



FACOR STEELS LIMITED

11th Annual Report 2013-14

CORPORATE INFORMATION

Board of Directors

Narayandas Saraf
Chairman

M.D. Saraf
Vice Chairman & Managing Director

Vinod Saraf
Managing Director

Anurag Saraf

A.S. Kapre

M.B. Thaker

Mohandas S. Adige

Keshaorao Pardhi

Amit G. Pandey

General Manager (Legal) &
Company Secretary

Executives

C. V. Raghavan
Chief Finance Officer

S. C. Parija
Executive Vice-President

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

Auditors

Salve & Co.,
Chartered Accountants

Internal Auditors

M. M. Jain & Associates
Chartered Accountants

Cost Auditors

S. K. Phatak & Co.
Cost Accountants

Registrars & Share Transfer Agents

(for Both Physical & Electronic)

Link Intime India Pvt. Ltd.

C-13 Pannalal Silk Mills
Compound, LBS Marg, Bhandup (W),
MUMBAI - 400 078
Phone No. 022-2596 3838
Fax No. 022-2594 6969
E-mail: mumbai@linkintime.co.in

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Notice to Members

Notice is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the Registered Office of the Company at 46 A & B, MIDC, Industrial Estate, Hingna Road, Nagpur- 440 028 on Thursday the 11th of September, 2014 at 2.30 P.M to transact, with or without modification as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2014, including Audited Balance Sheet and Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Narayandas Saraf (DIN: 00006260), 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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments therefore for the time being in force), M/s Salve And Company, Chartered Accountants, (Regn. No. 109003W), be and they are hereby appointed Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 14th Annual General Meeting of the Company i.e. for a period of 3 years, 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. The appointment of the Auditors shall be subject to ratification by members in every subsequent Annual General Meeting till the conclusion of the 14th Annual General Meeting."

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 the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Anand S. Kapre (DIN 00019530), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 11th September, 2014 up to 10th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Mohandas S. Adige (DIN: 00280925), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 11th September, 2014 up to 10th September, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Mahendra B. Thaker (DIN: 00004263), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from 11th September, 2014 up to 10th September, 2019."

7. To consider and if thought fit, to pass with or without modification(s), 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, Mr. Kesharao A. Pardhi (DIN: 00009724), who was appointed as an Additional Director 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 11th September, 2014 up to 10th September, 2019."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Vinod V. Saraf (DIN: 00012034) as Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Vinod Saraf subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1) (d) of the Companies Act, 1956 at the 1st Annual General Meeting held on 23rd October, 2004 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of 300 Crores (Rupees Three hundred Crores) and the Board be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required.."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the ordinary resolution passed under Section 293(1)(a) of the Companies Act, 1956 by the members of the Company at the 5th Annual General Meeting of the Company held on 17th September, 2008 and pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) 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 mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding Rs.300,00,00,000/- (Rupees Three Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person(s) as may be authorized by the Board be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranche(s) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

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

"RESOLVED THAT based on the Audited Balance Sheet of the company for the financial year ended on 31st March 2014 the Board of Directors found that the Accumulated losses of the company as at 31.03.2014 amounting to ₹ 7552.62 lacs exceed the entire net worth of the company amounting to ₹ 5343.24 lacs as on the same date, and in view of the same the company has become a sick industrial company as defined under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and a reference be made to the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) to seek determination of

measures which would be adopted as required under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985."

"RESOLVED FURTHER THAT consequent to determination of sickness, the Board of Directors of the Company be and is hereby authorized to send the report to the BIFR and do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient in relation thereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any officer or officers of the Company to give effect to this resolution."

12. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013, and rules made there under (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 Rs. 50,000/- (Rupees fifty thousand only) plus applicable taxes and out of pocket expenses payable to Mr. Shridhar S. Phatak (Registration Number: 100055), Cost Accountant, appointed as Cost Auditors of the Company for the financial year 2014-15."

Registered Office: By ORDER OF THE BOARD
46 A & B, MIDC,
Industrial Estate,
Hingna Road,
Nagpur - 440028

Amit G. Pandey
General Manager (Legal) &
Company Secretary

Dated : 6th August, 2014

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. Report of the Board of Directors on erosion of net worth of the Company and causes thereof is annexed with the Explanatory Statement and is forming part of this notice.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 8th September, 2014 to Thursday, 11th September, 2014 (both days inclusive) for annual closing.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Abridged Annual Report for 2013-2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Abridged Annual Report for 2013-2014 is being sent in the permitted mode. Complete copy of the Annual Report for 2013-2014 shall be provided on request to members.
9. Electronic copy of the Notice of the 11th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 11th Annual General Meeting of the Company inter

alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

10. Members may also note that the Notice of the 11th Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website www.facorsteel.com and www.facorgroup.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Nagpur for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@facorsteel.com

11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the electronic voting sequence number (EVSN) 140806019 alongwith "FACOR STEELS LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	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 first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN **140806019** for the relevant FACOR STEELS LTD., on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option

“YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The e-voting period commences on 5th September, 2014 (9:00 am) and ends on 6th September, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th July, 2014 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th July, 2014.
- (E) Mr. Pradeep S. Chenné., Company Secretaries, (Membership No. FCS 6265 and C. P. No.7138) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (F) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.facorsteel.com within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- 12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Registered Office:

