

(Formerly known as BEC Power Private Ltd)  
Confidential

**FAL POWER  
VENTURES PRIVATE  
LIMITED**



**EIGHTH  
ANNUAL REPORT  
2012-13**

**FAL POWER VENTURES PRIVATE LIMITED**

**FAL POWER VENTURES PRIVATE LIMITED**  
**Regd. Office : 39/2, Nehru Nagar (E), Bhilai, Durg (Chhattisgarh) 490 020**

**NOTICE TO MEMBERS**

Notice is hereby given that the EIGHTH ANNUAL GENERAL MEETING of the Members of the FAL POWER VENTURES PRIVATE LIMITED will be held at the Registered Office of the Company at 39/2, Nehru Nagar (E), Bhilai, Durg (Chhattisgarh) 490 020 on Thursday, the 4<sup>th</sup> May, 2013 at 11.00 AM to transact, with or without modifications as may be permissible, the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr R. K. Saraf who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr Yogesh Saraf who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Salve & Company, Chartered Accountants (Regn. No.109003 W), be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions as the Board of Directors may fix in that behalf in consultation with the said Auditors."

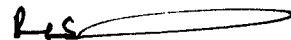
**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to notify the change in their address to the Company and always quote their Folio Numbers in all correspondence with the Company.
3. Any query relating to Accounts must be sent to Company's Office at Delhi at least 10 days before the date of the meeting.
4. Members are requested to bring their copy of Annual Report with them at the meeting.

Registered Office  
39/2, Nehru Nagar (E),  
Bhilai, Durg (Chhattisgarh) 490 020

Dated: 02<sup>nd</sup> April, 2013

**By order of the Board,**



R. K. Saraf  
Director

**FAL POWER VENTURES PRIVATE LIMITED**

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors present herewith the Eighth Annual Report of the company alongwith the Audited Statement of Accounts for the year ended 31st March 2013.

**WORKING RESULTS**

The Company has not commenced its business during the year ended 31.03.2013 and has, therefore, not prepared Statement of Profit & Loss for the said year.

**CHANGE OF NAME**

Following the change in management, the name of Company was also required to be changed. Company being subsidiary of Facor Alloys Limited, the name FAL Power Ventures Private Limited gives singular identity of Facor Brand. Directors have pleasure to inform that in pursuance of the resolution passed at the Annual General Meeting of the Company held on 13<sup>th</sup> August, 2012, the Registrar of Companies, Andhra Pradesh has issued fresh Certificate of Incorporation on change of name and accordingly w.e.f 1 st October, 2012 the name of your Company stands changed from 'BEC Power Private Limited' to 'FAL Power Ventures Private Limited'.

**DIRECTORS**

Mr. R. K. Saraf and Mr. Yogesh Saraf, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-election.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

During the year under review there were no employees receiving remuneration of or in excess of Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month requiring disclosure as per the provisions of Section 217(2A) read with the amended Companies (Particulars of Employees) Rules, 1975.

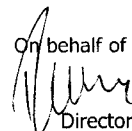

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) rules, 1988 regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity. There were no foreign exchange earnings and outgo during the year under review.

**AUDITORS:**

You are requested to appoint Auditors for the current year and to fix their remuneration. The retiring Auditors of the Company M/s Salve & Company, Chartered Accountants (Registration No.109003 W) are eligible for re-appointment. They have furnished a certificate to the Company to the effect that the proposed re-appointment, if made, will be in compliance with the provisions of Section 224 (1B) of the Companies Act, 1956.

Place : New Delhi  
Dated : 2nd April, 2013

On behalf of the Board of Directors,  
 Director  
 Director

SALVE & CO.  
CHARTERED ACCOUNTANTS  
G-3, YASHODHAN, GOREPETH, NAGPUR -440 010  
TELEPHONE: 0712-2532354

**Independent Auditor's Report**

**To the Members of FAL Power Ventures Private Limited**

**(Formerly known as BEC Power Private Limited)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of FAL Power Ventures Private Limited (Formerly known as BEC Power Private Limited) ('the Company'), which comprise the Balance Sheet as at 31st March, 2013, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The Statement of Profit and Loss has not been prepared as the company is yet to commence its commercial operations.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



