Deferred Tax relating to remeasurement of defined benefit plans		(17.57)	27.66
Total Other Comprehensive Income for the Period (B)		**52.23**	**(82.23)**
Total Comprehensive Income for the Period (A + B)		**(1,427.34)**	**(5,103.70)**
Earnings per Equity Share	32		
Basic		(0.76)	(2.57)
Diluted		(0.76)	(2.57)
Notes on Financial Statements	1 to 50		

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
(Membership No. 608681)

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

	Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A	**Cash flows from Operating Activities**		
	Net Profit/ (Loss) after Prior Period Items and Before Tax	(1,983.92)	(6,121.12)
	Adjustments For:		
	a) Interest Income	(35.95)	(86.38)
	b) Depreciation	130.68	155.10
	c) Provision for Doubtful Advances	-	0.16
	d) Life Time Expected Credit Loss	-	-
	e) (Gain)/Loss on Sale of Fixed Assets	(266.52)	(3.44)
	f) Interest Expense	506.52	256.34
	Operating Cash Profit before Working Capital Changes	**(1,649.19)**	**(5,799.34)**
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	1,446.48	69.94
	b) Increase/(Decrease) in Other Current Liabilities	1,195.40	2,732.31
	c) Increase/(Decrease) in Other Current Financial Liabilities	(252.90)	180.98
	d) (Increase)/Decrease in Other Non Current Financial Assets	(3.58)	638.22
	e) Increase/(Decrease) in Provisions	(82.10)	(21.29)
	f) (Increase)/Decrease in Other Current Financial Assets	(603.47)	306.25
	g) (Increase)/Decrease in Inventories	119.06	14.43
	h) (Increase)/Decrease in Trade Receivables	0.05	1,442.27
	i) (Increase)/Decrease in Other Current Assets	65.17	(231.30)
	Cash Generated from/ (used in) Operations	**234.92**	**(667.53)**
	Less: Income Tax Paid (Net of Refunds)	3.83	265.29
	Net Cash Generated from/ (used in) Operating Activities(A)	**238.76**	**(402.24)**
B	**Cash Flow from Investing Activities:**		
	(Purchase) of Property, Plant and Equipment and Capital Work in Progress	(40.68)	-
	Net Proceeds of Property, Plant and Equipment and Capital Work in Progress	495.73	11.03
	Interest Received	34.95	93.11
	Net Cash Generated from/ (Used in) Investing Activities (B)	**490.00**	**104.14**
C	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Borrowings	(100.00)	397.50
	Interest Expense Paid	(481.25)	(198.06)
	Net Cash generated from/ (used in) Financing Activities (C)	**(581.25)**	**199.44**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	147.51	(98.66)
	Cash and Cash Equivalents at the Beginning of the year	30.65	129.31
	Cash and Cash Equivalents at the End of the year	**178.16**	**30.65**

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
(Membership No. 608681)

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

(a) Equity Share Capital	For the year ended 31 March 2026 Amount	31 March 2025 Amount
At the beginning of the year	1,955.48	1,955.48
Changes in Equity Share Capital during the year	-	-
At the end of the year	**1,955.48**	**1,955.48**

(b) Other Equity

Particulars	Reserves & Surplus					Other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Portion of Borrowings	Remeasurement of Defined Benefit Plans	
Balance at 31 March 2024	**8,700.51**	**2,667.52**	**250.00**	**1,913.06**	**16.64**	**(205.02)**	**13,342.71**
Profit for the year	-	-	-	(5,021.47)	-	-	(5,021.47)
Other Comprehensive Income/ (Loss) for the year	-	-	-	-	-	(82.23)	(82.23)
Total Comprehensive Income for the year	**-**	**-**	**-**	**(5,021.47)**	**-**	**(82.23)**	**(5,103.70)**
Balance at 31 March 2025	**8,700.51**	**2,667.52**	**250.00**	**(3,108.41)**	**16.64**	**(287.25)**	**8,239.01**
Profit for the year	-	-	-	(1,479.57)	-	-	(1,479.57)
Other Comprehensive Income/ (Loss) for the year	-	-	-	-	-	52.23	52.23
Total Comprehensive Income for the year	**-**	**-**	**-**	**(1,479.57)**	**-**	**52.23**	**(1,427.34)**
Balance at 31 March 2026	**8,700.51**	**2,667.52**	**250.00**	**(4,587.98)**	**16.64**	**(235.02)**	**6,811.67**

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
(Membership No. 608681)

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. REPORTING ENTITY

Facor Alloys Limited referred to as "FAL" or "the Company" is domiciled in India. The Company's registered office is at Shreeramnagar, Garividi, Dist. Vizianagram, Andhra Pradesh – 535101.

The Company is listed at Bombay Stock Exchange. At one point of time FAL was one of the India's largest producers and exporters of Ferro Alloys, an essential ingredient for manufacture of Steel and Stainless Steel. FAL was incorporated in 2004 under the Companies Act, 1956.

The standalone financial statements for the year ended March 31, 2026, were approved for issue in accordance with a resolution of the Board of Directors of the Company on May 25, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS'), prescribed under Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The company adopted Ind AS from 1st April, 2017.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest lakhs (INR 00,000) as per the requirement of Schedule III, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle at 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Basis of measurement

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Property, plant and equipment at fair value;
- Certain financial assets and liabilities (including derivative instruments) measured at fair value;
- Defined benefit liability/ assets: fair value of plan assets less present value of defined benefit obligation

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based in current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria: it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. It is held primarily for the purpose of being traded;

- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

c) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Leases: Whether an arrangement contains a lease
- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the year is included below:

- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant & equipment
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

d) Property, plant and equipment:

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed. –

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate item (major components) of property, plant and equipment.

Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and its cost can be measured reliably.

Depreciation

The charge in respect of depreciation on tangible assets acquired prior to 01.04.2014 is provided on different fixed assets on the basis of 'straight line method' and 'written down value method' over the useful life of assets after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life as evaluated by external valuers and further reviewed by the technical Management based on historical experience. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act,2013

However, the useful life of the assets acquired on or after 1st April, 2014, is in accordance with the useful lives as prescribed for those assets in Part C of Schedule II of the Companies Act, 2013.

Cost of leasehold land is amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

e) Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The company classifies its financial assets as subsequently measured at either amortized cost or fair value through comprehensive income or fair value through profit and loss account depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

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

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Derecognition of financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

g) Inventories

Raw material, stores and spares, work in progress and finished goods are valued at lower of cost or net realizable value

h) Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application i.e. April 1, 2018. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

(i) Sale of goods

Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Export benefits are recognised as per schemes specified in Foreign Trade Policy, as amended from time to time on accrual basis.

(ii) Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

(iii) Export Incentives are recognised as per schemes specified in foreign Trade Policy, as amended from time to time on accrual basis when right to receive is established and are accounted to the extent there is no uncertainty about its ultimate collection

(iv) Dividend income is recognised, when the right to receive the dividend is established.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

i) Leases

The Company has adopted Ind AS 116 using the modified retrospective approach from 01.04.2019 and therefore the comparative information till March 31, 2019 has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate and an estimate cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate.

Lease payment included in the measurement of the lease liability comprise followings;

- Fixed payments, including in substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

j) Foreign currency transactions

(i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on year end date.

(iii) Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction and carried at cost.

(iv) Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

k) Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

a) Provident Fund

b) Superannuation Fund

iii. Defined benefit plans

The company has only one Defined benefit plan - Gratuity. The company net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The company has following long term employment benefit plans:

a) Leave encashment

Leave encashment is payable to eligible employees at the time of retirement. The liability for leave encashment is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

l) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Facor alloys Limited has been identified as being the chief operating decision maker by the Management of the company. Refer **note 34** for segment information presented.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. These are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated or amortized while they are classified as held for sale.

Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when it no longer meets the "held for sale" criteria.

s) Events occurring after the balance sheet date

All material events occurring after the balance sheet date upto the date of approval of financial statements by the board of directors, have been considered, disclosed and adjusted, wherever applicable, as per the requirements of Ind AS 10 – Events after the Reporting Period.

3. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs (MCA), notifies new standard or amendments to the existing standards. There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block						Depreciation						Net Block
	As at 31 March 2025	Adjustment	Additions	Assets classified as held for sale	Deletions/ Adjustments	As at 31 March 2026	As at 31 March 2025	Adjustment	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2026	As at 31 March 2026
Tangible Assets													
Freehold Land	9,718.99	-			89.31	9,629.68	-	-	-	-	-	-	9,629.68
Mines and Quarries Freehold	83.40	-	-	-	-	83.40	-	-	-	-	-	-	83.40
Buildings	207.41	-	-	-	26.14	181.27	82.70	-	5.34	-	15.80	72.24	109.03
Railway Sidings	12.03	-	-	-	-	12.03	8.62	-	0.42	-	-	9.04	2.99
Plant and Machinery	1,856.37	-	-	1,563.34	293.03	0.00	1,278.34	-	114.03	1,156.61	235.76	0.00	-0.00
Office Equipments	111.77	-	1.50	-	-	113.27	92.83	-	5.31	-	-	98.14	15.14
Furniture & Fixtures	5.40	-	-	-	-	5.40	4.45	-	0.16	-	-	4.61	0.79
Vehicles	25.28	-	39.17	-	3.08	61.37	15.10	-	5.42	-	2.54	17.98	43.39
Total	**12,020.65**	**-**	**40.68**	**1,563.34**	**411.56**	**10,086.43**	**1,482.04**	**-**	**130.68**	**1,156.61**	**254.10**	**202.01**	**9,884.42**

The above includes following assets given on operating lease:

	As at 31 March 2026			2026
Particulars	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year
Freehold Land	150.00	-	150.00	-
Total	**150.00**	**-**	**150.00**	**-**

Particulars	Gross Block						Depreciation						Net Block
	As at 31 March 2024	Adjustment	Additions	Assets classified as held for sale	Deletions/ Adjustments	As at 31 March 2025	As at 31 March 2024	Adjustment	For the year	Assets classified as held for sale	Adjustments / Deductions	As at 31 March 2025	As at 31 March 2025
Tangible Assets													
Freehold Land	9,790.49	-	-	71.50	-	9,718.99	-	-	-	-	-	-	9,718.99
Mines and Quarries Freehold	83.40	-	-	-	-	83.40	-	-	-	-	-	-	83.40
Buildings	207.41	-	-	-	-	207.41	76.37	-	6.33	-	-	82.70	124.71
Railway Sidings	12.03	-	-	-	-	12.03	8.13	-	0.49	-	-	8.62	3.41
Plant and Machinery	1,861.05	-	-	-	4.68	1,856.37	1,139.84	-	138.50	-	-	1,278.34	578.03
Office Equipments	114.63	-	-	-	2.86	111.77	86.58	-	8.67	-	2.42	92.83	18.94
Furniture & Fixtures	5.40	-	-	-	-	5.40	4.26	-	0.19	-	-	4.45	0.95
Vehicles	32.21	-	-	-	6.93	25.28	18.64	-	0.92	-	4.46	15.10	10.18
Total	**12,106.62**	**-**	**-**	**71.50**	**14.47**	**12,020.65**	**1,333.82**	**-**	**155.10**	**-**	**6.88**	**1,482.04**	**10,538.61**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5 Right-of-Use Asset

Transition to Ind AS 116

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessors.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

5.1 Company as a lessor

The Company is not required to make any adjustments on transition to Ind As 116 for leases in which it acts as a lessor.

The details of the right-of-use asset held by the Company is as follows:

Right-of-Use Asset **(₹ in Lakhs)**

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 March 2025	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2026	As at 31 March 2025	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2026	As at 31 March 2026
Building	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 March 2024	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2025	As at 31 March 2024	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2025	As at 31 March 2025
Building	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March, 2026	As at 31 March, 2025
6	**Investment in Subsidiary and Associates**		
	Investment Measured at Fair Value		
	Investment in Subsidiary Company - Equity instruments (fully paid-up) (Unquoted)		
	10,000 Equity Shares of FAL Power Ventures Pvt. Limited of ₹ 10 each fully paid (cost ₹ 1583.75 lakhs, fully impaired)	-	-
		-	-
	21,81,605 Shares (Previous Year - 21,81,605) of Facor Minerals Netherlands BV of USD 1 each fully paid {cost ₹ 1234.86 lakhs (Previous Year ₹ 1234.86 lakhs)], fully impaired)	-	-
		-	-
		-	-

The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

		As at 31 March, 2026	As at 31 March, 2025
7	**Other Non-Current Financial Assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	535.35	531.77
	Balances with banks in deposit accounts	0.50	0.50
	Total	**535.85**	**532.27**
8	**Deferred Tax Liabilities/ Assets (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	44.39	59.85
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	10.34	23.94
	Unabsorbed Depreciation and Unabsorbed Business loss	2,589.60	2,017.75
	Unabsorbed Long Term Capital loss	734.61	821.54
	Total	**3,290.16**	**2,803.38**
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Particulars		
	Opening Balance as on 1st April	2,803.38	1,676.07
	Deferred tax income/ (expense) during the period recognised in profit & loss	504.35	1,099.65
	Deferred tax income/ (expense) during the period recognised in Other Equity	-	-
	Deferred tax income/ (expense) during the period recognised in OCI	(17.57)	27.66
	Closing Balance	**3,290.16**	**2,803.38**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March, 2026	As at 31 March, 2025
9	**Inventories**		
	(At cost or NRV whichever is lower)		
	Raw Materials	56.43	175.00
	Work-in-Process	-	-
	Finished Products	-	-
	Stores and Spares	109.60	110.09
	Total	**166.03**	**285.09**
	* Material in transit included above is as below:		
10	**Trade Receivables**		
	Unsecured		
	Considered good (Refer Note No.38 & 39)	2,971.02	2,971.07
	Considered doubtful	-	-
	Total	**2,971.02**	**2,971.07**
11	**Cash and Cash Equivalents**		
	Balance with banks:		
	- In Current Account	177.59	29.84
	- Deposit with maturity of less than 3 months	-	-
	Cash in hand	0.56	0.81
	Total	**178.16**	**30.65**
12	**Other Bank Balances**		
	Balance with banks:		
	Deposit with maturity of more than 3 months but less than 12 months*	603.62	0.18
		603.62	**0.18**
13	**Other Current Financial Assets**		
	Loans and advances to subsidiaries	7,736.25	7,736.23
	Less: Allowance for credit Loss	7,688.53	7,688.53
	Sub-Total	**47.72**	**47.70**
	Loans and advances to others	-	-
	Less: Allowance for credit Loss	-	-
	Sub-Total	**-**	**-**
	Loans and advances to Promoters/Directors/KMPs	-	-
	Sub-Total	**-**	**-**
	Interest Accrued	1.03	0.03
	Security Deposits	-	-
	Total	**48.75**	**47.73**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March, 2026	As at 31 March, 2025
	Note:		
13.1	Movement in Allowance for credit loss is as follows:		
	Opening	7,688.53	7,785.90
	Additions/(Reduction)	-	(97.37)
	Closing	**7,688.53**	**7,688.53**

13.2 An advance of Rs. 950 lakh was paid to FAL Power Ventures Pvt Ltd, (a wholly owned domestic subsidiary), which was impaired at the time of Ind As adoption in FY 17-18. During the previous year 2024-25, this amount is returned by the subsidiary company and considered as Miscellaneous Income.

13.3 Loans and Advance to subsidiaries includes Rs. 852.32 lakh receivable from Cati Madencilik Ithalat Ve Ihracat (Cati), a stepdown tier II overseas subsidiary. This amount refers to loan taken by Cati from BOI, London (The lender) and company provided corporate guarantee as collecteral for such loan. Cati defaulted in repayment of loan, Consequently, company received demand notice dated 20.02.2017 from the lender of Cati against the corporate guarantee given by Facor Alloys Limited towards its borrowing amount of USD 1.5 million. The lender had offered one time settlement (OTS) vide its letter dated 17.01.2019 for payment of USD 1.188 million. Company remitted OTS amount to BOI (London) in FY 2019-20 and shown amount recoverable from Cati. Company has provided lifetime expected credit loss for the same during the previous year and no deferred tax asset has been recognised on the same.

		As at 31 March, 2026	As at 31 March, 2025
14	**Current Tax Assets (Net)**		
	Advance tax (Net of provision for income tax)	7.18	11.01
	Total	**7.18**	**11.01**
15	**Other Current Assets**		
	Advances to vendors	200.39	290.69
	Taxes and duties recoverable	239.62	211.31
	Prepaid expenses	12.41	15.59
	Total	**452.42**	**517.59**
16	**Assets Classified as Held for Sale**		
	Land	543.00	614.50
	Plant & Machinary	406.73	-
	Buildings	-	0.25
	Total	**949.73**	**614.75**

16.1 The Company has classified certain Plant and Machinery as assets held for sale, as they are available for immediate sale and management is committed to their disposal. Shareholders approved the proposed sale through a postal ballot on 10 July 2025, and the Company expects to complete the sale within 12 months of classification. An advance of ₹ 27.97 crores received from prospective buyers in connection with the sale has been disclosed as an advance from customer/purchaser pending execution of the definitive sale agreement

		As at 31 March, 2026	As at 31 March, 2025
17	**Share Capital**		
	Authorised:		
	36,00,00,000 Equity Shares of ₹ 1/- each	3,600.00	3,600.00
	39,00,000 Preference Shares of ₹ 100/- each	3,900.00	3,900.00
	Issued, subscribed & fully paid up:		
	19,55,47,355 Equity Shares of ₹ 1/- each	1,955.48	1,955.48
	Total	**1,955.48**	**1,955.48**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

a. Terms and rights attached to equity shares

The company has only one class of equity shares each having a par value of ₹ 1/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

b. Reconciliation of Number of Equity Shares outstanding

	As at 31 March, 2026		As at 31 March 2025	
	No. of Shares	**(₹ in Lakhs)**	**No. of Shares**	**(₹ in Lakhs)**
Balance as at the beginning of the year	19,55,47,355	1,955.48	19,55,47,355	1,955.48
Equity Shares issued during the year in consideration for cash	-	-	-	-
Balance as at the end of the year	19,55,47,355	1,955.48	19,55,47,355	1,955.48

c. Shareholders holding more than 5% of the Equity shares in the company

Name of the Shareholders	As at 31 March, 2026		As at 31 March 2025	
	No. of Shares	**Percentage**	**No. of Shares**	**Percentage**
R.B.Shreeram & Co. Pvt. Ltd.	6,10,55,682	31.22%	6,10,55,682	31.22%

d. Details of shareholdings by the Promoters/ Promoter Groups

Promoter/ Promoter Group Name	As at 31 March, 2026		As at 31 March 2025		% Change during the year
	Number of Shares	**% Holding**	**Number of Shares**	**% Holding**	
Promoter					
Mohinidevi Umashankar Saraf	2098174	1.07%	2098174	1.07%	0.00%
Bimladevi Vithaldas Saraf	1217651	0.62%	1217651	0.62%	0.00%
Murlidhar Durgaprasadji Saraf	2850974	1.46%	2850974	1.46%	0.00%
Ramkisan Durgaprasadji Saraf	2256	0.00%	2256	0.00%	0.00%
Sanjiv Saraf	239387	0.12%	239387	0.12%	0.00%
Promoter Group					
Urmiladevi Narayandas Saraf	3629215	1.86%	3629215	1.86%	0.00%
Promiladevi Ramkisan Saraf	2556967	1.31%	2556967	1.31%	0.00%
Anurag Murlidhar Saraf	2507354	1.28%	2507354	1.28%	0.00%
Sushmadevi Vinodkumar Saraf	1708582	0.87%	1708582	0.87%	0.00%
Ramadevi Manojkumar Saraf	1248361	0.64%	1248361	0.64%	0.00%
Vanitadevi Vineetkumar Saraf	883884	0.45%	883884	0.45%	0.00%
Rohitkumar Narayandasji Saraf	872669	0.45%	872669	0.45%	0.00%
Vinodkumar Saraf	731814	0.37%	731814	0.37%	0.00%
Vineetkumar Vithaldas Saraf (HUF)	588385	0.30%	588385	0.30%	0.00%
Shailjadevi Ashishkumar Saraf	498207	0.25%	498207	0.25%	0.00%
Manojkumar Umashankar Saraf	488956	0.25%	488956	0.25%	0.00%
Madhavhari Yogeshkumar Saraf	311441	0.16%	311441	0.16%	0.00%
Ashishkumar Ramkisan Saraf	246679	0.13%	246679	0.13%	0.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Promoter/ Promoter Group Name	As at 31 March, 2026		As at 31 March 2025		% Change during the year
	Number of Shares	% Holding	Number of Shares	% Holding	
Sonal Ashimkumar Saraf	237680	0.12%	237680	0.12%	0.00%
Gautam Vinodkumar Saraf	164098	0.08%	164098	0.08%	0.00%
Raghuhari Yogeshkumar Saraf	147185	0.08%	147185	0.08%	0.00%
Vineetkumar Vithaldas Saraf	120624	0.06%	120624	0.06%	0.00%
Manojkumar Umashankar Saraf (HUF)	103915	0.05%	103915	0.05%	0.00%
Sunanda devi saraf	83182	0.04%	83182	0.04%	0.00%
Amla Saraf	74797	0.04%	74797	0.04%	0.00%
Payal Murlidhar Saraf	72651	0.04%	72651	0.04%	0.00%
Vibhav Vineetkumar Saraf	64451	0.03%	64451	0.03%	0.00%
Ashim Kumar Ram Kisan Saraf	17008	0.01%	17008	0.01%	0.00%
Yogeshkumar Umashankar Saraf	12288	0.01%	12288	0.01%	0.00%
Preetidevi Rohitkumar Saraf	105973	0.05%	105973	0.05%	0.00%
Aisha Ashishkumar Saraf	11500	0.01%	11500	0.01%	0.00%
Madhuri Manojkumar Saraf	7948	0.00%	7948	0.00%	0.00%
Gaurav Vinodkumar Saraf	5156	0.00%	5156	0.00%	0.00%
Sakhi Sanjeevkumar Saraf	5128	0.00%	5128	0.00%	0.00%
Gauri Sanjeev Saraf (HUF)	4800	0.00%	4800	0.00%	0.00%
Raghavendra Manojkumar Saraf	4800	0.00%	4800	0.00%	0.00%
Yogeshkumar Umashankar Saraf (HUF)	4100	0.00%	4100	0.00%	0.00%
Vinodkumar Vithaldas Saraf (HUF)	3560	0.00%	3560	0.00%	0.00%
Narayandas Durgaprasadji Saraf	1704	0.00%	1704	0.00%	0.00%
Narayandas Durgaprasad Saraf (HUF)	1472	0.00%	1472	0.00%	0.00%
FAL Employees Welfare Trust	27576	0.01%	27576	0.01%	0.00%
FACOR Employees Welfare Trust	22424	0.01%	22424	0.01%	0.00%
Shreeram Co.Employees Welfare Trust	2512	0.00%	2512	0.00%	0.00%
R B Shreeram & Co. Pvt. Ltd.	61055682	31.22%	61055682	31.22%	0.00%
Saraf Bandhu Pvt. Ltd.	826200	0.42%	826200	0.42%	0.00%
Ferro Alloys Corporation Ltd.	0	0.00%	500000	0.26%	0.00%
GDP Infrastructure Pvt. Ltd.	214440	0.11%	214440	0.11%	0.00%
Vidarbha Iron & Steel Co. Ltd	18144	0.01%	18144	0.01%	0.00%
Suchitra Investments & Leasing Ltd.	5774	0.00%	5774	0.00%	0.00%
Premier Commercial Corporation	1000	0.00%	1000	0.00%	0.00%
Total	**86108728**	**44.03%**	**86608728**	**44.29%**	**0.00%**

Note:- % are shown upto two decimals.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March, 2026	As at 31 March, 2025
18	**Other Equity**		
a.	**Capital Reserves**		
	Balance at the beginning of the year	8,700.51	8,700.51
	Addition during the year	-	-
	Balance at the end of the year	8,700.51	8,700.51
b.	**Securities premium**		
	Balance at the beginning of the year	2,667.52	2,667.52
	Addition during the year	-	-
	Balance at the end of the year	2,667.52	2,667.52
c.	**General reserve**		
	Balance at the beginning of the year	250.00	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	-	-
	Balance at the end of the year	250.00	250.00
d.	**Retained earnings**		
	Balance at the beginning of the year	(3,108.41)	1,913.06
	Add: Profit for the year after taxation as per statement of Profit and Loss	(1,479.57)	(5,021.47)
	Balance at the end of the year	(4,587.98)	(3,108.41)
e.	**Equity Component of Loan**		
	Balance at the beginning of the year	16.64	16.64
	Addition during the year	-	-
	Balance at the end of the year	16.64	16.64
f.	**Other Comprehensive Income**		
	Balance at the beginning of the year	(287.25)	(205.02)
	Addition during the year	52.23	(82.23)
	Balance at the end of the year	(235.02)	(287.25)
	Total Equity (a+b+c+d+e+f)	**6,811.67**	**8,239.01**

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
19	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	4.48	35.34
	Total	**4.48**	**35.34**
20	**Borrowings**		
	(a) From Related parties (Unsecured)	677.50	777.50
	(b) From Others (Unsecured)	252.00	252.00
	Total	**929.50**	**1,029.50**
21	**Trade Payables**		
	Micro Small and Medium Enterprises (Refer Note No.40&41)	-	85.67
	Others (Refer Note No.40)	3,892.87	2,360.72
	Total	**3,892.87**	**2,446.39**
22	**Other Financial Liabilities**		
	Interest accrued and due	173.00	147.73
	Other payables for:		
	- Employee Benefits Payable	166.85	419.89
	- Security deposits / Retention money	4.42	4.27
	Total	**344.27**	**571.89**
23	**Other Current Liabilities**		
	Statutory dues	18.77	42.83
	Advance received from Creditors	124.56	158.31
	Other payables	3,948.62	2,695.41
	Total	**4,091.95**	**2,896.55**
24	**Provisions**		
	Provision for employee benefits		
	- Gratuity	34.98	136.61
	- Compensated Absences	1.62	21.03
	Others	1,020.53	1,020.53
	Total	**1,057.14**	**1,178.17**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		Year ended 31 March 2026	Year ended 31 March 2025
25	**Revenue from Operations**		
	Sale of goods		
	- High Carbon Ferro Chrome- Export - Direct	-	-
	- Export - Deemed	-	-
	- Indigenous	-	-
	Subtotal	**-**	**-**
	Off Grade/By-products	146.99	16.97
	Sale of goods	146.99	16.97
	Sale of service- HCF conversion	-	-
	Sale of service- SMN conversion	-	-
		146.99	**16.97**
	Export Incentives	-	-
	Scrap Sale	-	-
	Grand Total	**146.99**	**16.97**
26	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	5.03	1.29
	- Others	30.92	85.09
	Miscellaneous Income	950.42	
	Rent Received	5.84	4.53
	Total	**41.79**	**1,041.33**
	Cost of Materials Consumed		
	Opening Stock of Raw Material	175.00	190.77
	Add: Purchases	(118.57)	(15.77)
	Less: Closing Stock of Raw Material	56.43	175.00
	Total	**-**	**-**
27	**Change in Inventory of Finished Goods and Work-in-Progress**		
	Closing Stock		
	- Finished Goods	-	-
	- Work-in-Progress	-	-
		-	**-**
	Opening Stock		
	- Finished Goods	-	-
	- Work-in-Progress	-	-
		-	**-**
	Decrease / (Increase) in Inventories	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		Year ended 31 March 2026	Year ended 31 March 2025
27.1	**Purchase of Stock in Trade / Reclassification of Raw Materials as Stock in Trade***		
	- Finished Goods	**101.64**	**-**
	- Work-in-Progress	**-**	**-**
	Total	**101.64**	**-**

*The Company's manufacturing operations have remained suspended since 31-10-2023. As these inventories were no longer expected to be consumed in the production process and were intended to be realized through sale in their existing form, they were reclassified as stock in trade. During the financial year 2025-26, the Company sold such inventories to third parties and recognized the resultant proceeds in accordance with its accounting policies.

		Year ended 31 March 2026	Year ended 31 March 2025
28	**Employee Benefits Expenses**		
	Salaries and wages	1,138.89	633.63
	Contribution to provident and other funds	22.06	45.96
	Staff Gratuity and Superannuation	5.78	7.15
	Staff welfare expenses	72.94	105.81
	Total	**1,239.68**	**792.55**

28.1 During the FY 2025-26, employee benfeit expenses included voluntary compensation amounting to INR 834.32 lakhs paid to employees separated under the company's Voluntary Retirement Scheme (VRS).

		Year ended 31 March 2026	Year ended 31 March 2025
29	**Finance Cost**		
	Interest	491.60	250.45
	Interest Cost on Employee Benefit Plans	14.92	5.89
	Interest on Leased Asset (ROU)	-	-
	Total	**506.52**	**256.34**
30	**Other Expenses**		
	Mining Handling & Other Production Expenses	39.60	21.06
	Power and Fuel	36.70	38.49
	Repairs and Maintenance:		
	- Buildings	64.54	61.90
	- Plant and Machinery	59.69	48.12
	Stores & Spares	-	0.31
	Works Expenses	105.80	91.70
	Legal and Professional Expense	200.94	120.70
	Transport Expenses	2.97	2.06
	Rent	15.09	15.90
	Insurance	1.98	4.74
	Rates and Taxes	22.48	18.21
	Provision for Doubtful Advances	-	0.16
	Donation	1.00	-
	Payment to Auditors (Refer Note No. 30.1)	7.52	6.66
	Directors' Sitting Fees	5.95	9.55
	CSR Expenses (Refer Note No. 30.2)	-	-
	Miscellaneous Expenses	11.83	32.06
	Total	**576.08**	**471.62**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		Year ended 31 March 2026	Year ended 31 March 2025
30.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	3.50	3.50
	Tax Audit Fees	0.75	0.75
	Reimbursement of Expenses	1.62	0.76
	(b) Cost Auditor		
	Audit Fees	0.50	0.50
	(c) GST Auditor		
	Audit Fees	1.15	1.15
	Total	**7.52**	**6.66**

30.2 Corporate Social Responsibilities (CSR) – Expenditure

Particulars	2025-26	2024-25
Amount required to be spent as per Section 135 of the Act	-	-
Amount spent during the year on:		
1) Construction/ Acquisition of any asset	-	-
2) On purpose other than(1) above	-	-
Total CSR	-	-
Shortfall at the end of the year	-	-
Amount available for set off in succeeding financial years	-	-

31	**Reconciliation of Tax Expense**		
	Profit/(Loss) before Tax	(1,983.92)	(6,121.12)
	Applicable Tax Rate	25.17%	25.17%
	Computed Tax Expenses	(499.31)	(1,540.56)
	Tax Effect of:		
	Adjustment of earlier year tax	-	-
	Decrease/(Increase) Deferred Tax Liabilities	(15.46)	(9.43)
	(Decrease)/Increase Deferred Tax Assets	(488.89)	(829.72)
	Others Tax Adjustment	499.31	1,280.06
	Tax Expenses Recognised in Profit and Loss	(504.35)	(1,099.65)
32	**Earning Per Share**		
	Profit/ (Loss) for the Period	(1,479.57)	(5,021.47)
	Weighted Average Number of Equity Shares of ₹ 1/- each (In lakhs)	1,955.48	1,955.48
	EPS - Basic and Diluted	**(0.76)**	**(2.57)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

33 Contingent Liabilities, Contingent Assets and Commitments

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debts, since disputed ₹ 1,336.85 lakhs (Previous Year ₹ 1,336.85 lakhs). Amounts paid under protest ₹ 110.85 lakhs (Previous Year ₹ 110.85 lakhs) have been debited to Advance Account.

b. In view of the decision of NCLT, Mumbai bench in the application under section 30(1) and (6) and order under section 31 of Insolvency and Bankruptcy Code, 2016 in the matter of Vidarbha Iron & Steel Corporation Limited, the liability of the Company on account of Corporate Guarantee issued in favour of Consortium Banks of Facor Steels Limited is NIL.

c. Claims against the Company not acknowledged as debts and not provided for: Company had entered into long term conversion agreement with M/s Tata Steel Mining Ltd (TSML), a wholly owned subsidiary of M/s Tata Steel Ltd (TSL) on 22-03-2021. Consequent to the merger of TSML into TSL on 08-08-2023, agreement was modified in the name of M/s TSL w.e.f. 01-09-2023, As per conversion agreement raw materials required for conversion work will be supplied by TSL free of cost at the manufacturing site of the company and company will raise conversion bills on manufacturing of HCFC. During the year, TSL informed the company that 9885 MT of raw material was found short on physical verification of inventory laying at company's premises on 27-02-2024 and shortage of material was valued at prevailing market price at ₹ 31.15 Crores. During the financial year 2024-25, the Company, has recognise the loss amounting to ₹ 23.27 Crores in its books. Accordingly, the total claim of ₹ 23.27 crores has been set off against the following :

- ₹ 3.00 crores through encashment of the bank guarantee; (refer note no. 33(c))
- ₹ 2.00 crores paid directly via banking channels; and
- ₹ 18.27 crores adjusted against outstanding receivables (refer note no.10).

The remaining balance of the claim continues to be disputed by the Company in terms of both quantity and valuation. Discussions with TSL are ongoing with a view to jointly reconciling the raw material position since the inception of the agreement. The recognised loss has been disclosed separately under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2026.

34 Segment Information:

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating Segments

The Management Information System of the Company identifies and monitors Ferro Alloys as the business segment. The Company is managed organisationally as a single unit. In the opinion of the management, the Company is primarily engaged in the business of Ferro Alloys. As the basic nature of these activities are governed by the same set of risk and return, these constitute and are grouped as a single segment. Accordingly, there is only one Reportable Segment for the Company which is "Ferro Alloys", hence no specific disclosures have been made.

Entity wise disclosures

A. Information about products and services

During the year, the Group primarily operates in one product line, therefore product wise revenue disclosure is not applicable.

B. Information about Geographical Areas

The Group derives revenue from following major geographical areas: **(₹ in Lakhs)**

Area	For the year ended 31 March 2026	For the year ended 31 March 2025
Outside India (Including Deemed Export)	-	-
Domestic	146.99	16.97

All the non-current assets of the Group other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

35 Related Party Disclosure:-

I List of Related Parties:-

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

FAL Power Ventures Pvt. Ltd. - Subsidiary Company

Facor Minerals (Netherlands) B.V. (FMN) - Subsidiary Company

Facor Turkkrom Mining (Netherlands) B.V. (FTM) - Subsidiary of FMN

Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM

B. Enterprise, over which Key Management Personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :

1 Rai Bahadur Shreeram and Company Private Limited

2 Godawaridevi Saraf & Sons

3 GDP Infrastructure Private Limited

4 Shreeram Shipping Services Pvt. Ltd

5 Shreeram Durgaprasad Ores (P) Ltd

C. Key Management Personnel

1 R.K. Saraf - Chairman & Managing Director (Till 04.04.2024)

2 Ashish Santosh Agrawal - Whole-Time Director (w.e.f. 30.05.2024)

3 Mohammad Asim Qurashi - Chief Financial Officer

4 Sachin Kumar Gupta - Company Secretary

(₹ in Lakhs)

II Transactions with Related Parties during the year ended 31-03-2026 in the ordinary course of business.

Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
i) Sale of Assets	-	-	79.14	-	-	-
ii) Rent paid	-	-	1.20	0.99	-	-
iii) Interest Received/(Paid)	-	-	(50.46)	(58.37)	-	-
iv) Short Term Loans & Advances Provided/(Received)	0.01	0.16	148.00	(454.30)	-	-
v) Clearing & forwarding and other service charges	-	-	-	0.01	-	-
vi) Sitting Fees	-	-	-	-	4.60	9.55
vii) Balances outstanding at the year end:						
a) Short Term Loans & Advances	46.40	47.70	(694.82)	(842.83)	-	-
b) Other Payables	-	-	-	-	-	-
viii) Remunerations	-	-	-	-	29.34	12.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

III Disclosure in respect of Related Party Transactions during the year: **(₹ in Lakhs)**

S.No.	Particulars		Relationship	2025-26	2024-25
1	**SALE OF ASSETS:**				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	79.14	-
				79.14	-
2	**RENT PAID:**				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	1.20	0.99
		Total		1.20	0.99
3	**INTEREST RECEIVED/(PAID)**				
	Paid				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	(32.68)	(32.09)
	GDP Infrastructure Private Limited		Others	(0.33)	(0.18)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(17.45)	(26.10)
		Total		(50.46)	(58.37)
4	**SHORT TERM LOANS AND ADVANCES (RECEIVED)/PAID**				
	Loans (Received)/Given				
	Rai Bahadur Shreeram & Company Pvt. Ltd.		Others	124.04	(422.52)
	GDP Infrastructure Private Limited		Others	0.01	(5.68)
	Shreeram Durgaprasad Ores (P) Ltd		Others	23.95	(26.10)
		Sub-Total		148.00	(454.30)
	FAL Power Ventures Private Limited		Subsidiary	0.01	0.16
		Sub-Total		0.01	0.16
		Net Loan Paid		148.02	(454.14)
5	**CLEARING & FORWARDING AND OTHER SERVICE CHARGES**				
	Shreeram Shipping Services Pvt. Ltd.		Others	-	0.01
		Total		-	0.01
6	**DIRECTOR'S SITTING FEES**				
	Shri Gaurav Saraf		Non Executive Directors	0.50	1.30
	Shri Manoj Saraf		Non Executive Directors	0.45	1.60
	Mrs. Vinita Bahri		Non Executive Directors	1.35	1.15
	Shri Murlidhar Rambhatla		Non Executive Directors	1.35	1.00
	Shri A.S.Kapre (Ceased to be Director wef. 9-September-2024)		Non Executive Directors	-	1.35
	Mrs. Urmila Gupta		Non Executive Directors	-	1.00
	Shri M B Thaker		Non Executive Directors	0.95	2.15
		Total		4.60	9.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

S.No.	Particulars		Relationship	2025-26	2024-25
7	**BALANCES OUTSTANDING AT THE YEAR END**				
	(A) Short Term Loans & Advances - Given:				
	FAL Power Ventures Private Limited		Subsidiary	1,205.94	256.10
	Facor Minerals (Netherlands) B.V.		Subsidiary	6,627.82	6,627.82
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	852.32	852.32
		Sub-Total		8,686.08	7,736.24
	Rai Bahadur Shreeram & Company Pvt Ltd		Others	(390.50)	(514.54)
	GDP Infrastructure Private Limited		Others	(5.66)	(5.68)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(298.65)	(322.61)
		Sub-Total		(694.82)	(842.83)
		Total		7,991.26	6,893.41
	Out of above balances -				
	(i) Life time expected credit loss recognised during previous years				
	FAL Power Ventures Private Limited		Subsidiary	1,156.86	206.86
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	852.32	852.32
	Facor Minerals (Netherlands) B.V.		Subsidiary	6,627.82	6,627.82
		Sub-Total		8,637.00	7,687.00
	(ii) Provisions for doubtful recovery created for balance till current year				
	FAL Power Ventures Private Limited		Subsidiary	2.68	1.53
		Sub-Total		2.68	1.53
	Net Receivable				
	Cati Madencilik Ithalat ve Ihracat A.S. (Cati) - Subsidiary of FTM		Subsidiary	-	-
	FAL Power Ventures Private Limited		Subsidiary	46.40	47.70
		Sub-Total		46.40	47.70
	Rai Bahadur Shreeram & Company Pvt Ltd		Others	(390.50)	(514.54)
	GDP Infrastructure Private Limited		Others	(5.66)	(5.68)
	Shreeram Durgaprasad Ores (P) Ltd		Others	(298.65)	(322.61)
		Sub-Total		(694.82)	(842.83)
	(B) Key Management Personnel and their Relatives' Remuneration				
	Mohammad Asim Qurashi - Chief Financial Officer		Key Managerial Personnel	14.43	2.18
	Sachin Kumar Gupta - Company Secretary		Key Managerial Personnel	14.90	10.27
	Shri M.D. Saraf		Relative of Key Managerial Personnel	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

S.No.	Particulars		Relationship	2025-26	2024-25
	Shri Anurag Saraf		Key Managerial Personnel	-	-
		Total		29.34	12.45
	(B) Other Current Liabilities				
	Other Payables:				
	Rai Bahadur Shreeram and Company Pvt. Ltd.		Others	-	-
		Total		-	-

36 Details of Loans given, Investments made and Guarantee given covered U/s 186(4) of the Companies Act, 2013.

Loans given, Investments made and Guarantees given by the Company in respect of loans are given under the respective heads.

