

FIFTEENTH ANNUAL REPORT 2017-18



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
A. S. Kapre
K. L. Mehrotra
Mrs. Urmila Gupta
S.S. Sharma

 General Manager (Legal) &
Company Secretary

Executives
M.D. Saraf

President

M.S.S. Sarma

Chief Executive

O.P. Saraswat

Dy. Chief Financial Officer

Bankers

Bank of India

Central Bank of India

State Bank of India

Syndicate Bank

Indian Overseas Bank

Solicitors

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

Auditors

K K Mankeshwar & Co.

Chartered Accountants

Internal Auditors

Rao & Kumar

Chartered Accountants

Registrars & Share Transfer Agents

(for Both Physical & Electronic)

MAS Services Limited,

 T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110020

Phone No.+91-11-26387281-83

Fax No.+91-11-26387384

 E-Mail : info@masserv.com
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NOTICE

Notice is hereby given that the **FIFTEENTH 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 Monday, the 17th September, 2018 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 31st March, 2018 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 31st March, 2018.
2. To appoint a Director in the place of Mr. Rohit Saraf (DIN 00003994), who retires from office by rotation and, being eligible, offers himself for re-appointment.

As Special Business:

3. 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 2019.

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."

4. To re-appoint Mr. K Jayabharat Reddy as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K Jayabharat Reddy (DIN: 00038342), who was appointed as an Independent Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 09th September, 2019 to 08th September, 2024 on

the Board of the Company.

RESOLVED FURTHER THAT consent of the members of the Company be and is hereby accorded for continuation of directorship of Mr. K Jayabharat Reddy as an Independent Director, who is age of 75 (seventy five) years and above, till the expiry of his present term i.e. upto 08th September, 2019, as approved by the Shareholders vide their ordinary resolution in their 12th Annual General Meeting held on 22nd September, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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 re-appoint Mr. A. S. Kapre as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. A. S. Kapre (DIN: 00019530), who was appointed as an Independent Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 09th September, 2019 to 08th September, 2024 on the Board of the Company."

6. To re-appoint Mr. K. L. Mehrotra as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. K. L. Mehrotra (DIN: 00062172), who was appointed as an Independent Director and who holds office of Independent Non-Executive Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect

from 09th September, 2019 to 08th September, 2024 on the Board of the Company.”

7. To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) read with rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for continuation of directorship of Mrs Urmila Gupta (DIN 00637110) as an Independent Director, who is age of 75 (seventy five) years and above, till the expiry of her present term i.e. upto 12th February, 2020, as approved by the Shareholders vide their ordinary resolution in their 12th Annual General Meeting held on 22nd September, 2015.

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

8. To re-appoint Mr. R. K. Saraf as Managing Director and in this regard, to pass, the following resolution 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. R. K. Saraf (DIN: 00006102) as the Managing Director of the Company for a period of 5 years with effect from 01.04.2019 upon the terms and conditions as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialled 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. R. K. 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 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.”

9. To re-appoint Mr. Ashim Saraf as Joint Managing Director and in this regard, to pass, the following resolution 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. Ashim Saraf (DIN: 00009581) as the Joint Managing Director of the Company for a period of 5 years with effect from 01.04.2019 upon the terms and conditions as set out in the draft agreement prepared in that behalf and submitted to this meeting and initialled 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. Ashim 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 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.”

NOTES:

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 3 to 9 of the notice set out above is annexed hereto. The relevant details of Directors seeking re-appointment under Item Nos. 4-6 & 8-9 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 Tuesday, the 11th September, 2018 to Monday, the 17th September, 2018, both days inclusive.
5. Pursuant to section 124 (5) of the Companies Act, 2013, unclaimed dividend alongwith shares 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 year 2010-11 are requested to write to M/s. MAS Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 for claiming unpaid dividend. Due date for transfer of the unclaimed dividend for the year 2010-11 to the said fund is 15th October, 2018.