**SALVE & CO.**  
CHARTERED ACCOUNTANTS  
G-3, YASHODHAN, GOREPETH, NAGPUR -440 010  
TELEPHONE: 0712-2532354

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

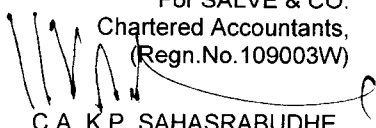
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. The Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable to the company.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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) in our opinion, the Balance Sheet, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
  - d) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: New Delhi  
Date: 2<sup>nd</sup> April, 2013

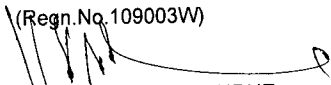
For SALVE & CO.  
Chartered Accountants,  
(Regn.No.109003W)  
  
C.A. K.P. SAHASRABUDHE,  
Partner  
Membership No. 7021

**FAL POWER VENTURES PRIVATE LIMITED**  
**(Formerly known as BEC Power Private Ltd.)**  
**Balance Sheet as at 31st March, 2013**

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**2012-13**

	Note Nos.	As at 31st March, 2013	(₹) As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	<u>1,00,000</u>	<u>1,00,000</u>
		<b>1,00,000</b>	<b>1,00,000</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	3	<u>12,01,45,307</u>	<u>11,98,64,024</u>
Other Current Liabilities	4	<u>33,708</u>	<u>25,854</u>
		<b>12,01,79,015</b>	<b>11,98,89,878</b>
<b>TOTAL</b>		<b><u>12,02,79,015</u></b>	<b><u>11,99,89,878</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets - Tangible Assets	5	<u>46,91,906</u>	<u>47,01,110</u>
Other Non Current Assets	6	<u>11,55,68,824</u>	<u>11,52,74,350</u>
		<b>12,02,60,730</b>	<b>11,99,75,460</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	7	<u>18,285</u>	<u>14,418</u>
<b>TOTAL</b>		<b><u>12,02,79,015</u></b>	<b><u>11,99,89,878</u></b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 14		

As per our Report of even date attached,  
For SALVE & CO.  
Chartered Accountants  
(Regn.No.109003W)

  
C.A. K.P. SAHASRABUDHE  
Partner  
Membership No. 7021

New Delhi :  
2nd April,2013

For and on behalf of the Board,

  
YOGESH SARAF  
Director

  
ROHIT SARAF  
Director

New Delhi :  
2nd April,2013

**FAL POWER VENTURES PRIVATE LIMITED**  
**(Formerly known as BEC Power Private Ltd.)**  
**Cash Flow Statement for the year ended March 31, 2013**

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	(₹)	
	2012-13	2011-12
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) Before Tax	-	-
Operating Profit before change in Working Capital	-	-
Increase in Pre Operative Expenses ( Cash Expenses )	(2,85,270)	(98,43,085)
Increase in Other Current Assets	-	-
Decrease in Other Current Liabilities	7,854	(5,19,468)
Net Cash Flow from Operating activities	<u>(2,77,416)</u>	<u>(1,03,62,553)</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	-	(25,50,713)
Net Cash Flow from Investing Activities	-	(25,50,713)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Short-Term Borrowings	2,81,283	1,24,18,757
Net Cash Flow from Financing Activities	<u>2,81,283</u>	<u>1,24,18,757</u>
<b>Net (Decrease)/Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<u>3,867</u>	<u>(4,94,509)</u>
<b>Cash and Cash Equivalents as at beginning of the year</b>	<b>14,418</b>	<b>5,08,927</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<u><b>18,285</b></u>	<u><b>14,418</b></u>
<b>Net (Decrease)/Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<u><b>3,867</b></u>	<u><b>(4,94,509)</b></u>

As per our Report of even date attached

For SALVE & CO.  
Chartered Accountants  
(Regn.No. 109003W)

C.A. K.P.SAHASRABUDHE  
Partner  
Membership No. 7021  
New Delhi :  
2nd April,2013

For and on behalf of the Board

YOGESH SARAF  
Director

ROHIT SARAF  
Director

New Delhi :  
2nd April,2013

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Corporate Information**

FAL Power Ventures Private Limited formerly known as BEC Power Private Ltd. ("the Company") has changed its name from BEC Power Pvt. Ltd. to FAL Power Ventures Pvt. Ltd. w.e.f 1<sup>st</sup> October, 2012 vide Fresh Certificate of Incorporation received from Registrar of Companies, Chhattisgarh and is a Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was incorporated with the object of generation of power. The Company has not commenced its commercial operations till the date of the Balance Sheet .

