

# **SIXTY THIRD ANNUAL REPORT 2018-19**



**FERRO ALLOYS CORPORATION LIMITED**

## CORPORATE INFORMATION

### Board of Director

#### **R. K. SARAF**

Chairman & Managing Director

#### **Manoj Saraf**

Managing Director

#### **Vineet Saraf**

#### **Ashish Saraf**

Joint Managing Director

#### **Rohit Saraf**

Joint Managing Director

#### **A.S. Kapre**

#### **Umesh Khaitan**

#### **M. B. Thaker**

#### **Urmila Gupta**

#### **Ritesh Chaudhry**

Sr. General Manager (Legal) &  
Company Secretary

### Executive

#### **O. P. BANKA**

Director (Finance)

#### **Yashpal Mehta**

Chief Financial Officer

#### **P.G.Suresh Kumar**

Chief Executive  
(Charge Chrome Plant)

#### **R. K. Singh**

Sr. General Manager  
(Mines)

#### **Resolution Professional Bhuvan Madan**

### Bankers

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

### Solicitor

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

### Auditors

K.K. Mankeshwar & Co.  
Chartered Accountants

### Internal Auditors

M/s. Das & Prasad  
Chartered Accountants  
Umesh Khaitan

### Secretarial Auditors

M/s. RAA & Associates, LLP  
Company Secretaries

### Registrars & Share Transfer Agents (for both Physical & Electronic)

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

Beetal House, 3rd Floor,  
99 Madangir, Behind LSC,  
New Delhi – 110 062  
Phone No. 91-11-29961281-83  
Fax No. 91-11-29961284  
E-mail: beetalrta@gmail.com  
beetal@beetalfinancial.com

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## NOTICE TO MEMBERS

Notice is hereby given that the SIXTY THIRD ANNUAL GENERAL MEETING of the Members of the Company will be held at the Registered Office of the Company at D.P. Nagar, Randia – 756135, Dist. Bhadrak, Odisha on Monday, the 30<sup>th</sup> day of September, 2019 at 12 noon to transact, with or without modification as may be permissible, the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019, the Report to the members under section 134 of the Companies Act, 2013 and the Auditors' Report thereon and the audited consolidated financial statement of the Company for the Financial Year ended 31<sup>st</sup> March, 2019.
2. To appoint a Director in the place of Mr. Ashish Ramkisan Saraf (DIN:00004547), who retires from Office by rotation and, being eligible, offers himself for re-appointment.

### 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 141, 148 and other applicable provisions, if any, of the Companies Act, 2013, and Rule 14 and other applicable rules, if any, of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government as may be required, the appointment of M/s Niran & Co., Cost Accountants (Registration Number: 000113), as Cost Auditor of the Company for FY 2019-20 on a remuneration of Rs. 70,000/- (Rupees Seventy Thousand only) per annum plus applicable taxes and out of pocket expenses be and is hereby ratified."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 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, 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), appointment of Mr. Anand Sadashiv Kapre (DIN 000019530), whose present term of office as Independent Director of the Company expires on 9<sup>th</sup> September, 2019 and in respect of whom Notice has been received from a Member of the Company under section 160 of the Act proposing his re-appointment as an Independent Director of the Company be and is hereby ratified and approved 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 w.e.f 10<sup>th</sup> September, 2019 notwithstanding that he has attained the age of 75 (seventy five) years."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 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, 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), appointment of Mr. Mahendra Bhawanji Thaker (DIN 00004263), whose present term of office as Independent Director of the Company expires on 9<sup>th</sup> September, 2019 and in respect of whom Notice has been received from a Member of the Company under section 160 of the Act proposing his re-appointment as an Independent Director of the Company be and is hereby ratified and approved 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 w.e.f 10<sup>th</sup> September, 2019 notwithstanding that he has attained the age of 75 (seventy five) years."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 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, 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), appointment of Mrs. Urmila Gupta (DIN 00637110), whose present term of office as Independent Director of the Company expires on 13<sup>th</sup> February, 2020 and in respect of whom Notice has been received from a Member of the Company under section 160 of the Act proposing her re-appointment as an Independent Director of the Company be and is hereby ratified and approved 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 w.e.f 13<sup>th</sup> February, 2020 notwithstanding that she has attained the age of 75 (seventy five) years."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 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, 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), appointment of Mr. Umesh Khaitan (DIN 01180359), whose present term of office as Independent Director of the Company expires on 13<sup>th</sup> February, 2020 and in respect of whom Notice has been received from a Member of the Company under section 160 of the Act proposing his re-appointment as an Independent Director of the Company be and is hereby ratified and approved as an Independent Director of the

