

# 12th ANNUAL REPORT 2014-15



**FACOR ALLOYS LIMITED**

**CORPORATE INFORMATION**

**Board of Directors**

**R.K. Saraf**  
Chairman & Managing Director

**Ashim Saraf**  
Joint Managing Director

**Anurag Saraf**  
Joint Managing Director

**C.N. Harman**  
Director (Technical)

**K. Jayabharat Reddy**

**P.V.R.K. Prasad**

**K.L. Mehrotra**

**A.S. Kapre**

**Gautam Khaitan**  
(Upto 31.01.2015)

**Arye Berest**  
(Upto 21.04.2015)

**Keshaorao Pardhey**

**Mrs. Urmila Gupta**  
(w.e.f. 13.02.2015)

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

**Executives**

**M.D. Saraf**  
President  
(w.e.f. 01.08.2014)

**M.S.S. Sarma**  
Cheif Executive

**O.P. Saraswat**  
Dy. Chief Financial Officer

**Bankers**

Bank of India  
Central Bank of India  
State Bank of India  
Syndicate Bank  
State Bank of Bikaner & Jaipur  
Indian Overseas Bank

**Solicitors**

Mulla & Mulla and Craige Blunt & Caroe  
Bhaishankar Kanga and Girdharilal

**Auditors**

Salve & Co.  
Chartered Accountants

**Internal Auditors**

Rao & Kumar  
Chartered Accountants

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

**Beetal Financial & Computer Services  
Pvt. Ltd.**

Beetal House, 3rd Floor, 99, Madangir,  
Behind LSC, New Delhi - 110 062  
Phone No. 91-11-29961281-83

Fax No. 91-11-29961284

E-mail : [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)  
[beetalrta@gmail.com](mailto:beetalrta@gmail.com)

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## NOTICE

Notice is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at "Administrative Building, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh" on Tuesday, the 22<sup>nd</sup> September, 2015 at 11.30 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 31<sup>st</sup> March, 2015 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2015.

2. To appoint a Director in the place of Mr. Anurag Saraf (DIN No. 00009631), who retires from office by rotation and, being eligible, offers himself for re-appointment.

3. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), appointment of M/s Salve & Co., Chartered Accountants, (Regn. No.109003W), as Statutory Auditors of the Company, which was approved by the shareholders for a period of 3 years from the conclusion of the 11th Annual General Meeting held on 09<sup>th</sup> September, 2014 be and is hereby ratified at this 12th Annual General Meeting of the Company and they are, therefore, to continue to hold office from the conclusion of this Annual General Meeting till the conclusion of the 14<sup>th</sup> Annual General Meeting of the Company at such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions, as shall be fixed by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the appointment of the Auditors shall be subject to ratification by members in every subsequent Annual General Meeting till the conclusion of the 14<sup>th</sup> Annual General Meeting."

### AS SPECIAL BUSINESS:

4. 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 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Urmila Gupta (DIN:00637110), a non-executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and was appointed as an Additional Director w.e.f 13<sup>th</sup> February, 2015 pursuant to the

provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director of the Company, to hold office for 5 (five) consecutive years with effect from 13<sup>th</sup> February, 2015 up to 12<sup>th</sup> February, 2020."

5. 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 Rule 14 and other applicable rules, if any, of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be required, the Company hereby approves and ratifies the remuneration of ` 50,000/- (Rupees Fifty Thousand only) per annum plus applicable taxes and out of pocket expenses payable to Mr. Prakash Uppalapati, Cost Accountant (Registration Number-19328), appointed as Cost Auditors of the Company for the year ended 31<sup>st</sup> March 2016."

