

# **FOURTEENTH ANNUAL REPORT 2016-17**



**FACOR ALLOYS LIMITED**

## **CORPORATE INFORMATION**

### **Board of Directors**

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

**Ashim Saraf**  
Joint Managing Director

**Anurag Saraf**  
Joint Managing Director

**Rohit Saraf**

**K. Jayabharat Reddy**

**P.V.R.K. Prasad**  
(upto 20.08.2017)

**A.S. Kapre**

**K.L. Mehrotra**

**Mrs. Urmila Gupta**

**Keshaorao Pardhey**  
(upto 11.11.2016)

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

### **Executives**

**M.D. Saraf**  
President

**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)

### **MAS Services Ltd.**

T-34, 2nd Floor, Okhla Industrial Area,  
Phase-II, New Delhi - 110 020  
Phone No. 91-11-26387281-83  
Fax No. 91-11-26387384  
E-mail : [info@masserv.com](mailto:info@masserv.com)

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## NOTICE

Notice is hereby given that the **FOURTEENTH 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 Wednesday, the 20<sup>th</sup> September, 2017 at 11:00 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, 2017 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, 2017.

2. To appoint a Director in the place of Mr. Anurag Saraf (DIN 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** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration No.106009W), be and are hereby appointed as Auditors of the Company in place of the retiring auditors M/s Salve & Co., Chartered Accountants (Firm Registration No.109003W), to hold office from the conclusion of this Annual General Meeting till the conclusion of the 19th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by members at every Annual General Meeting, if so required under the Act), at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### AS SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), 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 applicable taxes and out-of-pocket expenses incurred in connection with the audit, 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 financial year ended 31st March 2018.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. 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, 2014 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 MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 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."

6. To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such further approvals, if any, as may be necessary, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Anurag Saraf (DIN: 00009631) as the Joint Managing Director of the Company for a period of 5 years with effect from 01.02.2018 upon the terms and conditions as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialed by the Secretary for the purpose of identification and which draft agreement, the broad details of which (including the remuneration to be paid

in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) are given in the Explanatory Statement in respect of this item of the Notice, is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between the Board of Directors and Mr. Anurag Saraf in the best interest of the Company, within the limitations in that behalf as contained in Schedule V to the Act or any amendments thereof or otherwise as may be permissible at law and that the Agreement when finalized be executed by the Company by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and 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 the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force, to the extent notified and in effect, pursuant to the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Issue and Listing of Non Convertible Redeemable Preference Shares) Regulations, 2013, as amended from time to time (the “SEBI Regulations”), the Listing Regulation entered into by the Company with the Stock Exchange where the securities of the Company are listed, where and if applicable, and subject to such approvals, consents, sanctions, permissions and provisions of other applicable laws, regulations, rules, directions, guidelines issued from time to time, to the extent applicable and on such terms, conditions, stipulations and modifications as may be prescribed imposed or suggested while granting such approvals, the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which

term shall be deemed to include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this Resolution) to issue and allot, in one or more tranches on private placement basis, at its sole and absolute discretion, 2,50,00,000 0.01% Cumulative Redeemable Non Convertible Preference Shares [‘Preference Shares’] of Rs. 10/- each, for cash, at par, aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), to be redeemed at par within a period not exceeding 20 (Twenty) years from the date of allotment of the said preference shares, to group entity/(ies) belonging to the promoters of the Company, on the following terms and such other terms and conditions, as may be decided by the Board;

(a) the priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares;	The said Preference Shares shall rank for dividend in priority to the equity shares for the time being of the Company.
(b) the participation in surplus fund;	The said Preference Shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus fund.
(c) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;	
(d) the payment of dividend on cumulative or noncumulative basis;	The payment of dividend shall be on cumulative basis.
(e) the conversion of preference shares into equity shares;	The said Preference Shares shall be Non Convertible.
(f) the voting rights;	The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Act (including any statutory modifications or re-enactments thereof for the time being in force).
(g) the redemption of preference shares.	At the option of the issuer, at any time within a period not exceeding twenty years from the date of allotment as per the provisions of the Act.

**RESOLVED FURTHER THAT**, if the aforesaid proposed transaction(s) is construed as related party transaction(s) under the applicable law(s), then said transaction(s), be and is hereby approved by the members without being required to seek any further consent or approval from Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT**, for giving effect to this Resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the issue, allotment, and utilization of the issue proceeds of the shares, to prescribe the forms of application, enter into an agreement or other instruments and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable, as they may deem fit and to pay fees, remuneration, expenses relating thereto, with power to settle all questions, difficulties that may arise in regard to such issue and allotment as it may in its discretion deem fit in best interest of the Company."

#### NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 3 to 7 of the notice set out above is annexed hereto. The relevant details of Director seeking re-appointment under Item No. 2, pursuant to relevant regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
2. 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.
3. 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.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 15th September, 2017 to Wednesday, the 20<sup>th</sup> September, 2017, both days inclusive.
5. Pursuant to section 124 (5) of the Companies Act, 2013, unclaimed dividend is to be transferred to the "Investor Education and Protection Fund" established by the Central Government in terms of section 125 of the Companies Act, 2013 after a period of seven years from the date of transfer to unpaid dividends A/c. Shareholders who have not en-cashed or misplaced the dividend warrants for the years 2009-10 & 2010-11 are requested to write to M/s. MAS Services Ltd. T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 for claiming unpaid dividend. Due dates for transfer of the unclaimed dividends for the year 2009-10 & 2010-11 to the said fund is 24<sup>th</sup> October, 2017 & 15<sup>th</sup> October, 2018 respectively.

Also, pursuant to Section 124(2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company in respect of dividends since 2009-10, on the website of the Company.

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, as substituted by the Companies (Management And Administration) Amendment Rules, 2016 and Regulation 44 of the SEBI (LODR) Regulations, 2015, 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 14th 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 14th 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) The voting period begins on 17th September, 2017 at 10.00 a.m. (IST) and ends on 19th September, 2017 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 13th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website <https://www.evotingindia.com>.
- (iii) Click on "Shareholders/ Members" tab.
- (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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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.</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. E.g. 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 (iv).</li> </ul>
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 'Facor Alloys Limited' 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xvi) If a 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.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) 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 linked in the login 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.
- (xix) 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 scrutiniser shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman.
- V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.facoralloys.com](http://www.facoralloys.com) 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.facoralloys.com](http://www.facoralloys.com).
8. Copies of Annual Report 2016-17 and the Notice of 14<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 2016-17 and Notice of 14<sup>th</sup> Annual General Meeting are being sent by the permitted mode.
9. 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. MAS Services Ltd, T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 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.
10. 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.
11. 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.

12. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
13. As required by the SEBI (LODR) Regulations, 2015, the relevant details in respect of the Directors proposed to be re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
14. 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 INE 828GO1013.
15. 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.
16. 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.
17. 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.
18. 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.facoralloys.com

Dated: 11<sup>th</sup> August, 2017

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.3**

This Explanatory Statement is provided voluntarily, though strictly not required as per Section 102 of the Act.

M/s Salve & Co., Chartered Accountants (Firm Registration No.109003W) have been the Auditors of the Company since incorporation i.e. from FY 2003-04 and have completed a term of ten years.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. In view of the above, M/s Salve & Co.'s term as auditors of the Company is up to the conclusion of the forthcoming 14<sup>th</sup> Annual General Meeting.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 13th May, 2017, proposed the appointment of M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration No.106009W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 14th AGM till the conclusion of the 19th AGM of the Company to be held in 2022, subject to ratification of their appointment at every AGM, if required under the Act.

M/s K K Mankeshwar & Co. have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution at Item No.3 of the Notice.

**ITEM NO.4**

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, 2018, at a remuneration of Rs.50,000/- plus taxes 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 five/six years.

The Board recommends the remuneration of Rs.50,000/- plus taxes 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.4 of the Notice.

#### ITEM NO.5

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 MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 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.5.

Your Directors, therefore, recommend the said resolution at item no. 5 for your approval.

#### ITEM NO.6

Mr. Anurag Saraf aged around 46 years is a Bachelor of Engineering in Electronics and is having rich experience in Business Administration. His experience, advice and guidance will be of immense benefit to the Company.

The Board of Directors of the Company at its meeting held on 11.08.2017 has re-appointed Mr. Anurag Saraf as Joint Managing Director of the Company for a period of 5 years w.e.f. 01.02.2018 although subject to retirement by rotation. The re-appointment is subject to the approval of the Members of the Company. The re-appointment is made based on recommendation by the Nomination and Remuneration Committee (NRC). The material terms & conditions of his appointment and remuneration, which are in conformity with the Schedule V to the Act, are as contained in the draft agreement and as given in the attached Annexure "A" forming part of the Explanatory Statement.

Accordingly, the resolution in item nos. 6 of the accompanying Notice is commended for your approval.

Mr. Anurag Saraf is evidently interested in this resolution concerning him.