## NOTICE TO MEMBERS

Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from 13<sup>th</sup> February, 2020 notwithstanding that he has attained the age of 75 (seventy five) years."

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), the re-appointment of Mr. Ashish Ramkisan Saraf (DIN: 00004547) as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2019 be and is hereby ratified and approved on payment of such remuneration as may be decided by the Committee of Creditors of the Company 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 Resolution Professional and/or Board, as applicable, 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 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), the re-appointment of Mr. Rohitkumar Narayandasji Saraf (DIN: 00003994), as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2019 be and is hereby ratified and approved on payment of such remuneration as may be decided by the Committee of Creditors of the Company 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 Resolution Professional and/or Board, as applicable, 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."

**Registered Office:** By Order of Resolution Professional  
D.P. Nagar for Ferro Alloys Corporation Limited  
P.O. Randia - 756135  
Distt. Bhadrak, Odisha

**Ritesh Chaudhry**  
**Sr. General Manager (Legal) &**  
**Company Secretary**

Dated : 31<sup>st</sup> August, 2019  
Place : Noida – 201301, U.P.

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Item nos.3 to 9 being Special Business at the meeting, is annexed hereto.
2. **Statutory Auditors:** The Company's Statutory Auditors, K.K. Mankeshwar & Co, Chartered Accountants having Registration no. 106009W allotted by the Institute of Chartered Accountants of India (ICAI) were appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years at the 61<sup>st</sup> Annual General Meeting (AGM) of the Members of the Company held on Thursday, 28<sup>th</sup> September, 2017. Their appointment was subject to ratification by the Members of the Company at every subsequent AGM held after the 61<sup>st</sup> AGM held on 28<sup>th</sup> September, 2017, as aforesaid.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, effective from 7<sup>th</sup> May, 2018, the requirement of seeking ratification of the Members for the appointment of Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification of the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors of the Company. The remuneration plus applicable taxes and reimbursement of expenses incurred by them incidental to their functions shall be determined the Resolution Professional and/or the Board of Directors, as applicable in consultation with the said Auditors.

3. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, the 28<sup>th</sup> September, 2019 to Monday, the 30<sup>th</sup> September, 2019 (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

## NOTICE TO MEMBERS

(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 sub-clause 3 of Regulation 36 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of Report on Corporate Governance. The Director(s) have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for 2018-19 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 Annual Report for 2018-19 is being sent in the permitted mode. Copy of the Annual Report for 2018-19 shall be provided on request to members.
9. In accordance with the Companies Act, 2013 read with the Rules framed there under Electronic copy of the Notice of the 63<sup>rd</sup> 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 63<sup>rd</sup> 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 63<sup>rd</sup> Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.facorgroup.in/investorrelations/AGMNotice2018-19.pdf](http://www.facorgroup.in/investorrelations/AGMNotice2018-19.pdf) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in D.P. Nagar, Randia 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@facorgroup.in](mailto:investors@facorgroup.in)

### 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 and also 44(1) of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 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:

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, 27<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 at 5:00 p.m. 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 Friday, the 20<sup>th</sup> September, 2019 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](http://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](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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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



## NOTICE TO MEMBERS

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 no. **190830079** for Ferro Alloys Corporation Limited.
- (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, Windows and Apple smart phones. 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](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.