46 A & B, MIDC,
Industrial Estate,
Hingna Road,
Nagpur - 440028

By ORDER OF THE BOARD

Amit G. Pandey
General Manager (Legal) &
Company Secretary

Dated : 6th August, 2014

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Anand S. Kapre joined the Board of Directors of the Company on 20th July, 2004. He is a non-executive independent director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement. He is aged about 66 years and is an Engineering Graduate from IIT Madras and a Law Graduate from Mumbai University. He has over 30 years

of experience, as a highly placed Executive with one of the leading Financial Institutions, in various functions like project and corporate lending, rehabilitation finance and risk management besides few years experience in various industrial companies. Mr. A. S. Kapre also holds the position of Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Share Transfer Committee constituted by the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w. e. f. 1st 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. Mr. Anand S. Kapre has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Anand S. Kapre as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 11th September, 2014 to 10th September, 2019.

In opinion of the Board, Mr. Anand S. Kapre fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule V of the Act, the appointment of Mr. Anand S. Kapre as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Anand S. Kapre 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 Mr. Anand S. Kapre are interested or concerned in the Resolution concerning his appointment proposed in Item No. 4 of the Notice.

Item No. 5

Mr. Mohandas S. Adige joined the Board of Directors of the Company on 7th November, 2011. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

Mr. Mohandas S. Adige is a Metallurgical Engineering Graduate (1967) from Banaras Hindu University. He underwent special training at Firth Brown Ltd. and its associate companies in Sheffield, UK for over a year and also attended a course in Iron & Steel Technology (part of M. Met) at the Sheffield University (1972/73). He has Diplomas in Operations, & Financial Management from the Jamnalal Institute of Management Studies Bombay University. He was the Deputy Managing Director of Mahindra Ugine Steel Co. Ltd.(MUSCO) for two years and retired as the Managing Director of Nagpur Power &

Industries Ltd. (earlier Khandelwal Ferroalloys) in 2006. Mr. Mohandas S. Adige is member of Audit Committee and Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w. e. f. 1st 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. Mr. Mohandas S. Adige has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Mohan S. Adige as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 11th September, 2014 to 10th September, 2019.

In opinion of the Board, Mr. Mohandas S. Adige fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule V of the Act, the appointment of Mr. Mohandas S. Adige as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Mohandas S. Adige 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 of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Mr. Mohandas S. Adige are interested or concerned in the Resolution concerning his appointment proposed in Item No. 5 of the Notice.

Item No. 6

Mr. Mahendra B. Thaker joined the Board of Directors of the Company on 20th July, 2004. He is a non-executive Independent Director of the Company and is considered as an Independent Director under clause 49 of the Listing Agreement.

Mr. Mahendra B. Thaker, aged about 76 years is a commerce graduate having more than 50 years of business experience in manganese mining. He is member of Audit Committee, Stakeholders Relationship and Share Transfer Committee and Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w. e. f. 1st 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. Mr. Mahendra B. Thaker has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding appointment of Mr. Mahendra B. Thaker as

Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 11th September, 2014 to 10th September, 2019.

In opinion of the Board, Mr. Mahendra B. Thaker fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule V of the Act, the appointment of Mr. Mahendra B. Thaker as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the Draft letter of appointment of Mr. Mahendra B. Thaker 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 Mr. Mahendra B. Thaker are interested or concerned in the Resolution concerning his appointment proposed in Item No. 6 of the Notice.

Item No. 7

In accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Kesharao A. Pardhi as an Additional Director of the Company with effect from April 18, 2014. In terms of the provisions of Section 161(1) of the Act, Mr. Kesharao A. Pardhi would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kesharao A. Pardhi for the office of Director of the Company. Mr. Kesharao A. Pardhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Kesharao A. Pardhi is an Ex-Member of the Parliament and is a graduate from Mumbai Hindi University (Sahitya Sudhakar). He has sound experience of Business Administration. As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w. e. f. 1st 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. Mr. Kesharao A. Pardhi has given declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Kesharao A. Pardhi as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director from 11th September, 2014 to 10th September, 2019. In the opinion of the Board, Mr. Kesharao

A. Pardhi fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Kesharao A. Pardhi is independent of the management. Brief resume of Mr. Kesharao A. Pardhi, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Keeping in view his vast expertise and knowledge in business administration, it will be in the interest of the Company that Mr. Kesharao A. Pardhi is appointed as an Independent Director. Copy of the draft letter for appointment of Mr. Kesharao A. Pardhi as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Kesharao A. Pardhi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

The Board of Directors of the Company (the 'Board'), at its meeting held on 15th July, 2014 has, subject to the approval of members, re-appointed Mr. Vinod V. Saraf as Managing Director, for a period of 5 (five) years from the expiry of his present term, which expired on 31st July, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. Mr. Vinod V. Saraf is a promoter director and has very rich experience in industry and is acquainted with thorough knowledge of business. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Vinod V. Saraf as Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Vinod V. Saraf which are as per Section 196 and 197 read with Schedule V of the Companies Act, 2013 are as follows:

i) Details of Salary to be paid to Managing Director are as follows:

- a. Basic Salary ₹ 100,000/- per month in the scale of Rs 75,000 – 5,000 – 1,00,000/-
- b. Perquisites and Allowances: