

Notice is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at "Officers' Club, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh" on Tuesday, the 09th September, 2014 at 10.30 a.m. 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, 2014 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Arye Berest (DIN No. 00020217), who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Ashim Saraf (DIN No. 00009581), 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 the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Messrs Salve & Co., Chartered Accountants (Regn. No. 109003W), be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the fourteenth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) 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."

As Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. K. Jayabharat Reddy (DIN No. 00038342), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. P.V.R.K. Prasad (DIN No. 00009817), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. A. S. Kapre (DIN No. 00019530), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. K. L. Mehrotra (DIN No. 0062172), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Gautam Khaitan (DIN No. 00021117), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Mr. Kesharao Pardhey (DIN No. 00009724), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company with effect from 09th September, 2014 up to 8th September, 2019."

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

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50,000/- plus service tax and out-of-pocket expenses payable to Mr. Prakash Uppalapati, Cost Accountant who is appointed as Cost Auditors of the Company to conduct audit of cost records of the Company for the year ended 31st March 2015."

12. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution No. 7 passed at the 9th Annual General Meeting of the Company held on 18th September, 2012 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') to borrow any sum or sums of money, from time to time, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.600 Crores (Rupees six hundred crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by

the Board and/or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members."

13. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution No.13 passed at the 5th Annual General Meeting of the Company held on 15th September, 2008 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company ('the Board') to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs.30000 lacs (Rupees thirty thousand lacs only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members."

14. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force (the "Act"), consent of the Company be and is hereby accorded to the appointment of Mr. M. D. Saraf, a relative of Mr. R. K. Saraf, Chairman & Managing Director, Mr. Anurag Saraf, Joint Managing Director in the Company on the terms and conditions as stated below:

1. Effective date : From 01.08.2014
2. Designation : President or such designation as is appropriate for the functions assigned to him from time to time.
3. Remuneration :
 - a. Basic Salary: Rs.105000 per month in scale of Rs. 100000-5000-150000/-
 - b. Perquisites and allowances:

In addition to the aforesaid salary, he shall also be eligible to the perquisites and allowances as given hereunder; the monetary value of such perquisites and allowances being restricted in the aggregate to Rs.5,40,000/- per annum.

The perquisites and allowances payable to him will include dearness and other allowances, accommodation [furnished or otherwise] or House Rent Allowance in lieu thereof, reimbursement of expenses for utilization of gas, electricity, water, furnishing, medical reimbursement at actuals for self and his family, leave travel concession at actuals for self and his family, club fees, medical insurance and such other perquisites within the limits of amount specified above. The said perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules there-under (including any statutory modification[s] or re-enactment thereof, for the time being in force). In the absence of any such Rules, the same shall be evaluated at actual cost. However, the Company's contribution to Provident fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and Gratuity payable and encashment of leave at the end of tenure, as per rules of the Company, shall not be included in the computation of limits for the remuneration. Further, the Company shall provide car for use on company's business and telephone at residence for official purpose. Provision of a car for use on company's business and telephone at residence for official purpose are not to be considered as perquisites.

The term "Family" means spouse, dependent children and dependent parents.

The remuneration payable to him by way of salary, dearness allowance, perquisites and any other allowances shall not however exceed the ceiling limit of Rs 18,00,000/- per annum.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites payable to him at any time, such that the overall remuneration shall not exceed the aggregate limit of Rs 18,00,000/- as specified above.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine, modify, consolidate and/ or revise the terms and conditions of the appointment of Shri Varun Mehta, including designation and remuneration within the above limits, in any manner from time to time and to delegate all or any of the powers conferred herein to any Committees of Directors or any Officer(s) of the Company."

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 5 to 14 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment/appointment under Item Nos. 2-3 and 5 to 10, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 5th September, 2014 to Tuesday, the 09th September, 2014, both days inclusive.
4. Voting through electronic means
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.
The instructions for e-voting are as under:
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the Electronic Voting Sequence Number- "EVS-140802017 along with "Facor Alloys Limited" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are

eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on 5th September, 2014 (9:00 am) and ends on 6th September, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July, 2014.
 - (E) Mr. P.S. Rathi., Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (F) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
5. Members can also download the notice of Annual General Meeting from the website of the company i.e. www.facorgroup.in.
 6. Copies of Annual Report 2013-14 and the Notice of 11th Annual General Meeting are being sent by electronic mode to all members whose email addresses are registered with the company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2013-14 and Notice of 11th Annual General Meeting are being sent by the permitted mode.
 7. Pursuant to Section 205C of the Companies Act, 1956, unclaimed dividend is to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of transfer to unpaid dividend A/c. Shareholders who have not en-cashed/misplaced/not received the dividend warrant for the years 2008-09 (interim), 2009-10 & 2010-11 are requested to write to M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 for claiming the dividend. Due dates for the transfer of the unclaimed dividend of the year 2008-09, 2009-10 & 2010-11 to the said fund is 3rd September, 2015, 24th October, 2017 & 15th October, 2018 respectively and shareholders cannot make a claim after these dates.
 8. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., M/s. Beetal Financial & Computer Services (P) Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 in respect of their physical share holding, if any. While intimating change of address to Depositories and Registrar and Share Transfer Agents please indicate your client ID No. / Folio No., as may be applicable. The address should be complete with Pin Code No.
 9. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit Form duly filled in and signed to the above Registrar & Transfer Agent. The Form can be had from the Share Department at the Registered Office of the Company at Shreeramnagar-535101 Dist. Vizianagaram, Andhra Pradesh.
 10. Shareholders intending to require information about accounts to be explained at the meeting are requested to furnish the queries to the Company at least 10 (ten) days in advance of the Annual General Meeting.
 11. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
 12. As required by the Listing Agreement with the Stock Exchange, the relevant details in respect of the Directors proposed to be appointed/re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
 13. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE 828G01013.
 14. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and Transfer Agent of the Company about:
 - a) The change in their residential status on return to India for permanent settlement.

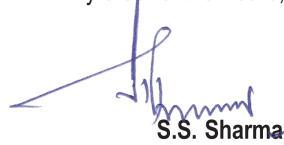
- b) The details of the bank account in India with complete name, branch, account type, account no. and address of the bank.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Share Registrars and Transfer Agents.
16. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
17. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

Registered Office:

Administrative Building,
Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram,
Andhra Pradesh
CIN L27101AP2004PLC043252
Tel. No. 08952-282029
Fax No. 08952-282188
E-Mail: facoralloys@facorgroup.in
Website: www.facorgroup.in

Dated: 26th July, 2014

By order of the Board,


S.S. Sharma
General Manager (Legal)
& Company Secretary

ANNEXURE TO THE NOTICE**Explanatory Statement as required by Section 102 of the Companies Act, 2013:****ITEM NO.5**

Mr. K. Jayabharat Reddy has been a Non-Executive Director of the Company since 01st September, 2004, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Reddy is a Post Graduate in Economics Statistics from Delhi School of Economics and post Graduate in Economics from Madras University, Visiting Fellow Oxford University, U.K. He is a retired IAS and having a career spanning over four decades in General and Public Administration and industrial management, policy formation.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Direc-

tor shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. K. Jayabharat Reddy has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Reddy fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Reddy as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Reddy as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. K. Jayabharat Reddy, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. K. Jayabharat Reddy is interested and concerned in the Resolution mentioned at Item No.5 of the Notice. Other than Mr. Reddy, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.5 of the Notice.

ITEM NO.6

Mr. P.V.R.K. Prasad has been a Non-Executive Director of the Company since 01st September, 2004, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Prasad is M.A. English Literature, LLB, Post Grad. Diploma in Development Administration from University of Cambridge, UK. He is a retired IAS and having a career spanning over four decades in General and Public Administration.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. P.V.R.K. Prasad has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Prasad fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Prasad as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Prasad as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. P.V.R.K. Prasad, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. P.V.R.K. Prasad is interested and concerned in the Resolution mentioned at Item No.6 of the Notice. Other than Mr. Prasad, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

ITEM NO.7

Mr. A. S. Kapre has been a Non-Executive Director of the Company since 27th October, 2007, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Kapre is B.Tech, LLB. He is having a career spanning over three decades in Project and Corporate Lending, Rehabilitation, Finance & Risk Management.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. A. S. Kapre has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Kapre fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Kapre as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kapre as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. A. S. Kapre, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. A. S. Kapre is interested and concerned in the Resolution mentioned at Item No.7 of the Notice. Other than Mr. Kapre, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

ITEM NO.8

Mr. K. L. Mehrotra has been a Non-Executive Director of the Company since 18th September, 2010, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Mehrotra is B.Tech, FIE, MIIM, MII. CHEME. He is having a career spanning over four decades in dealing with technical & commercial matters of Government organizations in senior level.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. K. L. Mehrotra has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Mehrotra fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Mehrotra as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Mehrotra as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. K. L. Mehrotra, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. K. L. Mehrotra is interested and concerned in the Resolution mentioned at Item No.8 of the Notice. Other than Mr. Mehrotra, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.

ITEM NO.9

Mr. Gautam Khaitan has been a Non-Executive Director of the Company since 27th October, 2007, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Khaitan is B.Com. & LLB. He is having a career spanning over two decades in practice of legal matters.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Gautam Khaitan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Khaitan fulfills

the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Khaitan as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Khaitan as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. Gautam Khaitan, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. Gautam Khaitan is interested and concerned in the Resolution mentioned at Item No.9 of the Notice. Other than Mr. Khaitan, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.9 of the Notice.