(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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) 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).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL) Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 18002005533.

### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (B) 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), as aforesaid.
- (C) The e-voting period commences on Friday, 27<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 at 5:00 p.m. 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 Friday, 20<sup>th</sup> September, 2019 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.
- (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 Friday, 20<sup>th</sup> September, 2019, as referred in preceding clause.
- (E) Mr. Ashish Saxena of M/s Ashish Saxena & Co., Company Secretaries, (Membership No. 6560) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (F) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.facorgroup.in](http://www.facorgroup.in) within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

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- (G) 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 2 (two) 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 Resolution Professional of the Company.
- (H) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during normal business hours (9.00 am to 5.00 pm) except Saturdays, Sundays and Holidays up to and including the date of the AGM of the Company.
- (I) The investors may contact the Company Secretary for queries, if any. For this purpose, they may either write to him at the Corporate office address at "Facor House", A45-A50, Sector-16, Noida, U.P.-201301" or e-mail their grievances /queries to the Company Secretary at the following e-mail address: [investors@facorgroup.in](mailto:investors@facorgroup.in)
- (J) Members are also informed that the complete particulars of the venue of the Meeting including route map and prominent land mark for easy location has been specified in this notice. Further, the same has been hosted along with the Notice on website [www.facorgroup.in/investorrelations/AGMnotice](http://www.facorgroup.in/investorrelations/AGMnotice) of the company.

**Registered Office:** By Order of Resolution Professional  
D.P. Nagar for Ferro Alloys Corporation Limited  
P.O. Randia - 756135  
Distt. Bhadrak, Odisha

**Ritesh Chaudhry**  
**Sr. General Manager (Legal) &**  
**Company Secretary**

Dated : 31<sup>st</sup> August, 2019  
Place : Noida – 201301, U.P.

### ANNEXURE TO THE NOTICE

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

##### Item no.3

The Resolution Professional has considered and decided the appointment of M/s Niran & Co., Cost Accountant (Registration No. 000113), as Cost Auditor of the Company for the financial year 2019-20 on a remuneration of Rs.70,000/- (Rupees Seventy Thousand only) per annum plus applicable taxes and out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. It is therefore, necessary for the members to pass an Ordinary Resolution under section 148 and other applicable provisions, if any, of the Companies Act, 2013 as set out at Item no.3 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives / Resolution Professional, is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Ordinary Resolution set out at Item No. 3 of the Notice is commended for approval by the shareholders.

##### Item No. 4

Mr. Anand Sadashiv Kapre joined the Board of Directors of the Company on 25<sup>th</sup> September, 2002. He is an Independent Director on the Board of the Company. He is aged about 75 years and is an Engineering Graduate from IIT Madras and a Law Graduate from Mumbai University. He has over 40 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. Anand Sadashiv 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. 1<sup>st</sup> April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Anand Sadashiv Kapre has given declaration to the Resolution Professional that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding re-appointment of Mr. Anand Sadashiv Kapre, as Independent Director could not be considered by the Board and/or the Committees of the Board in view of ongoing Corporate Insolvency Resolution process and the provisions of section 17 read with the provisions of Section 238 of the Code. However, since the powers of the Board are vested with the Resolution Professional in terms of section 17 of the said Code, the appointment of Mr. Anand Sadashiv Kapre has been considered by the Resolution Professional which commends his re-appointment as an Independent Director for a second term of 5 (five) consecutive years from 10<sup>th</sup> September, 2019 notwithstanding that he has attained the age of 75 (seventy five) years.

Mr. Anand Sadashiv 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 IV of the Act, the re-appointment of Mr. Anand Sadashiv Kapre, as Independent Director, is now being placed before the Members in General Meeting for their ratification and approval.

Copy of the Draft letter of appointment of Mr. Anand Sadashiv 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 of the Directors or Key Managerial Personnel (KMP) or relatives of directors or KMP or the Resolution Professional, except Mr. Anand Sadashiv Kapre is interested or concerned in the Resolution concerning his appointment proposed in Item No. 4 of the Notice.