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

**"RESOLVED THAT** pursuant to provisions of Section 94 (1) and other applicable provisions of Companies Act, 2013, the Companies (Management and Administration) Rules, 2015 and any other applicable rules formed there under (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of members and other security holders, at the office of the Registrar And Share Transfer Agents of the Company i.e. M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062 and at such places within New Delhi in the State of Delhi where the Registrar and Share Transfer Agent may shift its office from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchange (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for entering into the following Related Party Transactions with effect from 1st April, 2014 and every year

thereafter, up to the maximum per annum amounts as appended in table below:

S. NO.	NATURE OF TRANSACTIONS	NAME OF THE RELATED PARTIES	RELATIONSHIP	MAXIMUM VALUE OF TRANSACTIONS PER ANNUM ( ` IN CRORES)
1.	Purchase of Raw Material	Ferro Alloys Corporation Ltd. Facor Minerals (Netherlands) B.V.	Mr R K Saraf is a Common Director Mr Ashim Saraf is a Common Director	100.00
2.	Sale of finished goods	Facor Steels Limited	Mr Anurag Saraf is a Common Director	
3.	To give or take inter corporate loans or make investments	Related/Associate parties having common director	Promoter Directors are common directors	
4.	Selling or buying of property of any kind			
5.	Rendering of services			
6.	Leasing of property	Facor Electric Limited, Facor Power Limited, Ferro Alloys Corporation Limited, GDP Infrastructure Private Limited, R B Shreeram And Company Private Limited, Pioneer Facor IT Infradevelopers Private Limited, Godawaridevi Saraf & Sons, Other related parties having common directors	Promoter Directors are common directors	4.00

**RESOLVED FURTHER THAT** Mr. R. K. Saraf, Chairman & Managing Director, Mr. Ashim Saraf, Joint Managing Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for giving effect to the said resolution. Further they be and are hereby authorized to take from time to time all decisions in respect of the above transactions including the extent of amount and other terms and conditions as it may, in their absolute discretion, deem appropriate."

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution **(to be voted only by Postal Ballot)**:

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary and provisions of other applicable laws, consent of the Shareholders be and is hereby accorded and is deemed to have been accorded with effect from 1st April, 2014 to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, whether Indian or overseas, subject to the limits set out below on such terms and

conditions as the Board may deem fit and proper, notwithstanding the fact that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate alongwith the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company as set out below exceed the limits specified under Section 186 (2) of the Act :

Sl. No.	Particulars*	Upto a limit outstanding at any point of time
1	Loans to any person(s) (including employees) or bodies corporate	₹ 175 Crores
2	Investments in bodies corporate	₹ 175 Crores
3	Guarantees/securities in connection with loan to any person(s) (including employees) or bodies corporate	₹ 150 Crores
	Total	₹ 500 Crores

\*Excluding the loans/ guarantees/ securities given or provided to wholly owned subsidiaries or joint venture companies (as the case may be), whether situated in India or abroad and investments made in wholly owned subsidiaries, whether situated in India or abroad.

**RESOLVED FURTHER THAT** Mr. R. K. Saraf, Chairman & Managing Director, Mr. Ashim Saraf, Joint Managing Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things including but not limiting to deciding the entity(ies) in which the investment(s) be made and / or loan(s) extended and / or guarantee(s) and security(ies) be provided, amount of investment(s) to be made and / or loan(s)



to be extended and / or guarantee(s) and security(ies) to be provided, when such amount be given from time to time, manner and nature of investment(s), the period for which loan(s) be extended, interest and security and other terms for extending loan(s), as the case may be, and such other terms and conditions, and for the purpose to sign agreements, deeds, documents, guarantees, forms, indemnities, registers, letters, declarations, confirmations, undertakings and such other papers as may be necessary, desirable and expedient.

**RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its directors and/or officers and/or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved.”

9. 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Memorandum and Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 9 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment/appointment under Item Nos. 2 and 4, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange are annexed.
2. With respect to resolution at Item No.8 of the Notice, Members are requested to vote only by Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management And Administration) Rules, 2014. A Postal Ballot Form on postage pre-paid business reply inland letter is enclosed. Votes cast otherwise than in the said Postal Ballot Form will be rejected. Please read the instructions in the Postal Ballot Form carefully.  
  
Depending upon the result of the Postal Ballot the said resolution will be confirmed/declared to have been passed. The date of declaration of result of Postal Ballot shall be deemed to be the date of General Meeting and the date of passing the proposed Resolution.
3. A route map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the AGM notice.
4. **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.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18<sup>th</sup> September, 2015 to Tuesday, the 22<sup>nd</sup> September, 2015, both days inclusive.
6. 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 has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 12<sup>th</sup> Annual General Meeting of the Company. E-voting is optional. The facility for voting, through ballot/polling paper shall also be made available at the venue of the 12<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for shareholders voting electronically are as under:

- (i) In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 15<sup>th</sup> September, 2015 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 15<sup>th</sup> September, 2015 only. The voting period begins on 19<sup>th</sup> September, 2015 at 10.00 a.m. (IST) and ends on 21<sup>st</sup> September, 2015 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 21<sup>st</sup> September, 2015.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" tab.
- (v) Now, select the Electronic Voting Sequence Number- "EVSN-150820060" along with "Facor Alloys Limited" from the drop down menu and click on "SUBMIT".

- (vi) 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.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) 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> <ul style="list-style-type: none"> <li>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 8 digits of the sequence number in the PAN field. Sequence number is printed on address slip.</li> <li>In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to Login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the Member ID / Folio number in the Dividend Bank details field as mentioned in instruction (vi).</li> </ul>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) 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.
- (xx) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15<sup>th</sup> September, 2015 may follow the same instructions as mentioned above for e-Voting.
- (xxii) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- III. Mr. P.S. Rathi, Chartered Accountant, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the AGM, 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.
- V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.facorgroup.in](http://www.facorgroup.in) and on the website of CDSL and communicated to the Stock Exchange, where the shares are listed.
7. Members can also download the notice of Annual General Meeting from the website of the company i.e. [www.facorgroup.in](http://www.facorgroup.in).
8. Copies of Annual Report 2014-15 and the Notice of 12<sup>th</sup> 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 2014-15 and Notice of 12<sup>th</sup> Annual General Meeting are being sent by the permitted mode.
9. 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, 3<sup>rd</sup> Floor, 99, Madangir, Behind LSC, New Delhi-110062 for claiming the dividend. Due dates for the transfer of the unclaimed dividend of the years 2008-09, 2009-10 & 2010-11 to the said fund is 3<sup>rd</sup> September, 2015, 24<sup>th</sup> October, 2017 & 15<sup>th</sup> October, 2018 respectively and shareholders cannot make a claim after these dates.
10. 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, 3<sup>rd</sup> 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.
11. 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 & Share 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.
12. 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.
13. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
14. 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.
15. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services (India) Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE828GO1013.
16. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and Share 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.
17. 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 Registrar and Share Transfer Agent.
18. 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.
19. 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](mailto:facoralloys@facorgroup.in)  
Website : [www.facorgroup.in](http://www.facorgroup.in)

By order of the Board,

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

Dated : 08<sup>th</sup> August, 2015

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement as required by Section 102 of the Companies Act, 2013:**

#### **ITEM NO.4**

Mrs. Urmila Gupta joined the Board of Directors of the Company on 13<sup>th</sup> February, 2015. Mrs. Urmila Gupta, aged 71 years is a retired IAS officer. She joined Indian Information Services in 1968 and took voluntary retirement while serving as Dy. Director General, Prasar Bharati, Ministry of Information and Broad casting, a Jt. Secretary level post. She has over four decades rich experience to her credit as a senior government officer in the area of management, administration, policy formulation etc. She is also holding directorship in B.A.G. Films & Media Ltd. a listed public company since November, 2013.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1<sup>st</sup> April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mrs. Urmila Gupta has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149 (6) of the Act. The matter regarding appointment of Mrs. Urmila Gupta as an Independent Director was placed before the Nomination and Remuneration Committee, which commends her appointment as an Independent Director from 13<sup>th</sup> February, 2015 to 12<sup>th</sup> February, 2020.