37 Employee Benefits

The Company Contributes to the following post-employment Defined Plans.

Defined Contribution Plans:

Amount of ₹ 10.14 lakhs (Previous Year ₹ 30.13 lakhs) is recognised as expenses and included in "Employee Benefits Expense" in Note 28 of the Statement of Profit and Loss.

Defined Benefit Plan :

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ In Lakhs)

		31 March 2026	31 March 2025
(a)	**Net Defined Benefit Liability**		
	Liability for Gratuity	34.99	136.61
	Liability for PL Encashment	6.10	56.37
	Total Employee Benefit Liability	**41.09**	**192.98**
	Non-Current	4.48	35.34
	Current	36.60	157.64

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

(₹ In Lakhs)

	Gratuity		PL Encashment	
Particulars	**2025-26**	**2024-25**	**2025-26**	**2024-25**
Present value of Defined Benefit Obligation at the beginning of the year	463.55	531.51	56.37	86.13
Interest Cost	30.78	37.90	3.74	6.14
Current Service Cost	4.93	24.51	0.64	5.63
Actuarial Losses/(Gains)	(74.66)	105.49	(9.51)	(6.80)
Benefits Paid	(367.74)	(235.86)	(49.37)	(34.73)
Present value of Defined Benefit Obligation at the close of the year	**56.86**	**463.55**	**1.87**	**56.37**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(b) Changes in the Fair Value of Plan Assets and reconciliation thereof **(₹ In Lakhs)**

Particulars	Gratuity	
	2025-26	**2024-25**
Fair Value of Plan Assets at the beginning of the year	326.94	512.78
Adjustments	(1.25)	22.17
Add : Expected Return on Plan Assets	12.92	28.71
Add/(Less) : Actuarial Gains/(Losses)	-	-
Add : Contributions	51.00	(0.86)
Less : Benefits Paid	(367.74)	(235.86)
Fair Value of Plan Assets at the close of the year	**21.87**	**326.94**

(c) Amount Recognised in The Balance Sheet **(₹ In Lakhs)**

Particulars	Gratuity		PL Encashment	
	2025-26	**2024-25**	**2025-26**	**2024-25**
Present Value of Defined Benefit Obligation	56.86	463.55	1.87	56.37
Less : Fair Value of Plan Assets	21.87	326.94	-	-
Present Value of unfunded obligation	**34.99**	**136.61**	**1.87**	**56.37**

(d) Amount Recognised in the Statement of Profit and Loss are as follows **(₹ In Lakhs)**

Particulars	Gratuity		PL Encashment	
	2025-26	**2024-25**	**2025-26**	**2024-25**
In Income Statement				
Current Service Cost	4.93	24.51	0.64	5.63
Adjustments	-	-	-	-
Interest Cost	9.93	(0.25)	3.74	6.14
Expected return on Plan Asset	**14.86**	**24.26**	**4.38**	**11.77**
In Other Comprehensive Income				
Net actuarial loss/(gain)	(7.93)	107.82	(9.51)	(6.80)
Net periodic cost	**(7.93)**	**107.82**	**(9.51)**	**(6.80)**

(e) Investment Details:

Funds Managed by Insurer (investment with insurer) 100% 100%

(f) Actuarial Assumptions as at the Balance Sheet date

Particulars	**2025-26**	**2024-25**
Discount Rate	7.04%	6.64%
Salary Escalation Rate	5.00%	5.00%
Expected rate of return on plan assets	6.64%	7.13%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2025-26

(g) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below.

	As at 31 March 2026		As at 31 March 2025	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Change in discounting rate (delta effect of +/- 0.5%)	(0.08)	0.08	(0.73)	0.75
Change in rate of salary increase (delta effect of +/- 0.5%)	0.08	(0.08)	0.76	(0.75)

38 Trade Receivables for following periods from due date of payment. (₹ In Lakhs)

Particulars	**As at 31 March 2026**		**As at 31 March 2025**	
	Considered good	**Doubtful**	**Considered good**	**Doubtful**
Less than 6 months	-	-	3,611.58	-
6 months -1 year	0.11	0.24	-	
1-2 years	0.24	-	601.68	-
2-3 years	2,970.67	-	1,965.46	-
More than 3 years	-			
Total	**2,971.02**	**-**	**6,178.96**	

39 During the previous year 2024-25, trade receivables include a reduction amounting to ₹ 18.27 crores on account of adjustment made against a claim raised by M/s Tata Steel Ltd. (TSL) relating to a shortage of raw materials supplied under a long-term conversion agreement. The said adjustment has been accounted for as part of the loss recognised under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2025.This set-off represents the settlement of outstanding dues from TSL (formerly Tata Steel Mining Ltd.) in line with the resolution of the matter disclosed under Contingent Liabilities and Claims Not Acknowledged as Debt.

40 Trade Payable for following periods from due date of payment. (₹ In Lakhs)

Particulars	**As at 31 March 2026**		**As at 31 March 2025**	
	MSME	**Others**	**MSME**	**Others**
Less than 1 year	-	1,819.91	-	480.95
1-2 years	-	421.85	85.67	1,858.10
2-3 years	-	1,651.11	-	21.61
More than 3 years	-	-	-	0.06
Total	**-**	**3,892.87**	**85.67**	**2,360.72**

41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

On the basis of confirmation obtained from supplier who have registered themselves under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ In Lakhs)

S. No.	Particulars	31.03.2026	31.03.2025
1	Principal amount remaining unpaid	0.00	85.67
2	Interest due thereon remaining unpaid	0	0
3	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
4	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Development Act, 2006.	0	0
5	Interest accrued and remaining unpaid	0	0
6	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	0	0

42 During the financial year 2024-25, the management identified an excess quantity of anthracite coal at the production floor. This surplus arose due to lowerthan-anticipated consumption of raw materials in the manufacturing process when compared with the standard norms for production efficiency. Out of the identified excess, the company sold some quantity during the year. Given the non-recurring and exceptional nature of this event, the proceeds from the sale have been disclosed separately under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2026.

43 Plant operation has been shut down w.e.f. 31-10-2023, which has caused minimal revenue during the quarter/year. After evaluating various strategies for revival of operations, the management has decided to divest the plant and machinery. Accordingly shareholders' approval for the sale of plant and machinery was obtained through postal ballot on July 10, 2025

44 **Key Ratios**

Ratios	31.03.2026	31.03.2025	% change from Previous Year
1. Current Ratio	0.52	0.55	-5.2%
2. Debt Equity Ratio	0.11	0.10	6.0%
3. Debt Service Coverage Ratio	-3.34	6.52	-151.2%
4. Return on Equity Ratio	-15.61%	39.40%	-139.6%
5. Inventory Turnover Ratio	0.65	0.06	986.1%
6. Trade Receivable Turnover Ratio	0.05	0.00	
7. Trade Payable Turnover Ratio	0.63	0.55	14.1%
8. Net Capital Turnover Ratio	-0.03	0.00	
9. Net Profit Ratio (%)	-1007%	-29590%	-96.6%
10. Return on capital employed	-0.15	0.52	-129.3%

Note: During the current and previous year, the Company has not earned income on the investments held on account of losses incurred by the respective Investee Company. Accordingly, ratio for Return on Investments has not been presented.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Reasons for more than 25% increase/ (decrease) in above ratios

Particulars	Reason for change
1. Current Ratio	The primary reason for the decrease in the current ratio is that receivables from Tata were adjusted against their material shortage, leading to a reduction in current assets. Additionally, current liabilities increased due to FPPCA charges booked during the current financial year, pertaining to FY 2022-23 and 2023-24.
2. Debt Equity Ratio	Due to the temporary shutdown of operations, the company's reserves and surplus decreased, while borrowings increased. Consequently, the ratio has increased.
3. Debt Service Coverage Ratio	Company incurred operating losses due to temporary shut down of operation which caused negative DSCR. (Refer note no.44)
4. Return on Equity Ratio	The company incurred operating losses during the year due to the temporary shutdown of operations, which resulted in a negative ROE.
5. Inventory Turnover Ratio	The temporary shutdown of manufacturing operations led to a decline in turnover, resulting in a reduction in the ratio.
6. Trade Receivable Turnover Ratio	Due to the temporary shutdown of operations, debts from TSL and RTVNPL could not be realised, as referred to in Note No. 33(c) and Note No. 48 respectively. Consequently, debtors increased, causing a reduction in the ratio.
7. Trade Payable Turnover Ratio	As a result of the temporary shutdown of operations, trade payables increased mainly due to advances and non-payment to other creditors leading to a reduction in the ratio.
8. Net Capital Turnover Ratio	The temporary shutdown of manufacturing operations led to a reduction in turnover, thereby reducing the ratio.
9. Net Profit Ratio (%)	Company incurred operationg losses due to temporary shut down of operation which caused reduction of ratio. (Refer note no.44)
10. Return on capital employed	The reduction in the ratio is due to negative EBIT.

45 Financial Instruments – Fair Values And Risk Management

I. Fair Value Measurements

A. Financial Instruments By Category* **(₹ in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
	Amortised Cost	**Amortised Cost**
Financial assets		
Non-Current Investments	-	-
Other Non-Current Financial Assets	535.85	532.27
Trade Receivables	2,971.02	2,971.07
Cash and Cash Equivalents	178.16	30.65
Other Bank Balances	603.62	0.18
Other Current Financial Assets	48.75	47.73
	4,337.41	**3,581.90**
*Exclude financial instruments measured at cost		
Financial Liabilities		
Borrowings	929.50	1,029.50
Trade Payables	3,892.87	2,446.39
Other Financial Liabilities	344.27	571.89
	5,166.64	**4,047.78**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities which are Measured at amortised cost for which fair values are disclosed

(₹ in Lakhs)

Particulars	As at 31 March 2026			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	-	-
Other Non-Current Financial Assets	-	-	535.85	535.85
Trade Receivables	-	-	2,971.02	2,971.02
Cash and Cash Equivalents	-	-	178.16	178.16
Other Bank Balances	-	-	603.62	603.62
Other Current Financial Assets	-	-	48.75	48.75
Total financial assets	**-**	**-**	**4,337.41**	**4,337.41**
Financial Liabilities				
Borrowings	-	-	929.50	929.50
Trade Payables	-	-	3,892.87	3,892.87
Other Financial Liabilities	-	-	344.27	344.27
Total financial liabilities	**-**	**-**	**5,166.64**	**5,166.64**

Financial assets and liabilities which are Measured at amortised cost for which fair values are disclosed

(₹ in Lakhs)

Particulars	As at 31 March 2025			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Non-Current Investments	-	-	-	-
Other Non-Current Financial Assets	-	-	532.27	532.27
Trade Receivables	-	-	2,971.07	2,971.07
Cash and Cash Equivalents	-	-	30.65	30.65
Other Bank Balances	-	-	0.18	0.18
Other Current Financial Assets	-	-	47.73	47.73
Total Financial Assets	**-**	**-**	**3,581.90**	**3,581.90**
Financial Liabilities				
Borrowings	-	-	1,029.50	1,029.50
Trade Payables	-	-	2,446.39	2,446.39
Other Financial Liabilities	-	-	571.89	571.89
Total Financial Liabilities	**-**	**-**	**4,047.78**	**4,047.78**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C. Fair value of financial assets and liabilities measured at amortised cost **(₹ in Lakhs)**

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Non-Current Investments	-	-	-	-
Other Non-Current Financial Assets	535.85	535.85	532.27	532.27
Trade Receivables	2,971.02	2,971.02	2,971.07	2,971.07
Cash and Cash Equivalents	178.16	178.16	30.65	30.65
Other Bank Balances	603.62	603.62	0.18	0.18
Other Current Financial Assets	48.75	48.75	47.73	47.73
	4,337.41	**4,337.41**	**3,581.90**	**3,581.90**
Financial liabilities				
Borrowings	929.50	929.50	1,029.50	1,029.50
Trade Payables	3,892.87	3,892.87	2,446.39	2,446.39
Other Financial Liabilities	344.27	344.27	571.89	571.89
	5,166.64	**5,166.64**	**4,047.78**	**4,047.78**

II. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Risk Management Framework

A company is exposed to uncertainties owning to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Board of Directors have approved a Risk management policy which shall be reviewed by Board and the management from time to time.

The Company's Risk Management framework is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. Major risks in particular are monitored regularly at Executive meetings and the Board of Directors of the Company is kept abreast of such issues and the policy was reviewed by the Board and Committee at its meeting.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit Risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the loans & advances to related parties and company's receivables from customers.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is ₹ 2971.02 lakhs (31 March 2025 ₹ 2971.07 lakhs).

