

Facor Energy Limited

**Annual Report and Audited Financial Statements
For the year ended 31 March 2014**

Facor Energy Limited
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**Facor Energy Limited
Management and Administration**

Directors

Peter Bruce Lilley
Grahame David Cook
Nirji Joseph Deva
Michael Gainey Reynolds
Ashish Saraf
Vineet Vithal Das Saraf
Dinesh Kumar Sardana

Secretary

Ogier Corporate Services (Guernsey) Limited
Ogier House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Registered Office

Ogier House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Independent Auditors

Lince Salisbury
Avenue House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Facor Energy Limited
Directors' Report
For the year ended 31 March 2014

The Directors present their report and audited financial statements for the Company for the year ended 31 March 2014.

Incorporation

The Company was incorporated on 24 January 2011 in Guernsey, Channel Islands with Company Registration number 52945.

Principal Activity

The Directors anticipate that the Company's principal activity in the future will be to invest in companies which in turn will invest in companies engaged in power generation.

Results and Dividend

The results for the year are set out in the profit and loss account on page 6. The Directors do not recommend the payment of a dividend for the year ended 31 March 2014 (2013: £nil).

Going concern

The Company is in a net liability position. However, this is in part due to subscription monies received of £80,000 pending allotment of 80,000 ordinary shares of no par value with a stated capital contribution of £1. It is also anticipated that the ultimate parent company will continue to provide the amount necessary to cover all payables owed by the Company during the next financial year.

Directors

The Directors who served during the year and up to the date of approving the financial statements are as disclosed on page 1.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and United Kingdom Accounting Standards, of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Facor Energy Limited
Directors' Report (continued)
For the year ended 31 March 2014

Directors' responsibilities for the financial statements (continued)

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008.

The Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the financial statements.

Independent auditor and disclosure of information to independent auditor

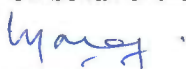
Each of the persons who is a Director at the date of approval of the financial statements confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's independent auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's independent auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies (Guernsey) Law, 2008.

A resolution to re-appoint Lince Salisbury as the Company's independent auditor will be put to the shareholders.

On behalf of the Board



Director

Name: VINEET SARAF

Date: 19/05/14

Independent Auditors' Report to the Members of Facor Energy Limited

We have audited the financial statements of Facor Energy Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2-3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Management and Administration Report and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of audit opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Independent Auditors' Report to the Members of Facor Energy Limited *continued*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Lince Salisbury Limited

Lince Salisbury
Chartered Accountants

Date: *27/05/14*

Facor Energy Limited
Profit and Loss Account
For the year ended 31 March 2014

	Note	1 April 2013 to 31 March 2014		1 April 2012 to 31 March 2013	
		£	£	£	£
Income	1				
Interest income		15		12	
			15		12
Expenses	1				
Audit fees		3,000		3,000	
Directors' fees		-		(1,000)	
Administration fees		17,445		15,882	
Legal and professional expenses		276		133,791	
Sundry expenses		950		1,162	
			(21,671)		(152,835)
Net loss for the year			(21,656)		(152,823)

The loss for the year was derived from continuing operations.

There were no gains or losses other than those recognised above and therefore no separate statement of total recognised gains and losses has been prepared. There is no difference between the loss for the year as stated above and its historical cost equivalent.

Facor Energy Limited
Balance Sheet
As at 31 March 2014

	Notes	31 March 2014		31 March 2013	
		£	£	£	£
Current assets					
Debtors and prepayments	3	3,226		3,076	
Cash at bank		1,984		6,899	
		<u>5,210</u>		<u>9,975</u>	
Creditors: amounts falling due within one year					
Creditors and accruals	4	99,846		177,955	
		<u>99,846</u>		<u>177,955</u>	
Total net liabilities			<u>(94,636)</u>		<u>(167,980)</u>
Capital and reserves					
Share capital	5		102,001		7,001
Profit and loss account	6		(196,637)		(174,981)
Equity shareholders' deficit			<u>(94,636)</u>		<u>(167,980)</u>

The financial statements on pages 6 to 9 were approved and authorised for issue by the Board of Directors on and signed on its behalf by:



Director

Name: VINEET SARAF

Date: 19/05/14

Facor Energy Limited
Notes to the Financial Statements
For the year ended 31 March 2014

1. Accounting Policies

Basis of preparation

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice under the historical cost convention. In the opinion of the Directors the financial statements give a true and fair view of the Company's state of affairs at 31 March 2014 and of the results for the year then ended. A summary of the more important accounting policies are set out below.

Going concern

The financial statements have been prepared on a going concern basis. The Company plans to issue 80,000 ordinary shares of no par value to Ferro Alloys Corporation Limited (**FACOR**) at a subscription price of £1.00 per share. FACOR will provide the amount necessary to cover all payables owed by the Company, during the next financial year. Given this undertaking, the Directors consider it appropriate to adopt a going concern basis in preparing the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Income and expenditure

Income and expenditure are recognised in the accounts on an accrual basis.

Cash Flow Statement

The Company is exempt from preparing a cash flow statement, as required by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it is a small company.

2. Taxation

The Company is taxed at the Guernsey company rate of 0%.

3. Debtors and prepayments

	31 March 2014	31 March 2013
	£	£
Unpaid share capital	1	1
Prepayments	3,225	3,075
	<u>3,226</u>	<u>3,076</u>

4. Creditors and Accruals

	31 March 2014	31 March 2013
	£	£
Pending share allotment	80,000	95,000
Recharged fees payable to Ferro Alloys Corporation Limited	14,449	14,449
Administration fees	2,374	2,406
Audit fees	3,000	3,000
Legal and professional expenses	-	63,028
Sundry creditors	23	72
	<u>99,846</u>	<u>177,955</u>

Facor Energy Limited
Notes to the Financial Statements (continued)
For the year ended 31 March 2014

5. Share capital	31 March 2014	31 March 2013
	£	£
Authorised:		
Unlimited shares of no par value	-	-
Allotted and called up:		
102,001 (2013: 7,001) ordinary shares with a stated capital contribution of £1	102,001	7,001

On 12 April 2013 95,000 ordinary shares with a stated capital contribution of £1 each were allotted.

6. Reconciliation of Movement in Shareholders' Funds

	Share capital	Profit and loss account	Total
	£	£	£
At 1 April 2012	7,001	(22,158)	(15,157)
Net loss for the year	-	(152,823)	(152,823)
At 31 March 2013	<u>7,001</u>	<u>(174,981)</u>	<u>(167,980)</u>
At 1 April 2013	7,001	(174,981)	(167,980)
Share capital issued in year	95,000	-	95,000
Net loss for the year	-	(21,656)	(21,656)
At 31 March 2014	<u>102,001</u>	<u>(196,637)</u>	<u>(94,636)</u>

7. Immediate and ultimate holding company

The immediate and ultimate holding company is Ferro Alloys Corporation Limited a listed entity on the Bombay stock exchange.

8. Related Party Transactions

In the normal course of business the Company has Directors in common with its ultimate holding company, Ferro Alloys Corporation Limited. During the period Ashish Saraf acted as Joint Managing Director of Ferro Alloys Corporation Limited and received remuneration as per the terms of engagement with that company.

9. Post Balance Sheet Events

On 26 April 2014, the Directors passed a written resolution to allot a further 80,000 ordinary shares with a stated capital contribution of £1.

Other than above, there have been no circumstances or events subsequent to the year end which require adjustment of, or disclosure in, the financial statements or in the notes.