In opinion of the Board, Mrs. Urmila Gupta fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Woman Director and she is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Urmila Gupta, as an Independent Woman Director, is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mrs. Urmila Gupta 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.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mrs. Urmila Gupta are interested or concerned in the Resolution concerning her appointment proposed in Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.

The information as required in terms of Clause 49 of the Listing Agreement is given in Corporate Governance Report annexed to the Directors' Report.

#### **ITEM NO.5**

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 31<sup>st</sup> March, 2016, at a remuneration of ` 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 four/five years under the provisions of the erstwhile Companies Act, 1956.

The Board commends the remuneration of ` 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. 5 of the Notice.

#### **ITEM NO.6**

Section 94 (1) of the Companies Act, 2013 read with the Companies (Management And Administration) Rules, 2014 and any other rules framed there under allow the Company to keep the Register of Members together with the index of members and the copies of the annual return filed by the Company, at a place other than the registered office of the Company, if approved by the members by way of Special resolution.

It is, therefore, proposed to keep the Register of Members together with the index of members at the premises of M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062 RTA of the Company for the convenience of the shareholder.

Accordingly, the Company seeks approval of the members to keep the Register of members and all relevant documents / registers pertaining thereto, maintained by the Company, either physical or electronically, at the place mentioned hereinabove.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.6.

Your Directors, therefore, recommend the said resolution at item no. 6 for your approval.

#### **ITEM NO. 7**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188 (1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by a special resolution:



S. NO.	NATURE OF TRANSACTIONS	NAME OF THE RELATED PARTIES	RELATIONSHIP	MAXIMUM VALUE OF TRANSACTIONS PER ANNUM ( IN CRORES)
1.	Purchase of Raw Material	Ferro Alloys Corporation Ltd. Facor Minerals (Netherlands) B.V.	Mr R K Saraf is a Common Director Mr Ashim Saraf is a Common Director	100.00
2.	Sale of finished goods	Facor Steels Limited	Mr Anurag Saraf is a Common Director	
3.	To give or take inter corporate loans or make investments	Related/Associate parties having common director	Promoter Directors are common directors	
4.	Selling or buying of property of any kind			
5.	Rendering of services			
6.	Leasing of property	Facor Electric Limited, Facor Power Limited, Ferro Alloys Corporation Limited, GDP Infrastructure Private Limited, R B Shreeram And Company Private Limited, Pioneer Facor IT Infradevelopers Private Limited, Godawaridevi Saraf & Sons, Other related parties having common directors	Promoter Directors are common directors	4.00

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party	As per table above
Name of the Director or key managerial personnel who is related, if any	Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. Anurag Saraf or any promoter director may be deemed to be concerned in their capacity as directors.
Nature of Relationship	As per table above
The nature, material terms, monetary value and particulars of the contract or arrangement	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. Details of value and material terms of which are given in table above
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on 08<sup>th</sup> August, 2015 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

As per Clause 49 (VII) (E) of the Listing Agreement, all entities/ persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company and the Directors and Key Managerial Personnel of FAL will not vote on this resolution.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice. However, Mr. R. K. Saraf, Mr. Ashim Saraf and Mr. Anurag Saraf may be deemed to be concerned in their capacity as directors of FAL. The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the unrelated shareholders.

#### ITEM NO. 8

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

In terms of Rule (11) of the Companies (Meetings of Board and its Powers) Rules, 2014, the above limits are not applicable in case a company gives loan or guarantee or provides security to its wholly owned subsidiary companies or joint venture companies or makes investment in securities of its wholly owned subsidiary companies.

Aggregate amount of the loans and investments so far made, the amount for which guarantees and securities so far provided by the Company may exceed the limits of 60% of its paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account in the near future.

In view of the above, the Board of Directors in its meeting held on 08<sup>th</sup> August, 2015 considered to obtain approval of the shareholders by means of special resolution to enable it to give any loan, guarantee or make investment in shares, debentures etc. upto an amount of ` 500.00 Crore over and above the limits as specified in Section 186 (2) of the Companies Act, 2013 and the aggregate outstanding amount of loans/ guarantees/ securities given/ provided to wholly owned subsidiary companies and/ or joint venture companies and investments made in wholly owned subsidiary companies, from time to time.