**(b) Basis of Preparation of Financial Statements:**

These accounts have been prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956, as adopted consistently by the Company.

**(c) Fixed Assets:**

All fixed assets are valued at cost net of recoverable taxes less depreciation. Roll-over charges on forward exchanges contracts and loss or gain on conversion of foreign currency liabilities for acquisition of fixed assets are added to or deducted from the cost of fixed assets.

**(d) Intangible Assets:**

There is no Intangible Asset as at 31<sup>st</sup> March, 2013 (Previous Year – Nil).

**(e) Foreign Exchange Transaction:**

The Company has Nil foreign exchange earned and used during the year (Previous Year - Nil)

**(f) Depreciation:**

Depreciation on Tangible Fixed Assets is provided on Written Down Value Method as per the classification and on the basis of rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on Tangible Fixed Assets added / disposed off during the year is provided on pro-rata basis.

**(g) Investments:**

Current Investment are carried at lower of cost and quoted /fair value.  
Long term investments are stated at cost and provision for diminution is made, if such diminution is other than temporary in nature.

**(h) Revenue Recognition:**

The Company has not started its operation, and has not received and recognised any revenue.

**(i) Borrowing cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

**(j) Contingent liabilities:**

There are no contingent liabilities as at 31<sup>st</sup> March, 2013 (Previous Year – Nil).





**FAL POWER VENTURES PRIVATE LIMITED**  
(Formerly known as BEC Power Private Ltd.)

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8. Estimated amount of contracts remaining to be executed on Capital Account (Net of advances ) and not provided for Rs. NIL ( Previous Year - NIL ).
9. Based on the information available with the Company there are no over dues to Small Scale Undertakings outstanding for more than 30 days (Previous Year - NIL).
10. Auditor's Remuneration ( Excluding Service Tax and Cess)Paid / Payable for the year Rs 15,000/- (Prev Year Rs. 15,000/-)
11. The company is yet to commence its activities. Hence no Statement of Profit and Loss has been prepared.
12. Related Party Disclosures

I List of related parties:

A Name and nature of relationship with the related party where control exists:  
Facor Alloys Limited - 100% Holding Company

B Enterprise, over which Key management personnel and their relatives exercise significant influence with whom transactions have taken place during the year :

1. Facor Alloys Limited

C Key Management Persons and their relative:

**Mr. R.K.Saraf** - **Director**  
**Mr. Vinod Saraf** - **Director**  
**Mr. Yogesh Saraf** - **Director**  
**Mr. Rohit Saraf** - **Director**

II Transactions with Related Parties during the year ended 31-03-2013 in the ordinary course of business.

( ₹ )

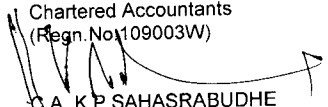
Particulars	With Subsidiary Companies		With Enterprise where Significant influence exists		With Key Management Personnel & Relatives	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
i) Unsecured loan taken	-	-	<b>2,81,283</b>	11,98,64,024	-	-
ii) Interest paid	-	-	-	89,37,717	-	-
iii) Balance outstanding at the year end :						
a) Short term Borrowings	-	-	<b>12,01,45,307</b>	11,98,64,024	-	-

13. All financial figures have been rounded off to the nearest rupee.  
14. Previous Year's figures have been re-grouped wherever necessary.