##### Item No. 5

Mr. Mahendra Bhawanji Thaker joined the Board of Directors of the Company on 27<sup>th</sup> October, 1968. He is an Independent Director of the Company. Mr. Mahendra Bhawanji Thaker, aged about 80 years, has more than 45 years' experience

## NOTICE TO MEMBERS

in mining of manganese. He is also the member of the Audit Committee and of the Stakeholder Relationship & Share Transfer Committee and Corporate Social Responsibility Committee of 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. 1<sup>st</sup> April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Mahendra Bhawanji Thaker has given declaration to the Resolution Professional that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding re-appointment of Mr. Mahendra Bhawanji Thaker, as Independent Director could not be considered by the Board and/or the Committees of the board in view of ongoing Corporate Insolvency Resolution process and the provisions of section 17 read with the provisions of section 238 of the Code. However, in view of the powers of the Board remaining vested with the Resolution Professional in terms of section 17 of the Code, the appointment of Mr Mahendra Bhawanji Thaker has been considered by the Resolution Professional which commends his appointment as an Independent Director for a second term of 5 (five) consecutive years from 10<sup>th</sup> September, 2019 notwithstanding that he has attained the age of 75 (seventy five) years.

Mr. Mahendra Bhawanji 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 IV of the Act, the re-appointment of Mr. Mahendra Bhawanji Thaker, as Independent Director, is now being placed before the Members in General Meeting for their ratification and approval.

Copy of the Draft letter of appointment of Mr. Mahendra Bhawanji 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 of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP or the Resolution Professional, except Mr. Mahendra Bhawanji Thaker is interested or concerned in the Resolution concerning his appointment proposed in Item No. 5 of the Notice.

### Item No. 6

Mrs. Urmila Gupta joined the Board of Directors of the Company on 13<sup>th</sup> February, 2015. Mrs. Urmila Gupta, aged about 75 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 Broadcasting, 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.

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

could not be considered by the Board and/or the Committees of the board in view of ongoing Corporate Insolvency Resolution process and the provisions of section 17 read with the provisions of section 238 of the Insolvency and Bankruptcy Code, 2016 ("the Code"). However, in view of the powers of the Board remaining vested with the Resolution Professional in terms of section 17 of the Code, the re-appointment of Mrs. Urmila Gupta has been considered by the Resolution Professional which commends her re-appointment as an Independent Director for a second term of 5 (five) consecutive years w.e.f 13<sup>th</sup> February, 2020 notwithstanding that she has attained the age of 75 (seventy five) years.

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

Copy of the Draft letter of appointment of Mrs. Urmila Gupta would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP or the Resolution Professional, except Mrs. Urmila Gupta is interested or concerned in the Resolution concerning his appointment proposed in Item No. 6 of the Notice.

### Item No. 7

Mr. Umesh Kumar Khaitan joined the Board of Directors of the Company on 13<sup>th</sup> February, 2015. He is a non-executive independent director of the Company. Mr. Umesh Kumar Khaitan is the Managing Partner of Khaitan & Khaitan, one of the leading law firms in India. He has 45 years of legal experience dealing with all aspects of law but his forte lies in corporate law.

His practice areas include corporate law, mergers and acquisitions, takeovers, buyouts, initial public offerings, joint ventures, foreign direct investments, competition and trade practice laws, international commercial arbitration, contracts, project finance, regulatory approvals, corporate restructuring, infrastructure and power projects, venture capital, overseas floatation, GDRs, ADRs, FCCBs, etc.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force w.e.f. 1<sup>st</sup> April, 2014, an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Umesh Kumar Khaitan has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. The matter regarding re-appointment of Mr. Umesh Kumar Khaitan, as Independent Director could not be considered by the Board and/or the Committees of the board in view of ongoing Corporate Insolvency Resolution process and the provisions of section 17 read with the provisions of section 238 of the Insolvency and Bankruptcy Code, 2016("the Code"). However, in view of the powers of the Board remaining vested with the Resolution Professional in terms of section 17 of the Code, the appointment of Mr. Umesh Kumar Khaitan has been



## NOTICE TO MEMBERS

considered by the Resolution Professional which commends his appointment as an Independent Director for a second term of 5 (Five) consecutive years w.e.f 13<sup>th</sup> February, 2020 notwithstanding that he has attained the age of 75 (seventy five) years.