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The carrying amount of loan and advances to related parties as on 31 March 2026 amounted to ₹ 47.72 lakhs out of which no provision of expected life time credit loss has been provided during the FY 25-26.

ii. Liquidity risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

(a) Financing arrangements

The company do not have undrawn bank overdraft facilities as on 31 March 2026 and as on 31 March 2025.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2026	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	929.50	929.50	929.50	-	-	-
Trade payables	3,892.87	3,892.87	3,892.87	-	-	-
Other financial liabilities	344.27	344.27	344.27	-	-	-
Total non-derivative liabilities	**5,166.64**	**5,166.64**	**5,166.64**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2026	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,029.50	1,029.50	1,029.50	-	-	-
Trade payables	2,446.39	2,446.39	2,446.39	-	-	-
Other financial liabilities	571.89	571.89	571.89	-	-	-
Total non-derivative liabilities	**4,047.78**	**4,047.78**	**4,047.78**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

iii. Market risk

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Equity Price risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of the material produced and sold by the company. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the materials. The Company enters into contracts for procurement of materials and most of the transactions are short term fixed price contracts.

b) Currency risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**
Financial Liabilities		
Trade payables	-	-
Net statement of financial position exposure	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2026				
5% movement	**NA**	**NA**	**NA**	**NA**
USD	-	-	-	-
31 March 2025				
5% movement				
USD	**NA**	**NA**	**NA**	**NA**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	31 March 2026	31 March 2025
Fixed Rate Instruments		
Financial Assets	603.62	0.18
Financial Liabilities	-	-
	(603.62)	**(0.18)**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-
	-	**-**

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in Lakhs)

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2026				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**
31 March 2025				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

47 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received approval from the Indian Parliament and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has been implemented. Accordingly, the Company has assesses the applicability and recognised impact of the provison of the Code on its employee benefit and related obligation.

48 The Company has terminated the conversion agreements dated 01-08-2021 ('Agreement") with Rajadhiraj Vinayak Natraj Pvt. Ltd ("RTVNPL") vide termination notice dated 27-10-2022 as RTVNPL has violated the terms of the said Agreement. RTVNPL against the said termination had filed a petition bearing no.O.M.P. (I) (Comm.) 310/2022 under section 9 of arbitration and conciliation Act ("Act") before Hon'ble High Court of Delhi and sought interim reliefs against the termination of the said Agreement. The Hon'ble High Court of Delhi vide order dated 03-11-2022 referred the parties to Mediation under the aegis of Samadhan, at Delhi High Court Mediation and Conciliation Centre, however same was unsuccessful.Thereafter, the Hon'ble High Court of Delhi vide order dated 10-11-2022 treated present petition as an application under section 17 of the Act on mutual consent of both counsels and referred the matter to the arbitration to be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court. Hon'ble Ms. Justice Indira Banerjee, former judge of Supreme Court of India was appointed as Sole Arbitrator. Claim and counter claim are filed and arbitration is in process. As no Arbitration award has been passed and impact cannot be quantified at this stage, therefore, no accounting adjustment have been made in books of Accounts. Debtors include Rs. 2,444.85 lakh receivable from RTVNPL on account of conversion bills as on 31-03-2024.

49 **Other Statutory Information**

a) 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) are in the name of erstwhile pre-demerged company. The immovable properties were transferred by virtue of BIFR Order No.314/98, dated 13th April, 2004. The immovable properties acquired subsequent to demerger are held in the name of the company

b) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

c) The company has not been declared wilful defaulter by any bank or financial institution or other lender.

d) The Company do not have any transactions with companies struck off.

e) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

f) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

g) During the year company has not availed working capital borrowings from banks or financial institutions.

50 The figures for the corresponding previous year has been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
(Membership No. 608681)

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681URQRZH7168

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FACOR ALLOYS LIMITED

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of **Facor Alloys Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

As described in the Basis for Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence regarding the financial information of one overseas subsidiary excluded from consolidation. Due to the significance of the matter described, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Because of the significance of the matter described in the Basis for Disclaimer of Opinion section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the accompanying consolidated financial statements of the Group.

Basis for Disclaimer of Opinion

As stated in **Note 35** to the consolidated financial statements, the Group has excluded the financial statement of an overseas subsidiary for the year ended 31st March 2026 due to the non-availability of complete and reliable financial data following a change in management. Based on legal advice and a complaint lodged with Economic Offences Wing (EOW), the management has concluded that the financial impact of such non-consolidation is not material. However, in the absence of sufficient appropriate audit evidence regarding the financial performance, position, and cash flows of the said subsidiary, we are unable to determine whether adjustments might have been necessarily had such financial results been consolidated.

Because of the significance of the matter described above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

Accordingly, we do not express an opinion on the accompanying consolidated financial statements of the Group.

Material Uncertainty Related to Going Concern

We draw attention to **Note 36** to the consolidated financial results, which states that the Parent Company's manufacturing operations have remained suspended since October 31, 2023. As a result, the group has reported only minimal revenue from operations for the quarter and year ended March 31, 2026. Further, the group has incurred continuous losses since last 3 years.

These conditions indicate the existence of a material uncertainty that casts significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to **Note 15.1** to the consolidated financial statements regarding the proposed sale of certain plant and machinery classified as assets held for sale, for which shareholders' approval was obtained through postal ballot on July 10, 2025. The parent company has received an amount of INR 27.97 crore from the prospective purchaser, which has been disclosed as an advance from customer/purchaser pending execution of the definitive sale agreement. As stated in the said note, the final terms and conditions relating to the transfer of risks and rewards of ownership of the said assets have not yet been finalized and the definitive contract has not been executed as at the reporting date. Accordingly, no sale transaction has been recognized and no gain or loss has been recorded in the Consolidated Statement of Profit and Loss for the period.

We draw attention to **Note 34** to the consolidated financial statements regarding the identification of excess quantity of anthracite coal at the production floor during the financial year 2024-25, arising due to lower-than-anticipated consumption of raw materials in the manufacturing process as compared to the standard norms for production efficiency. The group has sold part of such excess quantity during the year and, considering the non- recurring and exceptional nature of the transaction, the resultant proceeds have been separately disclosed under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2026.

Our opinion is not modified in respect of above matters.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

Responsibilities of management and those charged with governance for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Parent has adequate internal financial controls system with reference to consolidated 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 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind AS financial statements include the financial statements of one domestic subsidiary, whose financial statements for the year ended March 31, 2026, have been furnished to us by the Management and have been audited by another auditor. Our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the audit report of the other auditor and such financial statements/ information provided to us. The financial statements of this subsidiary reflect total assets of 47.96 lakhs as at March 31, 2026, total profit/(loss) of (0.107) lakhs, and net cash outflows of 0.01 lakhs for the year then ended, as considered in the consolidated Ind AS financial statements.

The financial statements (audited or unaudited) of foreign subsidiaries for the year ended March 31, 2026, were not made available to the Holding Company. Accordingly, the financial statements of these subsidiaries have not been included in the consolidated financial statements by the Management. However, the balances pertaining to these subsidiaries, as included in the opening consolidated balance sheet, continue to be reflected in the closing consolidated financial statements. As a result, the consolidated financial statements include total assets of 146.89 lakhs as at March 31, 2026, relating to such subsidiaries. No revenue, profit/(loss), or net cash flows pertaining to the current year operations of these subsidiaries have been included due to the non-availability of the current period financial statements.

Our opinion on the consolidated financial statement is not modified in respect of the above matters (except to the extent of the disclaimer of opinion expressed).

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 A", 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, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
   b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as appears from our examination of those books;
   c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of changes in equity and the Consolidated statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian 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 31st March, 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.
   g. Based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, Holding Company, its subsidiaries, associates and joint

ventures incorporated in India have not paid any managerial remuneration for the year ended March 31, 2026 to their directors.

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, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose impact of pending litigations in Note No. 31 in the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India

iv) a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively 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 Holding Company or any of such subsidiaries to or in any other person(s) or entities, 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 respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v) No dividend declared or paid during the year by The Holding Company, its subsidiaries, associates and joint venture companies incorporated in India during the year.

Mohsin A Hada
Partner
Membership No. 046219
For and on Behalf of

K. K. Mankeshwar & Co.
Chartered Accountants
FRN – 106009W
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

Annexure- “A” to the Independent Auditors’ Report

Report Of Even Date on the Standalone Financials Statements of Facor Alloys Limited

The Annexure referred to in **Paragraph 1** under “Report on Other Legal and Regulatory Requirement” section of our Independent Auditors’ Report to the members of the Company on the financial statements for the period ended March 31, 2026, we report that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

However, as explained in the Basis for Disclaimer of Opinion paragraph of our Independent Auditor’s Report, the financial statements of an overseas subsidiary for the year ended 31st March, 2026 have not been considered in the Consolidated Financial Statements due to the non-availability of complete and reliable financial information. Accordingly, we have expressed a Disclaimer of Opinion on the Consolidated Financial Statements.

Annexure- “B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the Members of Facor Alloys Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013(the “Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of Facor Alloys Limited (hereinafter referred to as the “Company”) and its subsidiary companies, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Company’s management and Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the “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 respective 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Consolidated Financial Statement of the Company and its subsidiary companies which are companies incorporated in India, 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company;

and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Mohsin A Hada
Partner
Membership No. 046219
For and on Behalf of

K. K. Mankeshwar & Co.
Chartered Accountants
FRN – 106009W
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2026

(₹ in Lakhs)

	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	10,046.74	10,700.93
Intangible	4	26.64	26.64
Right of Use Assets (ROU)	5	-	-
Financial Assets			
(i) Other Non-Current Financial Assets	6	536.50	532.92
Deferred Tax Asset (Net)	7	3,290.16	2,803.38
Total Non-Current Assets		**13,900.04**	**14,063.87**
Current Assets			
Inventories	8	167.72	286.78
Financial Assets			
(i) Trade Receivables	9	2,971.02	2,971.07
(ii) Cash and Cash Equivalents	10	181.59	34.10
(iii) Other Bank Balances	11	603.62	0.18
(iv) Other Current Financial Assets	12	1.03	0.03
Current Tax Assets (Net)	13	7.18	11.01
Other Current Assets	14	452.54	517.71
Assets Classified as Held for Sale	15	949.73	614.75
Total Current Assets		**5,334.44**	**4,435.63**
Total Assets		**19,234.48**	**18,499.50**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	1,955.48	1,955.48
Other Equity	17	7,568.44	8,995.90
Non-Controlling Interest		(914.29)	(914.29)
Total Equity		**8,609.64**	**10,037.09**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Provisions	18	4.48	35.34
Total Non-Current Liabilities		**4.48**	**35.34**
Current Liabilities			
Financial Liabilities			
(i) Short Term Borrowings	19	1,215.39	1,315.39
(ii) Trade Payables			
Micro Small and Medium Enterprises	20	-	85.67
Others	20	3,893.04	2,360.89
(iii) Other Financial Liabilities	21	344.27	571.89
Other Current Liabilities	22	4,110.53	2,915.06
Provisions	23	1,057.13	1,178.17
Total Current Liabilities		**10,620.36**	**8,427.07**
Total Liabilities		**10,624.84**	**8,462.41**
Total Equity and Liabilities		**19,234.48**	**18,499.50**
Notes to Financial Statements	1 to 47		

The notes referred to above from an integral part of the Balance sheet.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
Membership No. 608681

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue			
Revenue from Operations	24	146.99	16.97
Other Income	25	41.79	1,041.33
Total Income		**188.78**	**1,058.30**
Expenses			
Cost of Materials Consumed		-	-
Change in Inventory of Finished Goods and Work in Progress/ Purchase of Stock in Trade	26	101.64	-
Employee Benefits Expense	27	1,239.68	792.55
Finance Costs	28	506.52	256.34
Depreciation		130.68	155.10
Other Expenses	29	576.18	471.58
Total Expenses		**2,554.70**	**1,675.57**
Profit/ (Loss) before Tax and Exceptional Items		**(2,365.92)**	**(617.27)**
Exceptional Items			
A) Profit / (Loss) on Sale/Discard of Fixed Assets		266.52	3.44
B) Arrear Electricity Charges (FPPCA Charges) (Refer Note 34)		-	(3,242.03)
C) Profit / Loss on Sale of Excess Inventory (Refer Note 35)		50.09	61.78
D) Sundry Balance Written Off		79.86	-
E) Expenses for Recovery on Conversion (Refer Note 31 (d))		-	(2,327.00)
F) Loss on Inventory		(14.57)	
Profit/ (Loss) Before Tax		**(1,984.02)**	**(6,121.08)**
Tax Expense:			
Current Tax		-	-
Tax for earlier years		-	-
Deferred Tax		(504.35)	(1,099.65)
Profit/ (Loss) for the Period (A)		**(1,479.68)**	**(5,021.43)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to statement Profit or Loss			
Remeasurement of defined benefit plans		69.80	(109.89)
Deferred Tax relating to remeasurement of defined benefit plans		(17.57)	27.66
Items that will be reclassified subsequently to statement of Profit or Loss			
Foreign Currency Translation Reserve		-	0.02
Income Tax on Translation Reserve		-	-
Total Other Comprehensive Income for the period (B)		**52.24**	**(82.21)**
Total Comprehensive Income for the period (A) + (B)		**(1,427.44)**	**(5,103.64)**
Profit attributable to :			
- Shareholders of the Company		**(1,479.68)**	**(5,021.43)**
- Non-Controlling Interests		**-**	
Other Comprehensive Income attributable to :			
- Shareholders of the Company		**52.24**	**(82.21)**
- Non-Controlling Interests		**-**	**-**
Total Comprehensive Income attributable to :			
- Shareholders of the Company		**(1,427.44)**	**(5,103.64)**
- Non-Controlling Interests		**-**	**-**
Earnings per equity share	30		
Basic		**(0.76)**	**(2.57)**
Diluted		**(0.76)**	**(2.57)**
Notes on Financial Statements	1 to 47		

The notes referred to above from an integral part of the Balance sheet.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
Membership No. 608681

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

S. No.	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A	**Cash flows from operating activities:**		
	Net Profit/ (Loss) after Prior Period Items and before Tax	(1,984.02)	(6,121.08)
	Adjustments For:		
	a) Interest Income	(35.95)	(86.38)
	b) Depreciation	130.68	155.10
	c) (Gain)/ Loss on sale of fixed assets	(266.52)	(3.44)
	d) Sundry Balance Written off.	-	
	d) Effect of change in foreign currency translation reserve	-	0.02
	e) Interest Expense	506.52	256.34
	Operating Cash Profit before Working Capital Changes	**(1,649.29)**	**(5,799.44)**
	Movement in Working Capital:-		
	a) Increase/(Decrease) in Trade Payables	1,446.48	69.94
	b) Increase/(Decrease) in Other Current Liabilities	1,195.47	2,732.25
	c) Increase/(Decrease) in Other Current Financial Liabilities	(252.90)	180.98
	d) (Increase)/Decrease in Other Non Current Financial Assets	(3.58)	638.22
	e) Increase/(Decrease) in Provisions	(82.10)	(21.29)
	f) (Increase)/Decrease in Other Current Financial Assets	(603.44)	306.40
	g) (Increase)/Decrease in Inventories	119.06	14.43
	h) (Increase)/Decrease in Trade Receivables	0.05	1,442.27
	i) (Increase)/Decrease in Other Current Assets	65.17	(231.30)
	Cash Generated From/ (used in) operations	**234.92**	**(667.54)**
	Less: Income Tax Paid (net of refunds)	3.83	265.29
	Net Cash Generated From/ (used in) Operating Activities(A)	**238.74**	**(402.25)**
B	**Cash Flow from Investing Activities:**		
	(Purchase) of property, plant and equipment and capital work in progress	(40.68)	-
	Net proceeds of property, plant and equipment and capital work in progress	495.73	11.03
	Interest received	34.95	93.11
	Change in Minority interest of Subsidiary company	-	-
	Net Cash Generated from/ (Used in) Investing Activities (B)	**490.00**	**104.14**
C.	**Cash Flow from Financing Activities:**		
	Net proceeds/(Repayment) of Borrowings	(100.00)	397.50
	Interest Expense Paid	(481.25)	(198.06)
	Net Cash generated from/ (used in) Financing Activities (C)	**(581.24)**	**199.44**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	147.49	(98.67)
	Cash and cash equivalents at the beginning of the year	34.10	132.77
	Balance at the end of year	**181.59**	**34.10**

The notes referred to above from an integral part of the Balance sheet.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
Membership No. 608681

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

(a) Equity Share Capital	**No. of Shares**	**Amount**
Balance as at 1 April 2024	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2025	19,55,47,355	1,955.48
Balance as at 1 April 2025	19,55,47,355	1,955.48
Changes in equity share capital during the year	-	-
Balance as at 31 March 2026	19,55,47,355	1,955.48

(b) Other equity

Particulars	Reserves & Surplus						OCI	
	Securities Premium	General Reserve	Capital Reserve	Retained earnings	Equity Portion of Borrowings	Foreign Currency Translation Reserve	Remeasurement of defined benefit plans	Total
Balance at 31 March 2024	**2,667.52**	**250.00**	**8,682.65**	**2,340.05**	**16.64**	**347.70**	**(205.02)**	**14,099.54**
Profit for the year	-	-	-	(5,021.43)	-	-	-	(5,021.43)
Other comprehensive income for the year	-	-	-	-	-	0.02	(82.23)	(82.21)
Total comprehensive income for the year	**-**	**-**	**-**	**(5,021.43)**	**-**	**0.02**	**(82.23)**	**(5,103.64)**
Balance at 31 March 2025	**2,667.52**	**250.00**	**8,682.65**	**(2,681.38)**	**16.64**	**347.72**	**(287.25)**	**8,995.90**
Profit for the year	-	-	-	(1,479.68)	-	-	-	(1,479.68)
Other comprehensive income for the year	-	-	-	-	-	-	52.24	52.24
Total comprehensive income for the year	**-**	**-**	**-**	**(1,479.68)**	**-**	**-**	**52.24**	**(1,427.45)**
Balance at 31 March 2026	**2,667.52**	**250.00**	**8,682.65**	**(4,161.06)**	**16.64**	**347.72**	**(235.02)**	**7,568.46**

The notes referred to above from an integral part of the Balance sheet.
As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
Membership No. 608681

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. Corporate Information

The Consolidated Financial Statements comprise financial statements of Facor Alloys Limited (referred to as “FAL” or “the Company”) and its subsidiaries (collectively “the Group”). The Company is a public company domiciled in India and is listed at Bombay Stock exchange. The Company’s registered office is located at Shreeramnagar, Garividi, Vizianagaram, Andhra Pradesh.

The consolidated financial statements for the year ended March 31, 2026 were approved for issue in accordance with a resolution of the Board of Directors of the Company on May 25, 2026.

2. Material Accounting Policy Information

This note provides a list of material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’), prescribed under Section 133 of the Companies Act, 2013 (the Act) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

The financial statements are presented in INR, which is also the Company’s functional currency and all values are rounded to the nearest lakhs (INR 00,000) as per the requirement of Schedule III, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle at 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Principles of Consolidation

a) The consolidated financial statements include results of the subsidiaries of Facor Alloys Ltd., consolidated in accordance with Ind AS 110 ‘Consolidated Financial Statements’. The consolidated financial statements present the consolidated accounts of Facor Alloys Limited, its following subsidiaries

S. No.	Name of the Company	Relationship	Proportion of Ownership & Voting Power	Country of Incorporation
1.	FAL Power Ventures Pvt. Ltd. (FPVPL) [Formerly known as BEC Power Pvt. Ltd.]	Subsidiary	100.00%	India
2.	Facor Minerals (Netherlands) B.V. (FMN)	Subsidiary	90.65%	Netherlands
3.	Facor Turkkrom Mining (Netherlands) B.V. (FTM)	Subsidiary of FMN	100.00%	Netherlands
4.	Cati Madencilik Ithalat ve Ihracat A.S. (Cati)	Subsidiary of FTM	100.00%	Turkey

b) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company.

c) The financial statements of the Company and its subsidiaries have been consolidated on a line-by-line basis adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and any unrealized profits.

d) The consolidated financial statements have been prepared using accounting policies for like transactions and are presented, to the extent possible, in the same manner as the company’s separate financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

e) The financial statements of FMN and its fellow subsidiary FTM have been prepared in accordance with Netherland Generally Accepted Accounting Principles. The financial statements of Cati, tier 2 subsidiary has been prepared as per IFRS. The impact on account of any difference to the Indian Accounting Standards (Ind AS) is not material in view of Company's consolidated operations.

f) For non-wholly owned subsidiaries, non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

g) The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

h) Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following;

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.)

i) On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

j) Any goodwill arising on acquisition / consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit and loss recognised in the Statement of the Profit and Loss.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the statement of Profit and Loss as it arises and is not reversed.

k) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the asset / liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Other material accounting policies followed by the Group are exactly similar to the material accounting policies of the parent, Facor Alloys Ltd., and hence have not been reproduced here. Refer Note 2 to 3 of standalone financial statement of Facor Alloys Ltd. for the year ended March 31, 2026 for details in regard to other material accounting policies.

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements which fairly present the needed disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 31 March 2025	Additions	Assets Classified as Held for Sale	Deletions	As at 31 March 2026	As at 31 March 2025	For the year	Assets Classified as Held for Sale	Adjustments / Deductions	As at 31 March 2026	As at 31 March 2026
Tangible Assets											
Freehold Land	9,765.77	-	-	89.31	9,676.46	-	-	-	-	-	9,676.46
Mines and Quarries Freehold	83.40	-	-	-	83.40	-	-	-	-	-	83.40
Buildings	342.09	-	-	26.14	315.95	145.39	5.34	-	15.80	134.93	181.02
Railway Sidings	12.03	-	-	-	12.03	8.62	0.42	-	-	9.04	2.99
Plant and Machinery	1,938.48	-	1,563.34	293.03	82.11	1,317.74	114.03	1,156.61	235.76	39.41	42.71
Office Equipments	111.79	1.50	-	-	113.29	92.83	5.31	-	-	98.14	15.16
Furniture & Fixtures	6.87	-	-	-	6.87	5.10	0.16	-	-	5.26	1.61
Vehicles	25.28	39.17	-	3.08	61.37	15.10	5.42	-	2.54	17.98	43.39
Total	**12,285.71**	**40.68**	**1,563.34**	**411.56**	**10,351.49**	**1,584.78**	**130.68**	**1,156.61**	**254.10**	**304.75**	**10,046.74**

The above includes following assets given on operating lease:

The above includes following assets given on operating lease:

Particulars	As at 31 March 2026			2026
	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year
Freehold Land	150.00	-	150.00	-
Total	**150.00**	**-**	**150.00**	**-**

Particulars	Gross Block				Depreciation				Net Block
	As at 31 March 2025	Additions	Deletions	As at 31 March 2026	As at 31 March 2025	For the year	Adjustments / Deductions	As at 31 March 2026	As at 31 March 2026
Intangible Assets									
Mining Rights	26.64	-	-	26.64	-	-	-	-	26.64
Total	**26.64**	**-**	**-**	**26.64**	**-**	**-**	**-**	**-**	**26.64**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 31 March 2024	Additions	Assets Classified as Held for Sale	Deletions	As at 31 March 2025	As at 31 March 2024	For the year	Assets Classified as Held for Sale	Adjustments / Deductions	As at 31 March 2025	As at 31 March 2025
Tangible Assets											
Freehold Land	9,837.27	-	71.50	-	9,765.77	-	-	-	-	-	9,765.77
Mines and Quarries Freehold	83.40	-	-	-	83.40	-	-	-	-	-	83.40
Buildings	342.09	-	-	-	342.09	139.06	6.33	-	-	145.39	196.70
Railway Sidings	12.03	-	-	-	12.03	8.13	0.49	-	-	8.62	3.41
Plant and Machinery	1,943.16	-	-	4.68	1,938.48	1,179.24	138.50	-	-	1,317.74	620.74
Office Equipments	114.65	-	-	2.86	111.79	86.58	8.67	-	2.42	92.83	18.96
Furniture & Fixtures	6.87	-	-	-	6.87	4.91	0.19	-	-	5.10	1.77
Vehicles	32.21	-	-	6.93	25.28	18.64	0.92	-	4.46	15.10	10.18
Total	**12,371.68**	**-**	**71.50**	**14.47**	**12,285.71**	**1,436.56**	**155.10**	**-**	**6.88**	**1,584.78**	**10,700.93**

Particulars	Gross Block				Depreciation				Net Block
	As at 31 March 2024	Additions	Deletions	As at 31 March 2025	As at 31 March 2024	For the year	Adjustments / Deductions	As at 31 March 2025	As at 31 March 2025
Intangible Assets									
Mining Rights	26.64	-	-	26.64	-	-	-	-	26.64
Total	**26.64**	**-**	**-**	**26.64**	**-**	**-**	**-**	**-**	**26.64**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5 Right-of-Use Asset

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 March 2025	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2026	As at 31 March 2025	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2026	As at 31 March 2026
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-

(₹ in Lakhs)

Particulars	Cost				Amortisation					Net Carrying Amount
	As at 31 March 2024	Recognition of Assets taken on finance lease as Right of Use Assets	Adjustment on Modification of Lease term	As at 31 March 2025	As at 31 March 2024	Recognition of Assets taken on finance lease as Right of Use Assets	Amortisation for the year	Adjustment on Modification of Lease term	As at 31 March 2025	As at 31 March 2025
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
6	**Other non-current financial assets**		
	Unsecured, considered good		
	Security deposits		
	- Others	536.00	532.42
	Balance in Term Deposits (Maturity more than 12 months)	0.50	0.50
	Total	**536.50**	**532.92**
7	**Deferred Tax Liabilities/ Assets (Net)**		
	Deferred Tax Liability:		
	Difference between Book and Income Tax depreciation	44.39	59.85
	Deferred Tax Assets:		
	Disallowance u/s 43B of the Income Tax Act, 1961 to be allowed on payment basis	10.34	23.94
	Unabsorbed Depreciation and Unabsorbed Business loss	2,589.60	2,017.75
	Unabsorbed Long Term Capital loss	734.61	821.54
	Total	**3,290.16**	**2,803.38**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
	Reconciliation of Deferred Tax Assets/(Liabilities)		
	Opening Balance as on 1st April	2,803.38	1,676.07
	Deferred tax income/ (expense) on transition impact recognised in other equity	-	1,099.65
	Deferred tax income/ (expense) during the period recognised in profit & loss	504.35	-
	Deferred tax income/ (expense) during the period recognised in OCI	(17.57)	27.66
	Other adjustment for Consolidation	-	-
	Closing Balance	**3,290.16**	**2,803.38**
8	**Inventories**		
	(At cost or NRV whichever is lower)		
	Raw materials	56.43	175.00
	Work-in-Process	1.69	1.69
	Finished Products	-	-
	Stores and spares	109.60	110.09
	Total	**167.72**	**286.78**
9	**Trade Receivables**		
	Unsecured		
	Considered good (Refer note 41)	2,971.02	2,971.07
	Considered doubtful	-	-
	Total	**2,971.02**	**2,971.07**
10	**Cash and cash equivalents**		
	Balance with banks:		
	- In current account	179.96	32.23
	- Deposits with maturity of less than 3 months	-	-
	Cash in hand	1.62	1.87
	Total	**181.59**	**34.10**
11	**Other Bank Balances**		
	- Deposits with maturity of more than 3 months but less than 12 months*	603.62	0.18
	Total	**603.62**	**0.18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
12	**Other current financial assets**		
	Loans and advances to others	-	-
	Less: allowance for credit loss	-	-
	Sub Total	**-**	-
	Interest Accrued	1.03	0.03
	Security Deposit	-	-
	Total	**1.03**	**0.03**
13	**Current tax assets (net)**		
	Advance tax (Net of provision for income tax)	7.18	11.01
	Total	**7.18**	**11.01**
14	**Other current assets**		
	Advances to vendors	200.40	290.69
	Taxes and duties recoverable	239.74	211.43
	Prepaid Expenses	12.41	15.59
	Total	**452.54**	**517.71**
15	**Assets Classified as Held for Sale**		
	Land	543.00	614.50
	Plant & Machinary	406.73	-
	Buildings	-	0.25
		949.73	**614.75**