ITEM NO.10

Mr. Kesharao Pardhey has been a Non-Executive Director of the Company since 15th January, 2013, and was considered as Independent Director for the purpose of Clause 49 of the Listing Agreement. Mr. Pardhey is Sahitya Sudhakar (Mumbai Hindi Vidya Peeth) & also an Ex-Member of Parliament. He is having a career spanning over four decades in Business Administration.

As per the provisions of Section 149 of the Act which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Kesharao Pardhey has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Mr. Pardhey fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The matter regarding the appointment of Mr. Pardhey as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Pardhey as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. Kesharao Pardhey, pursuant to the provisions of Schedule IV of the Act,

shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. Kesharao Pardhey is interested and concerned in the Resolution mentioned at Item No.10 of the Notice. Other than Mr. Pardhey, no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

ITEM NO.11

The Company is directed, under Section 148 of the Act to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of Mr. Prakash Uppalapati, Cost Accountant as the Cost Auditor of the Company to conduct audit of cost records of the Company for the year ending 31st March, 2015, at a remuneration of Rs.50,000/- plus service tax and out-of-pocket expenses.

Mr. Prakash Uppalapati has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. Mr. Prakash Uppalapati has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past three/four years under the provisions of the erstwhile Companies Act, 1956.

The Board commends the remuneration of Rs.50,000/- plus service tax and out-of-pocket expenses to Mr. Prakash Uppalapati as the Cost Auditor and the approval of the shareholders is sought for the same by an Ordinary Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.11 of the Notice.

ITEM NO.12

Under the erstwhile Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180 (1) (c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board

of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The borrowing limit of Rs.600 Crores under the earlier resolution passed by the shareholders at the 9th Annual General Meeting of the Company held on 18th September, 2012 remains unchanged.

The Board commends the Resolution at Item No.12 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.12 of the Notice.

ITEM NO. 13

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of Rs.30000 lacs under the earlier resolution passed by the shareholders at the 5th Annual General Meeting of the Company held on 15th September, 2008 remains unchanged.

The Board commends the Resolution at Item No.13 of the Notice for approval of the shareholders by a Special Resolution. None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.13 of the Notice.

ITEM NO. 14

It is proposed to appoint Mr. M. D. Saraf in the Company as President or at such designation as is appropriate for the functions assigned from time to time.

Mr. M. D. Saraf aged around 64 years, is a Commerce Graduate with Bachelors' Degree in Law. He is having more than 4 decades rich experience particularly in Steel Industry to his credit. Ferro Alloys Industry is closely connected with steel/stainless steel industry. It is, therefore, considered desirable that the Company should avail the benefit of his vast and varied experience and able guidance.

Pursuant to the recommendations of Audit Committee of the Board, the Board has, at its meeting held on 26th July, 2014, recommended the appointment of Mr. M. D. Saraf on the terms and conditions as mentioned in the resolution at Item No. 14 of the Notice.

Information in compliance with Section 188 of the Companies Act, 2013 and Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as stated below:

- (a) Name of the Related Party: Mr. M. D. Saraf
- (b) Name of the Director or Key Managerial Personnel who is related, if any:
 - (i) Mr. R. K. Saraf, Chairman & Managing Director
 - (ii) Mr. Anurag Saraf, Joint Managing Director
- (c) Nature of Relationship: Mr. M. D. Saraf is brother of Mr. R. K. Saraf, Chairman & Managing Director, father of Mr. Anurag Saraf, Joint Managing Director.
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement:

Mr. M. D. Saraf is proposed to be appointed at an office or place of profit in the Company. Particulars of terms and conditions for appointment of Mr. M. D. Saraf are mentioned in the resolution at Item No.14 of the Notice.

Copy of the draft letter for appointment of Mr. M. D. Saraf as President setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday upto and inclusive of the date of the ensuing Annual General Meeting.

- (e) Any other information relevant or important for the members to take a decision on the proposed resolution:

Mr. M. D. Saraf, is having more than 4 decades rich experience particularly in Steel Industry to his credit. Ferro Alloys Industry is closely connected with steel/stainless steel industry. Therefore,

it is proposed to appoint Mr. M. D. Saraf at a total salary of Rs. 18.00 lacs per annum including perquisites.

The Board recommends the resolution at Item No. 14, in relation to the appointment of Mr. M. D. Saraf at an office or place of profit in the Company, for your approval. Mr. M. D. Saraf is a 'related party' within the meaning of Section 2 (76) of the Companies Act, 2013, and thus the transaction requires the approval of members by a special resolution under Section 188 of the Companies Act, 2013.

Mr. M. D. Saraf is related to Mr. R. K. Saraf, and Mr. Anurag Saraf hence they are deemed to be interested in the resolution. None of the other Directors or other Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

By order of the Board,

Registered Office:

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Shreeramnagar-535 101,
Garividi, Dist. Vizianagaram,
Andhra Pradesh
CIN L27101AP2004PLC043252
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Website: www.facorgroup.in



S.S. Sharma
General Manager (Legal)
& Company Secretary

Dated: 26th July, 2014