The resolution set out at Item No. 8 is recommended for approval of the members as special resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution except to the extent of their shareholding as Members.

#### ITEM NO. 9

The Board is informed that the Memorandum and Articles of Association ("MoA") of the Company presently in force were framed under the relevant provisions of the Companies Act, 1956. Several regulations in the existing MoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing MoA are no longer in conformity with the Companies Act, 2013 ("the Act").

Further substantive Sections barring certain Sections are now in force. With the coming into force of the Act, several regulations of the existing MoA of the Company require alteration by referencing the latest Companies Act, 2013. Accordingly, existing articles have been streamlined and aligned with the Act wherever applicable. The proposed new draft MoA is being uploaded on the Company's website, [www.facorgroup.in](http://www.facorgroup.in), for perusal by the shareholders. A copy of the same shall be given to the shareholders upon receipt of a request for the same, in writing.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise,

in this regard. The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

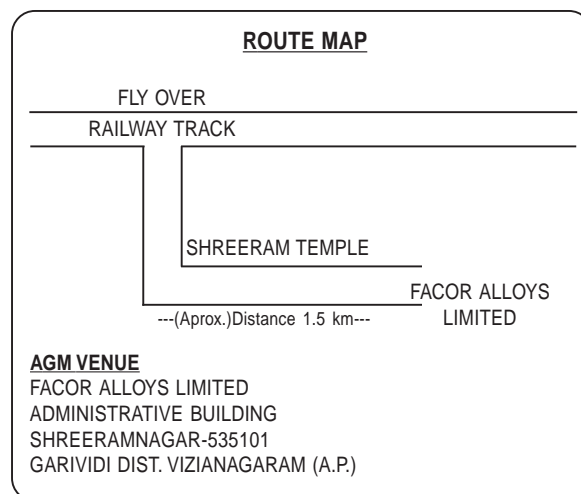
#### Registered Office:

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](mailto:facoralloys@facorgroup.in)  
Website : [www.facorgroup.in](http://www.facorgroup.in)

By order of the Board,

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

Dated : 08<sup>th</sup> August, 2015



#### DIRECTORS' REPORT TO THE MEMBERS

The Directors submit the **TWELFTH ANNUAL REPORT** on the business and operations of the Company and the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2015.

#### FINANCIAL RESULTS

	For the year ended 31-3-2015 (` in Lacs)	For the year ended 31-3-2014 (` in Lacs)
Gross Profit/(Loss)	(1739.20)	(1387.00)
Depreciation	291.60	329.25
Provision for taxation	-	-
Tax for earlier years	(24.78)	0.26
Deferred Tax	(1198.66)	(69.80)
Net Profit/(Loss) for the year	(807.36)	(1646.71)
Balance brought forward from last year	(649.36)	997.35
Balance Carried to Balance Sheet	(1456.72)	(649.36)

#### OVERALL PERFORMANCE

As mentioned in the last year's Annual Report, a lock out was declared in the plant w.e.f. 04<sup>th</sup> February, 2014 due to labour unrest. As per directions of the State Government though the lock out was uplifted w.e.f. 26<sup>th</sup> December, 2014 but the production activities are yet to be resumed. As a result of this during the financial year 2014-15 there was no production/no sale except some minor depot sales. Due to fixed overheads company has incurred a loss of ` 807.36 net of write back of deferred tax and income on sale of fixed assets including interest income of ` 1198.66 Lacs and ` 1518.02 Lacs respectively.

#### DIVIDEND

In view of the losses during the year, the Directors regret their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March 2015 on Equity Shares of the company.

#### STATE OF COMPANY'S AFFAIRS

As mentioned above the production activities are yet to be resumed. Due to non operation of the plant the fund flow position of the company is in very bad shape.

#### EXTRACT OF THE ANNUAL RETURN

An extract of annual return for the financial year ended on 31<sup>st</sup> March, 2015 in Form MGT-9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and