15.1 The Company has classified certain Plant and Machinery as assets held for sale, as they are available for immediate sale and management is committed to their disposal. Shareholders approved the proposed sale through a postal ballot on 10 July 2025, and the Company expects to complete the sale within 12 months of classification. An advance of ₹ 27.97 crores received from prospective buyers in connection with the sale has been disclosed as an advance from customer/purchaser pending execution of the definitive sale agreement

		As at 31 March 2026	As at 31 March 2025
16	**Share capital**		
	Authorised:		
	36,00,00,000 equity shares of ₹ 1/- each	3,600.00	3,600.00
	39,00,000 preference shares of ₹ 100/- each	3,900.00	3,900.00
	Issued, subscribed & fully paid up:		
	19,55,47,355 equity shares of ₹ 1/- each	1,955.48	1,955.48
	Total	**1,955.48**	**1,955.48**

a. **Terms and rights attached to equity shares**

The Company has only one class of Equity shares referred to as equity shares each having a par value of ₹ 1/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

b. **Reconciliation of number of shares outstanding at the beginning and end of the year :**

	Number of Shares	Amount (₹ in lakhs)
Outstanding at the 1 April 2024	19,55,47,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2025	19,55,47,355.00	1,955.48
Equity Shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2026	**19,55,47,355.00**	**1,955.48**

c. **Shareholders holding more than 5% shares in the company**

Name of the Shareholders	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Percentage	No. of Shares	Percentage
R.B.Shreeram & Co. Pvt. Ltd.	6,10,55,682	31.22%	6,10,55,682	31.22%

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
17	**Other equity**		
a.	**Securities premium**		
	Balance at the beginning of the year	2,667.52	2,667.52
	Addition during the year	-	
	Balance at the end of the year	**2,667.52**	**2,667.52**
b.	**Capital Reserves**		
	Balance at the beginning of the year	8,682.65	8,682.65
	Addition during the year	-	
	Balance at the end of the year	**8,682.65**	**8,682.65**
c.	**General reserve**		
	Balance at the beginning of the year	250.00	250.00
	Add: Transfer from surplus balance in the statement of Profit & Loss	-	-
	Balance at the end of the year	**250.00**	**250.00**
d.	**Retained earnings**		
	Balance at the beginning of the year	(2,681.38)	2,340.05
	Add: Profit for the year after taxation as per statement of Profit and Loss	(1,479.68)	(5,021.43)
	Balance at the end of the year	**(4,161.06)**	**(2,681.38)**
e.	**Equity Component of Loan**		
	Balance at the beginning of the year	16.64	16.64
	Add: Profit for the year after taxation as per statement of Profit and Loss	-	
	Balance at the end of the year	**16.64**	**16.64**
f.	**Other Comprehensive Income**		
	Foreign Currency Translation Reserve		
	Balance at the beginning of the year	347.72	347.70
	Addition during the year	-	0.02
	Balance at the end of the year	**347.72**	**347.72**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
g.	**Remeasurement of actuarial gain/loss**		
	Balance at the beginning of the year	(287.25)	(205.02)
	Addition during the year	52.24	(82.23)
	Balance at the end of the year	**(235.02)**	**(287.25)**
	Total Equity (a+b+c+d+e+f+g)	**7,568.44**	**8,995.90**

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

		As at 31 March 2026	As at 31 March 2025
18	**Provisions**		
	Provision for employee benefits		
	- Compensated Absences	4.48	35.34
	- Others	-	-
	Total	**4.48**	**35.34**
19	**Borrowings**		
	From Others (Secured)*	285.89	285.89
	From Others (Unsecured)	252.00	252.00
	From related parties (Unsecured)	677.50	777.50
	Total	**1,215.39**	**1,315.39**

* Facor Turkkrom Mining (Netherlands) BV, Tier I subsidiary, has borrowed Rs. 285.89 Lakhs ($ 340,000) at Libor +1% Interest by pledging 99.99% shares of Cati Madencilik Ithalat Ve Ihracat AS, Tier II subsidiary, during current financial year, repayable before 31st December, 2024. However, there are no further details available with the parent company regarding the same.

		As at 31 March 2026	As at 31 March 2025
20	**Trade Payables**		
	Micro Small and Medium Enterprises (Refer Note No. 42 & 43)	-	85.67
	Others (Refer Note No. 43)	3,893.04	2,360.89
	Total	**3,893.04**	**2,446.56**
21	**Other Financial Liabilities**		
	Interest Accrued and Due	173.00	147.73
	Other payables for:		
	- Employee Benefits Payable	166.85	419.89
	- Security deposits / Retention money	4.42	4.27
	Total	**344.27**	**571.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		As at 31 March 2026	As at 31 March 2025
22	**Other Current Liabilities**		
	Statutory dues	18.77	42.83
	Revenue received in advance	124.56	158.31
	Other payables	3,967.21	2,713.92
	Total	**4,110.53**	**2,915.06**
23	**Provisions**		
	Provision for employee benefits		
	- Gratuity	34.98	136.61
	- Compensated Absences	1.62	21.03
	Others	1,020.53	1,020.53
	Total	**1,057.13**	**1,178.17**

(₹ in Lakhs)

		Year ended 31 March 2026	Year ended 31 March 2025
24	**Revenue from operations**		
	Sale of goods	-	-
	Sale of service- HCF conversion	-	-
	Sale of service- SiMn conversion	-	-
		-	**-**
	Off-Grade Sale	146.99	16.97
	Export Incentives	-	-
	Scrap Sale	-	-
	Grand Total	**146.99**	**16.97**
25	**Other Income**		
	Interest income from financial assets measured at amortised cost		
	- On bank deposits	5.03	1.29
	- Others	30.92	85.09
	Miscellaneous Receipts	-	950.42
	Rent Received	5.84	4.53
	Total	**41.79**	**1,041.33**

26	**Change in Inventory of Finished Goods and Work-in-Progress**			
	Closing Stock			
	- Finished Goods	-	-	
	- Work-in-Progress	-	-	
			-	**-**
	Opening Stock			
	- Finished Goods	-	-	
	- Work-in-Progress	-	-	
			-	**-**
	Decrease / (Increase) in Inventories		**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		Year ended 31 March 2026	Year ended 31 March 2025
26.1	**Purchase of Stock in Trade / Reclassification of Raw Materials as Stock in Trade***		
	- Finished Goods	**101.64**	**-**
	- Work-in-Progress	**-**	**-**
	Total	**101.64**	**-**

*The Company's manufacturing operations have remained suspended since 31-10-2023. As these inventories were no longer expected to be consumed in the production process and were intended to be realized through sale in their existing form, they were reclassified as stock in trade. During the financial year 2025-26, the Company sold such inventories to third parties and recognized the resultant proceeds in accordance with its accounting policies.

		Year ended 31 March 2026	Year ended 31 March 2025
27	**Employee Benefits Expense**		
	Salaries and wages	1,138.89	633.63
	Contribution to provident and other funds	22.06	45.96
	Staff Gratuity and Superannuation	5.78	7.15
	Staff welfare expenses	72.95	105.81
	Total	**1,239.68**	**792.55**

27.1 During the FY 2025-26, employee benfeit expenses included voluntary compensation amounting to INR 834.32 lakhs paid to employees separated under the company's Voluntary Retirement Scheme (VRS).

		Year ended 31 March 2026	Year ended 31 March 2025
28	**Finance Costs**		
	Interest	491.60	250.45
	Interest Cost on Employee Benefit Plans	14.92	5.89
	Interest on Leased Asset (ROU)	-	-
	Total	**506.52**	**256.34**

28.1 During the FY 2025-26, employee benfeit expenses included voluntary compensation amounting to INR 834.32 lakhs paid to employees separated under the company's Voluntary Retirement Scheme (VRS).

		Year ended 31 March 2026	Year ended 31 March 2025
29	**Other Expenses**		
	Mining Handling & Other Production expenses	39.60	21.06
	Power and fuel	36.69	38.49
	Repairs and maintenance:		
	- Buildings	64.54	61.90
	- Plant and machinery	59.69	48.12
	Freight, Shipment & Sales Expenses	-	-
	Stores & Spares	-	0.31
	Works Expenses	105.80	91.70
	Legal and Professional Expense	200.94	120.70
	Transportation expenses	2.97	2.06
	Rent	15.09	15.90
	Insurance	1.98	4.74
	Rates and Taxes	22.48	18.21
	Provision for doubtful debts	-	-
	Commission and Brokerage on Sales	-	-
	Donation	1.00	-
	Payment to auditors	7.52	6.71
	Directors' sitting fees	5.95	9.55
	CSR Expenses	-	-
	Miscellaneous Expenses	11.93	32.13
	Total	**576.18**	**471.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

		Year ended 31 March 2026	Year ended 31 March 2025
29.1	**Payment to Auditor as:**		
	(a) Statutory Auditor		
	Audit Fees	3.50	3.55
	Tax Audit Fees	0.75	0.75
	Reimbursement of Expenses	1.62	0.76
	(b) Cost Auditor		
	Audit Fees	0.50	0.50
	(c) GST Auditor		
	Audit Fees	1.15	1.15
	Total	**7.52**	**6.71**
30	**Earning per share**		
	Profit/ (Loss) for the period	**(1,479.68)**	**(5,021.43)**
	Weighted average number of equity shares of ₹ 1/- each (In lakhs)	**1,955.48**	**1,955.48**
	EPS - Basic and Diluted	**(0.76)**	**(2.57)**

31 Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

a. Claims against the Group not acknowledged as debts, since disputed ₹ 1,336.85 lakhs (Previous Year ₹ 1,336.85 lakhs). Amounts paid under protest ₹ 110.85 lakhs (Previous Year ₹ 110.85 lakhs) have been debited to Advance Account.

b. In view of the decision of NCLT, Mumbai bench in the application under section 30(1) and (6) and order under section 31 of Insolvency and Bankruptcy Code, 2016 in the matter of Vidarbha Iron & Steel Corporation Limited, the liability of the Company on account of Corporate Guarantee issued in favour of Consortium Banks of Facor Steels Limited is NIL.

c. Claims against the Company not acknowledged as debts and not provided for: Company had entered into long term conversion agreement with M/s Tata Steel Mining Ltd (TSML), a wholly owned subsidiary of M/s Tata Steel Ltd (TSL) on 22-03-2021. Consequent to the merger of TSML into TSL on 08-08-2023, agreement was modified in the name of M/s TSL w.e.f. 01-09-2023, As per conversion agreement raw materials required for conversion work will be supplied by TSL free of cost at the manufacturing site of the company and company will raise conversion bills on manufacturing of HCFC. During the year, TSL informed the company that 9885 MT of raw material was found short on physical verification of inventory laying at company's premises on 27-02-2024 and shortage of material was valued at prevailing market price at ₹ 31.15 Crores. During the financial year 2024-25, the Company, has recognise the loss amounting to ₹ 23.27 Crores in its books. Accordingly, the total claim of ₹ 23.27 crores has been set off against the following :

- ₹ 3.00 crores through encashment of the bank guarantee; (refer note no. 31(c))
- ₹ 2.00 crores paid directly via banking channels; and
- ₹ 18.27 crores adjusted against outstanding receivables (refer note no.9).

The remaining balance of the claim continues to be disputed by the Company in terms of both quantity and valuation. Discussions with TSL are ongoing with a view to jointly reconciling the raw material position since the inception of the agreement. The recognised loss has been disclosed separately under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

32 Segment Information:

Consolidated segment informations are same as segment information of Facor Alloys Limited.

33 Related Party Disclosure:-

Consolidated related party transactions are same as related party transactions of Standalone Facor Alloys Limited except for following transactions which are additional in consolidated financial statement. Amount received by Cati Medencilik Ithalat Ve Ihracat A.S. for Directors and their Relatives are as under:

(₹ In Lakhs)

S.No.	Name of the Related Party	Nature of Relationship	Transactions during the year		Balance at the year end	
			2025-26	2024-25	2025-26	2024-25
1	Huseyin Cevik	Director	-	-	-	-
2	Gokhan Cevik*	Relative of Director	-	-	-	-

* Variation is due to exchange fluctuation

34 During the financial year 2024-25, the management identified an excess quantity of anthracite coal at the production floor. This surplus arose due to lowerthan-anticipated consumption of raw materials in the manufacturing process when compared with the standard norms for production efficiency. Out of the identified excess, the company sold some quantity during the year. Given the non-recurring and exceptional nature of this event, the proceeds from the sale have been disclosed separately under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2026.

35 During the financial year 2024–25, there was a change in the management of the Company. Following this transition, the new management was unable to obtain complete and reliable financial information relating to the Company's overseas subsidiary, which is necessary for the purpose of consolidation.

Accordingly, the management has taken a considered decision to present the consolidated financial results for the year ended 31st March, 2026, excluding the financial results of the said overseas subsidiary.