Also, pursuant to Section 124 (2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amount lying with the Company in respect of dividend for the year 2010-11, 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 15th 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 15th 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 14th September, 2018 at 10.00 a.m. (IST) and ends on 16th September, 2018 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 10th September, 2018 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 www.evotingindia.com.
- (iii) Click on Shareholders.
- (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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> 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).

- (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 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **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. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **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 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.
 - 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 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.
- (xx) 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, under help section or write an email to 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 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.
8. Copies of Annual Report 2017-18 and the Notice of 15th 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 2017-18 and Notice of 15th 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) and bank Account details by every shareholder holding shares in physical form. 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 & bank A/c 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

By order of the Board,

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

Dated: 11th August, 2018

ANNEXURE TO THE NOTICE

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

ITEM NO.3

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, 2019, at a remuneration of ₹ 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 six/seven years.

The Board recommends the remuneration of ₹ 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.3 of the Notice.

ITEM NOS.4-6

Mr. K Jayabharat Reddy (DIN: 00038342), Mr. A. S. Kapre (DIN: 00019530) and Mr. K. L. Mehrotra (DIN: 00062172) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange. They hold office as Independent Directors of the Company up to the conclusion/ date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149 (10) and 149 (11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149 (6) of the Act.

Section 149 (10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure

of such appointment in its Board's report. Section 149 (11) provides that an independent director may hold office for up to two consecutive terms.

Further Mr. K Jayabharat Reddy the Independent Director of the Company, who is the age of 75 years or more on 01-04-2019 can't continue as non-executive director from 1st April, 2019 unless a special resolution has been passed by the shareholders in this regard. The justification pursuant to amended Regulation 17 of SEBI (LODR), 2015 in respect of re-appointment/continuation of Mr. K Jayabharat Reddy is as under :-

Mr. K. Jayabharat Reddy aged 81 years 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 over four decades rich experience to his credit as a senior government officer in the area of General and Public Administration and industrial management, policy formation. He is also holding directorship in Taj GVK Hotels & Resorts Ltd. a listed public company and NCL Alltek Seccolor Ltd. another unlisted public company for the last no. of years. He has been a Non-Executive Director of the Company since 01st September, 2004 besides holding Chairmanship of Audit Committee. Mr. Reddy actively participated in the meetings and had been making very valuable contribution during discussions at the Board Meetings. He was generally regular and on time for the Meetings of the Board.

Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4, 5 and 6, are provided in the Corporate Governance Report pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letters of appointment of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective re-appointments.

The relatives of Mr. K Jayabharat Reddy, Mr. A. S. Kapre and Mr. K. L. Mehrotra may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the members.

ITEM NO.7

Members at their 12th Annual General Meeting held on 22nd September, 2015 had appointed Mrs Urmila Gupta (DIN 00637110) as an Independent woman Director to hold office from 13th February, 2015 to 12th February, 2020.

Members may note that SEBI vide its notification dated 9th May, 2018 amended Regulation 17 of SEBI (LODR), 2015 effective from 1st April, 2019, which is read as under-

"No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person."

In view of the above, Mrs Urmila Gupta the Independent woman Director of the Company, who will be attaining the age of 75 years on 11-01-2019 can't continue as non-executive director from 1st April, 2019 unless a special resolution has been passed by the shareholders in this regard.

The Company has also received declaration from Mrs Urmila Gupta that she meets the criteria of Independence as prescribed under sub section (6) of Section 149 of Companies Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, in the best interest of the Company, the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 18th May, 2018 approved the continuance of Directorship of Mrs Urmila Gupta as an Independent Director from 01st April, 2019 till her present term expiring on 12th February, 2020. The Nomination and Remuneration Committee and Board of Directors appreciated the contribution and expressed its deep satisfaction over the performance of Mrs Urmila Gupta as an Independent Director of the Company. The justification for her continuation till her present term is as under :

Mrs. Urmila Gupta, aged 74 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. She is also the Chairman of

Sexual Harassment of Women at working place Committee of the Company. Mrs. Urmila Gupta actively participated in the meetings and had been making very valuable contribution during discussions at the Board Meetings. She was generally regular and on time for the Meetings of the Board.