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As per our report of even date annexed

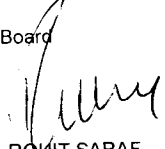
For SALVE & CO.  
Chartered Accountants  
(Regn. No. 109003W)

  
C.A. K.P. SAHASRABUDHE  
Partner  
Membership No7021

Place : New Delhi  
Date : 2<sup>nd</sup> April, 2013

For and on behalf of the Board

  
YOGESH SARAF  
Director

  
ROHIT SARAF  
Director

Place : New Delhi  
Date : 2<sup>nd</sup> April, 2013

2 SHARE CAPITAL	As at 31st March, 2013	( ₹ ) As at 31st March, 2012
	<b>Authorised</b>	
5,00,000 (Previous Year - 5,00,000) Equity Shares of Rs. 10/- each	<u>50,00,000</u>	<u>50,00,000</u>
<b>Issued, Subscribed and Paid up:</b>		
10,000 (Previous Year - 10,000) Equity Shares of Rs. 10/- each	<u>1,00,000</u>	<u>1,00,000</u>
fully paid-up	<u>1,00,000</u>	<u>1,00,000</u>

2.1 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Facor Alloys Limited	10,000	100%	10,000	100%

2.2 The reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	No. of Shares	No. of Shares
Shares Outstanding at the beginning of the Year	10,000	10,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares Outstanding at the end of the Year	<u>10,000</u>	<u>10,000</u>

2.3 Terms / Rights attached to Equity Shares  
The Company has only one class of Equity shares having a par value of Rs. 10/- per share. The Equity Shares have equal rights and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

**3 SHORT-TERM BORROWINGS**

	As at 31st March, 2013	( ₹ ) As at 31st March, 2012
	<b>Unsecured Loans from Related Party</b>	
Facor Alloys Limited ( Holding Company )	<u>12,01,45,307</u>	<u>11,98,64,024</u>
	<u>12,01,45,307</u>	<u>11,98,64,024</u>
<b>4 OTHER CURRENT LIABILITIES</b>		
Auditor's Remuneration Payable	<u>33,708</u>	<u>16,854</u>
Rent Payable	<u>-</u>	<u>9,000</u>
	<u>33,708</u>	<u>25,854</u>

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**FAL POWER VENTURES PRIVATE LIMITED**

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(Formerly known as BEC Power Private Ltd.)

2012-13

Notes on Financial Statements for the Year ended 31st March, 2013

**5: FIXED ASSETS**

(₹)

Assets	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	As at 01.04.2012	Addition during the year	Deduction / Adjustment	As at 31.03.2013	As at 01.04.2012	For the Year	Deduction / Adjustment	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible assets</b>										
Land Freehold	46,78,099	-	-	46,78,099	-	-	-	-	46,78,099	46,78,099
Computer and Accessories	37,200	-	-	37,200	14,189	9,204	-	23,393	13,807	23,011
Office Equipments	6,040	-	-	6,040	6,040	-	-	6,040	-	-
Furniture and Fixture	8,500	-	-	8,500	8,500	-	-	8,500	-	-
<b>TOTAL</b>	47,29,839	-	-	47,29,839	28,729	9,204	-	37,933	46,91,906	47,01,110
Previous Year	21,79,126	25,50,713	-	47,29,839	-	28,729	-	28,729	47,01,110	-

6 OTHER NON CURRENT ASSETS	As at 31st March, 2013	( ₹ ) As at 31st March, 2012
<b>Pre Operative Expenditure</b>		
Opening Balance	11,52,74,350	10,54,02,536
<b>Add: Incurred during the year</b>		
Advertisement Expenses	-	23326
Auditor's Remuneration	16,854	16,854
Interest Paid	-	89,46,155
Legal and Professional Charges	1,19,000	5,29,610
Rent	58,000	106800
Travelling and Conveyance Expenses	33,870	1,45,880
Depreciation	9,204	28729
Office Maintenance Expenses	7,430	18,885
Telephone Expenses	17,694	17517
Printing & Stationery	405	11,903
Filing Fee	29,393	8,640
Bank Charges	1,975	3,303
Repair and Maintenance Expenses	-	6445
Electricity Charges	-	6712
Postage and Telegrams	649	1055
	<u>11,55,68,824</u>	<u>11,52,74,350</u>
<b>7 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	14,689	5,847
Balances with Scheduled Banks In Current Accounts:		
- State Bank of India - Kharsia	3,596	8,146
- State Bank of India, Commercial Branch - Bilaspur	-	425
	<u>18,285</u>	<u>14,418</u>

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