It is further clarified that the current year transactions of the overseas subsidiary have not been considered for the purpose of consolidation. Based on the management's assessment, the financial impact arising from the non-consolidation of these transactions is not material to the consolidated financial statements. In connection with the above matter, the Company had also filed a formal complaint with the Economic Offences Wing (EOW) seeking appropriate action.The CJM directed the Economic Offences Wing, Delhi Police to submit an action taken report on the preliminary investigation conducted pursuant to FAL's complaint. The report was filed, and part arguments have been heard. The matter is listed for further hearing.

36 Plant operation has been shut down w.e.f. 31-10-2023, which has caused minimal revenue during the quarter/year. After evaluating various strategies for revival of operations, the management has decided to divest the plant and machinery. Accordingly shareholders' approval for the sale of plant and machinery was obtained through postal ballot on July 10, 2025.

37 Details of Loans given, Investments made and Guarantee given covered U/s 186(4) of the Companies Act, 2013.

Loans given, Investments made and Guarantees given by the Company in respect of loans are given under the respective heads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

38 FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies

Part "A": Subsidiaries **(₹ in lakhs)**

1	Sl. No.	1	2	3	4
2	Name of subsidiary	FAL Power Ventures Pvt. Ltd.	Facor Minerals (Netherlands) B.V.	Facor Turkkrom Mining (Netherlands) B.V.	Cati Mandencilik Ithalat ve Ihracat A.S.
			Refer note no 35 above.		
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		US$ 83.355	US$ 83.355	US$ 83.355
5	Share Capital	1.00	2,006.03	1,833.81	95.53
6	Reserves & Surplus	(209.50)	(11,785.28)	(1,837.38)	(1,243.31)
7	Total Assets	47.96	146.89	305.39	145.68
8	Total Liabilities	47.96	146.89	305.39	145.68
9	Investments	-	-	-	-
10	Turnover	-	-	-	-
11	Profit before taxation	(0.11)	-	-	-
12	Provision for taxation	-	-	-	-
13	Profit after taxation	(0.11)	-	-	-
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100%	90.65%	100%	100%

Notes:

1: Following are the names of subsidiaries which are yet to commence operations ;

i). FAL Power Ventures Pvt. Ltd.

ii). Facor Minerals (Netherlands) B.V.

iii). Facor Turkkrom Mining (Netherlands) B.V.:- Subsidiary of Facor Minerals (Netherlands) B.V.

iv). Cati Madencilik Ithalat ve Ihracat A.S.:- Subsidiary of Facor Turkkrom Mining (Netherlands) B.V

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

39 Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate.

S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
	1	2	3	4	5	6	7	8	9
	Parent								
	Facor Alloys Limited	108.80	9,367.25	(99.99)	(1,479.57)	(1.30)	52.24	(378.71)	(5,405.79)
	Subsidiaries								
	Indian								
1	FAL Power Ventures Pvt. Ltd.	(2.43)	(209.50)	(0.01)	(0.11)	-	-	(0.01)	(0.11)
	Foreign								
	Facor Minerals (Netherlands) B.V. - Refer Note 36	(136.88)	(11,785.28)	-		-	-	-	-
	Non-controlling Interest in Subsidiaries	(10.62)	(914.29)	-	-	-	-	-	-
	Adjustment on Consolidation	141.14	12,151.46			(98.70)	3,978.46	278.71	3,978.46
	Total	**100.01**	**8,609.64**	**(100.00)**	**(1,479.68)**	**(100.00)**	**4,030.70**	**(100.01)**	**(1,427.44)**

40 **Employee benefits**

Consolidated employee benefits are same as employee benefits of Standalone Facor Alloys Limited.

During the FY 2025-26, employee benfeit expenses included voluntary compensation amounting to INR 834.32 lakhs paid to employees separated under the company's Voluntary Retirement Scheme (VRS).

41 Consolidated Trade Receivable are same as Trade Receivable of Standalone Facor Alloys Limited.During the previous year 2024-25, trade receivables include a reduction amounting to ₹ 18.27 crores on account of adjustment made against a claim raised by M/s Tata Steel Ltd. (TSL) relating to a shortage of raw materials supplied under a long-term conversion agreement. The said adjustment has been accounted for as part of the loss recognised under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2025.

This set-off represents the settlement of outstanding dues from TSL (formerly Tata Steel Mining Ltd.) in line with the resolution of the matter disclosed under Contingent Liabilities and Claims Not Acknowledged as Debt.

42 Consolidated MSME details are same as MSME detail of Standalone Facor Alloys Limited.

43 Trade Payable for following periods from due date of payment. **(₹ In Lakhs)**

Particulars	As at 31 March 2026		As at 31 March 2025	
	MSME	Others	MSME	Others
Less than 1 year	-	1,819.91	-	480.95
1-2 years	-	421.85	85.67	1,858.10
2-3 years	-	1,651.11	-	21.61
More than 3 years	-	0.17	-	0.23
Total	**-**	**3,893.04**	**85.67**	**2,360.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

44 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category* **(₹ in Lakhs)**

Particulars	As at 31 March 2026	As at 31 March 2025
	Amortised Cost	Amortised Cost
Financial assets		
Other non-current financial assets	536.50	532.92
Trade receivables	2,971.02	2,971.07
Cash and cash equivalents	181.59	34.10
Other bank balances	603.62	0.18
Other current financial assets	1.03	0.03
Total	**4,293.76**	**3,538.30**
*Exclude financial instruments measured at cost		
Financial liabilities		
Borrowings	1,215.39	1,315.39
Trade payables	3,893.04	2,446.56
Other financial liabilities	344.27	571.89
Total	**5,452.70**	**4,333.84**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

<u>Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed</u>

(₹ in Lakhs)

Particulars	As at 31 March 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other non-current financial assets	-	-	536.50	536.50
Trade receivables	-	-	2,971.02	2,971.02
Cash and cash equivalents	-	-	181.59	181.59
Other bank balances	-	-	603.62	603.62
Other current financial assets	-	-	1.03	1.03
Total financial assets	**-**	**-**	**4,293.76**	**4,293.76**
Financial liabilities				
Borrowings	-	-	1,215.39	1,215.39
Trade payables	-	-	3,893.04	3,893.04
Other financial liabilities	-	-	344.27	344.27
Total financial liabilities	**-**	**-**	**5,452.70**	**5,452.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in Lakhs)

Particulars	As at 31 March 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other non-current financial assets	-	-	532.92	532.92
Trade receivables	-	-	2,971.07	2,971.07
Cash and cash equivalents	-	-	34.10	34.10
Other bank balances	-	-	0.18	0.18
Other current financial assets	-	-	0.03	0.03
Total financial assets	**-**	**-**	**3,538.30**	**3,538.30**
Financial liabilities				
Borrowings	-	-	1,315.39	1,315.39
Trade payables	-	-	2,446.56	2,446.56
Other financial liabilities	-	-	571.89	571.89
Total financial liabilities	**-**	**-**	**4,333.84**	**4,333.84**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

C. Fair value of financial assets and liabilities measured at amortised cost (₹ in Lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non-current financial assets	536.50	536.50	532.92	532.92
Trade receivables	2,971.02	2,971.02	2,971.07	2,971.07
Cash and cash equivalents	181.59	181.59	34.10	34.10
Other bank balances	603.62	603.62	0.18	0.18
Other current financial assets	1.03	1.03	0.03	0.03
Total	**4,293.76**	**4,293.76**	**3,538.30**	**3,538.30**
Financial liabilities				
Borrowings	1,215.39	1,215.39	1,315.39	1,315.39
Trade payables	3,893.04	3,893.04	2,446.56	2,446.56
Other financial liabilities	344.27	344.27	571.89	571.89
Total	**5,452.70**	**5,452.70**	**4,333.84**	**4,333.84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Risk management framework

A company is exposed to uncertainties owning to the sector in which it is operating. The Company is conscious of the fact that any risk that could have a material impact on its business should be included in its risk profile. Accordingly, in order to contain / mitigate the risk, the Board of Directors have approved a Risk Management Policy which shall be reviewed by Board and the management from time to time.

The Company's Risk Management framework is designed to identify, assess and monitor various risks related to key business and strategic objectives and lead to the formulation of a mitigation plan. Major risks in particular are monitored regularly at Executive meetings and the Board of Directors of the Company is kept abreast of such issues and the policy was reviewed by the Board and Committee at its meeting.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations, and arises principally from the loans & advances to related parties and company's receivables from customers.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk other than trade receivable.

The company maintains its Cash and cash equivalents and Bank Deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit rating on a timely basis.

The gross carrying amount of trade receivables is ₹ 2971.02 lakhs (31 March 2025 ₹ 2971.07 lakhs).

During the period, the Company has made no write-offs of trade receivables. The Company management also pursue all options for recovery of dues wherever necessary based on its internal assessment. A default on a financial asset is when counterparty fails to make payments within 365 days when they fall due.

Other current financial assets basically include loans and advances recoverable from related parties. Provision is created in books of accounts on case to case basis depending upon the possibility/probability of recovery of the amount due to financial position of related parties. The gross carrying amount of loan and advances to related parties as on 31 March 2026 amounted to ₹ NIL (NIL as on 31 March 2025).

ii. Liquidity risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

(a) Financing arrangements

The company do not have undrawn bank overdraft facilities as on 31 March 2026 and as on 31 March 2025.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2026	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,215.39	1,215.39	1,215.39	-	-	-
Trade payables	3,893.04	3,893.04	3,893.04	-	-	-
Other financial liabilities	344.27	344.27	344.27	-	-	-
Total non-derivative liabilities	**5,452.70**	**5,452.70**	**5,452.70**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	Contractual cash flows					
	Carrying Amounts 31 March 2025	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 year
Non-derivative financial liabilities						
Borrowings	1,315.39	1,315.39	1,315.39	-	-	-
Trade payables	2,446.56	2,446.56	2,446.56	-	-	-
Other financial liabilities	571.89	571.89	571.89	-	-	-
Total non-derivative liabilities	**4,333.84**	**4,333.84**	**4,333.84**	**-**	**-**	**-**

iii. Market risk

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Equity Price risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of the material produced and sold by the company. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the materials. The Company enters into contracts for procurement of materials and most of the transactions are short term fixed price contracts.

b) Currency risk

Foreign currency risk is the risk that fair value of future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has foreign currency trade payables and receivables and is therefore, exposed to a foreign exchange risk. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is managed through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Particulars	As at 31 March 2026	As at 31 March 2025
	USD	USD
Financial asset		
Trade receivables	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**
Financial Liabilities		
Trade payables	-	-
Net statement of financial position exposure	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2026				
5% movement				
USD	-	-	-	-
31 March 2025				
5% movement				
USD	-	-	-	-

c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	31 March 2026	31 March 2025
Fixed Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-
	-	**-**
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	-	-
	-	**-**

Sensitivity analysis

Fixed rate instruments

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Variable rate instruments

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss, net of tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2026				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**
31 March 2025				
Variable Rate Instruments	-	-	-	-
Cash flow sensitivity (net)	**-**	**-**	**-**	**-**

45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

46 The Company has terminated the conversion agreements dated 01-08-2021 ('Agreement") with Rajadhiraj Vinayak Natraj Pvt. Ltd ("RTVNPL") vide termination notice dated 27-10-2022 as RTVNPL has violated the terms of the said Agreement. RTVNPL against the said termination had filed a petition bearing no.O.M.P. (I) (Comm.) 310/2022 under section 9 of arbitration and conciliation Act ("Act") before Hon'ble High Court of Delhi and sought interim reliefs against the termination of the said Agreement. The Hon'ble High Court of Delhi vide order dated 03-11-2022 referred the parties to Mediation under the aegis of Samadhan, at Delhi High Court Mediation and Conciliation Centre, however same was unsuccessful.

Thereafter, the Hon'ble High Court of Delhi vide order dated 10-11-2022 treated present petition as an application under section 17 of the Act on mutual consent of both counsels and referred the matter to the arbitration to be held under the aegis of the Delhi International Arbitration Centre, Delhi High Court. Hon'ble Ms. Justice Indira Banerjee, former judge of Supreme Court of India was appointed as Sole Arbitrator. Claim and counter claim are filed and arbitration is in process. As no Arbitration award has been passed and impact cannot be quantified at this stage, therefore, no accounting adjustment have been made in books of Accounts. Debtors include Rs. 2,444.85 lakh receivable from RTVNPL on account of conversion bills as on 31-03-2024.

47 The figures for the corresponding previous year has been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date.

For and on behalf of the Board of Directors

Mohsin A Hada
Partner
Membership No. 608681

Murlidhar Durgaprasadji Saraf
Director
(DIN: 00011966)

Ashish Santosh Agrawal
Whole Time Director
(DIN: 02148665)

For K.K. Mankeshwar & Co.
Chartered Accountants
(Firm's Regn. No. 106009W)
UDIN: 26608681PMFMOU5293

Place: Nagpur
Date: 25th May, 2026

Vinod Saraf
President

Md. Asim Quraishi
CFO

Sachin Kumar Gupta
Company Secretary

Registered Office And Works:

Shreeramnagar-535 101
Garividi, Dist : Vizianagaram
[Andhra Pradesh]
Phone : 91-8952-282029 & 282038
Fax : 91-8952-282188
Gram : FACOR
E-Mail : facoralloys@falgroup.in
Website : www.facoralloys.in
CIN : L49120AP2004PLC043252

Corporate Office:

Polyplex Building, Tower-B,
Ground Floor, B-37, Sector-1,
Noida - 201301
Phones : +91-120-4206442
E-mail : corpoffice@falgroup.in