ITEM NO.8

Mr. R.K. Saraf is the promoter Director of Ferro Alloys Corporation Ltd (FACOR). He has been associated with the said Company since its inception and as Executive Director from April, 1975 and as Joint Managing Director from December, 1986. He was looking after the Ferro Alloys Division of FACOR. Upon trifurcation of FACOR, this Company was formed to take over the said Division of FACOR. He was then appointed as Managing Director of this Company. Under his stewardship the Company is doing well. It is therefore considered desirable that the Company should continue to avail the benefit of his vast and varied experience in the Ferro Alloys industry and able guidance.

The Board of Directors of the Company therefore re-appointed Mr. R.K. Saraf as Managing Director of the Company for a period of 5 years w.e.f. 01.04.2019 subject to your approval.

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 no. 8 of this Notice is commended for your approval.

Mr. R. K. Saraf is interested in this resolution relating to him. Mr. Ashim Saraf, Director of the Company, is related to Mr. R. K. Saraf and hence he is also interested in this resolution.

The agreement between the Company and Mr. R. K. Saraf, 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. 9

Mr. Ashim Saraf is M.Sc (Tech) S.T.D. from the Birla Institute of Tech. & Science, Pilani. He has several years experience in business and administration to his credit. Under his guidance the Company is doing well. Hence, it is desirable that he should continue as Joint Managing Director of the Company.

Accordingly, the Board of Directors of the Company re-appointed Mr. Ashim Saraf as Joint Managing Director for a period of 5 years w.e.f. 01.04.2019 subject to your approval.

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 no. 9 of this Notice is commended for your approval.

Mr. Ashim Saraf is interested in this resolution relating to him. Mr. R. K. Saraf, Director of the Company, is related to Mr. Ashim Saraf and hence he is also interested in this resolution.

The agreement between the Company and Mr. Ashim 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.

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: 11th August, 2018

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

The material terms and conditions of the re-appointment of Managing Director/Joint Managing Director and their remuneration by way of salary, dearness allowance, perquisites and benefits (which are in conformity with the schedule V to the Companies Act, 2013) and as contained in the draft Agreement, are as under:

1. Term of Office:
 - a) Mr. R. K. Saraf, Managing Director : 5 years with effect from 01.04.2019
 - b) Mr. Ashim Saraf, Joint Managing Director : 5 years with effect from 01.04.2019
2. Remuneration for each of them:
 - a) Basic Salary: ₹105000 per month in scale of ₹100000-5000-150000/-
 - b) Perquisites and allowances:

In addition to the aforesaid salary, each of the Managing Director and Joint Managing Director 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 ₹ 5,40,000/- per annum or ₹ 45,000/- per month in each case.

The perquisites and allowances payable to each of the Managing Director and Joint Managing Director 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 Managing Director and Joint Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The term "Family" means spouse, dependent children and dependent parents of Managing Director and Joint Managing Director.

The remuneration payable to each of the Managing Director and Joint Managing Director 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 or Rs. 1,50,000/- per month for each of them.

The Board of Directors or any Committee thereof is entitled to determine and revise the salary and perquisites payable to the Managing Director and Joint Managing Director of the Company at any time, such that the overall remuneration shall not exceed the aggregate limit of ₹ 18,00,000/- per annum or ₹ 1,50,000/- per month for each of them as specified above.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Managing Director and Joint Managing Director, the company has no profits or its profits are inadequate, then also they shall be paid salary, allowances and perquisites as specified above in accordance with the applicable provisions

of Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if any, required.

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: 11th August, 2018

ROUTE MAP

FLY OVER

RAILWAY TRACK

SHREERAM TEMPLE

FACOR ALLOYS
LIMITED

AGM VENUE

FACOR ALLOYS LIMITED
ADMINISTRATIVE BUILDING
SHREERAMNAGAR-535101
GARIVIDI DIST. VIZIANAGARAM (A.P.)

---(Aprox.) Distance 1.5 km---