The agreement between the Company and Mr. Anurag Saraf, Joint Managing Director, providing the terms and conditions of his appointment and remuneration is available for inspection by the members of the Company at the Registered Office between 11 a.m. to 2 p.m. on any working day of the Company upto and inclusive of the date of the ensuing Annual General Meeting.

#### ITEM NO.7

As per the provisions of Sections 42, 55 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, to the extent notified and in effect and as amended from time to time, the Board of Directors can issue and allot Cumulative Redeemable Non Convertible Preference Shares on private placement basis, only if approved by the members by way of Special Resolution.

Further Company proposes to issue and allot 2,50,00,000 0.01% Cumulative Redeemable Non Convertible Preference Shares of Rs. 10/- each aggregating to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) on private placement basis for cash, at par, to Promoter entity/(ies) belonging to the Promoters of the Company, in one or more tranches, as the case may be, for utilizing mainly for restructuring exercise with the Consortium Banks. The issuance shall be subject to the regulatory approvals as required.

Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014, as amended and the terms of the issue:

The size of the issue and number of preference shares to be issued and nominal value of each share	2,50,00,000 0.01% Redeemable Cumulative Non Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only)
The nature of such shares i.e. cumulative or non - cumulative, participating or non-participating, convertible or non-convertible	Cumulative, Non-Participating, Non Convertible, Redeemable
The objectives of the issue	To be utilized mainly for restructuring exercise with the Consortium Banks.

The manner of issue of shares	Private Placement basis/ Preferential issue and allotment.
The price at which such shares are proposed to be issued	Rs.10/- per share
The basis on which the price has been arrived at	To be issued at Par
The terms of issue, including terms and rate of dividend on each share, etc.	To be issued and offered on Private Placement basis, in one or more tranches to Promoter entity/(ies) belonging to the promoters of the Company. The preference shares are proposed to be issued at a dividend rate of 0.01% per annum.
The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	The proposed Preference shares shall be redeemed at par, within a period not exceeding 20 years from the date of allotment, in accordance with provision of Section 55 of the Act. The Preference Shares are not convertible into equity shares of the Company.
The manner and modes of redemption	The proposed Preference shares shall be redeemed in accordance with the provision of the Companies Act, 2013 or any such other applicable law, rules, regulations as may be applicable.
The expected dilution in equity share capital upon conversion of preference shares.	Not applicable, since the proposed Preference Shares are Non Convertible in nature.

The Equity shareholding pattern of the Company as on 30th June, 2017 is as under:

S. No.	Categories	No. of shares held	Percentage
a.	Promoters, their relatives, associates etc.	86608728	44.29
b.	Bodies Corporate	15384570	7.87
c.	Foreign Institutional Investors	120	-
d.	Mutual Fund	1780	-
e.	Insurance Companies	8220	-
f.	Individuals		

a.	Individual Shareholders holding nominal Share Capital upto Rs.2 Lakh	73654776	37.67
b.	Individual Shareholders holding nominal Share Capital in excess of Rs.2 Lakh	8482517	4.34
g.	Others	11406644	5.83
<b>Total:</b>		195547355	100.00

The above proposed transaction(s), if construed as related party transaction(s) under any applicable law(s) then approval of the members for the above proposed resolution will be deemed to be obtained for the said transaction(s) without being required to seek any further consent or approval from Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Mr. R. K. Saraf (DIN: 00006102), Mr. Ashim Saraf (DIN: 00009581), Mr. Rohit Saraf (DIN: 00003994) and Mr. Anurag Saraf (DIN: 00009631), Directors, along with their relatives, may be deemed to be concerned or interested, financially or otherwise, in the Special Resolution as set out at Item No. 7 of the accompanying AGM Notice to the extent of shares held, if any and/or having a position as a Director or Key Managerial Personnel in the Promoter entity/(ies) belonging to the Promoters of the Company.

None of the other Directors, Key Managerial Personnel or their relatives is interested or concerned, financially or otherwise in the resolution as set out at Item No. 7 of this Notice.

**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.facoralloys.com

By order of the Board

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

Dated: 11<sup>th</sup> August, 2017

**ANNEXURE A FORMING PART OF EXPLANATORY STATEMENT ANNEXED TO THE NOTICE**
**MATERIAL TERMS AND CONDITIONS OF THE APPOINTMENT OF JOINT MANAGING DIRECTOR**

The material terms and conditions of the re-appointment of Mr. Anurag Saraf, Joint Managing Director and his remuneration by way of salary, dearness allowance, perquisites and benefits (which are in conformity with the