Mr. Umesh Kumar Khaitan fulfils the conditions specified in the Act and the Rules made there under for re-appointment as Independent Director and he is independent of the management. In Compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Umesh Kumar Khaitan, as Independent Director, is now being placed before the Members in General Meeting for their ratification and approval.

Copy of the Draft letter of appointment of Mr. Umesh Kumar Khaitan 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 or the Resolution Professional, except Mr. Umesh Kumar Khaitan is interested or concerned in the Resolution concerning his appointment proposed in Item No. 7 of the Notice.

### **Item No. 8**

Mr. Ashish Ramkisan Saraf is a Qualified Engineer and a Graduate from the Harvard Business School. He, as a part of the management team has been associated with the group for over 25 years and specializes in the field of Industrial and Production Engineering. His knowledge and experience have contributed significantly towards the business of the Company by increasing efficiency and reaping new opportunities. It is, therefore, desirable that he continues on the Board of the Company.

Approval of the members is, therefore, sought for re-appointment of Mr. Ashish Ramkisan Saraf (DIN: 00004547), as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2019 on payment of such remuneration as may be decided by the Committee of Creditors of the Company 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.

Broad particulars of the terms of remuneration payable to Mr. Ashish Ramkisan Saraf as and when approved by the Committee of Creditors shall be informed to the members in accordance with the provisions of section 190 of the Companies Act, 2013.

The Resolution at Item No.8 is recommended for approval of the Members in the best interest of the Company. Save and except Mr. Ashish Ramkisan Saraf and Mr. Ramkisan Durgaprasad Saraf, who is related to Mr. Ashish Ramkisan Saraf, none of the Director or Key Managerial Personnel of the Company or their relatives in the Management or the Resolution Professional is, in any way, concerned or interested, financially or otherwise, in this resolution.

### **Item No. 9**

Mr. Rohitkumar Narayandasji Saraf, as a part of the management team has been associated with the Company as its Joint Managing Director since 2004. He has over 25 years

of experience in Mining Operations and Administration and looks after the Mining operations of the Company. He is mainly responsible for the Company showing growth in productivity with high efficiency. His continuance in his existing position as the Joint Managing Director of the Company should evidently benefit the Company.

Approval of the members is, therefore, sought for re-appointment of Mr. Ashish Ramkisan Saraf (DIN: 00004547), as Joint Managing Director of the Company, for a period of 5 (five) years with effect from August 1, 2019 on payment of such remuneration as may be decided by the Committee of Creditors of the Company 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.

Broad particulars of the terms of remuneration payable to Mr. Rohitkumar Narayandas Saraf as and when approved by the Committee of Creditors shall be informed to the members in accordance with the provisions of section 190 of the Companies Act, 2013.

The Resolution at Item No. 9 is recommended for approval of the Members in the best interest of the Company. None of the Director or Key Managerial Personnel of the Company or their relatives in the Management or the Resolution Professional is in any way, concerned or interested, financially or otherwise, in this resolution.

**Registered Office:** D.P. Nagar  
P.O. Randia - 756135  
Distt. Bhadrak, Odisha

**By Order of Resolution Professional  
for Ferro Alloys Corporation Limited**

**Ritesh Chaudhry  
Sr. General Manager (Legal) &  
Company Secretary**

Dated : 31<sup>st</sup> August, 2019  
Place : Noida – 201301, U.P.

