



FACOR ALLOYS LIMITED

(Regd. Office)

Shreeramnagar-535 101, Garividi, Dist. Vizianagaram (Andhra Pradesh)

MINUTES OF EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT ADMINISTRATIVE BUILDING, SHREERAMNAGAR- 535 101, GARIVIDI, DIST: VIZIANAGARAM, (ANDHRA PRADESH) ON TUESDAY, THE 13<sup>TH</sup> SEPTEMBER, 2011 AT 3.30 P.M.

**PRESENT:**

**Directors**

Mr R.K.Saraf	}	Chairman
Mr Ashim Saraf		Directors
Mr C.N.Harman		
Mr P.V.R.K.Prasad		
Mr.A.S. Kapre		
Mr K.Jayabharath Reddy		

**ALSO PRESENT**

Mr. S.S. Sharma    Company Secretary

**Members**

- i) 14 Members were present in person.
- ii) The company had received authorization under section 187 of The Companies Act, 1956 representing 4 members holding 2,45,21,471 Equity Shares constituting 12.54% of the paid up Equity Share Capital of the company.
- iii) Further, 43 shareholders holding 61680382 Equity Shares (i.e. 31.54% of the paid up Equity Share Capital) of the company had lodged proxies with the company.

Shri R.K. Saraf, Chairman of the Board of Directors of the company, took the chair.

At the request of the Chairman of the meeting, the Secretary confirmed that the required quorum was present. The Chairman thereafter declared the meeting in order.

The Register of Proxies and Resolutions received under section 187 of The Companies Act, 1956 were placed before the meeting. The Register of Directors' shareholdings maintained U/s 307 (7) of the Companies Act, 1956 was also placed before the meeting. The Chairman informed the members that statutory Registers were open for inspection during the course of the meeting.

The Chairman then asked the Shareholders whether the notice convening the meeting be taken as read.

Upon the Shareholders agreeing unanimously, the notice was taken as read.

The Auditors report was read out by the Secretary of the Company.

The Chairman then addressed the meeting and said :

**"Gentlemen,**

I extend to you all a cordial welcome to this 8th Annual General Meeting of the Company.

The audited Statement of Accounts for the year ended 31st March, 2011 and the Directors' Report have been with you for sometime now and, with your approval, I shall take them as read.

Now turning to the working results of the Company for the year ended 31-3-2011, as mentioned in the Directors' Report, the world economy has demonstrated continued recovery post the financial meltdown in 2008. The financial year of 2010-11 was a year of steady improvement in our top line and bottom line figures. The domestic ferro alloys capacity has increased considerably in the last couple of years. These additional capacities coupled with high energy cost put pressure on the demand and prices of ferro chrome resulting into lower demand in the domestic market. Despite Low domestic demand of ferro chrome coupled with higher priced ores, company's profitability was not affected due to better price realization from exports as the major global producers South Africa was not yet producing at full capacity.

On account of above and other factors, during the year under consideration the production and sale of Ferro Chrome were higher as compared to that of the previous year 2009-2010. Owing to better market conditions, the overall turnover of the Company increased from Rs.261.94 crores in 2009-2010 to Rs.388.59 crores in 2010-2011 recording an impressive increase of 48%. Exports were also higher at Rs.309.90 crores as compared to Rs.215.19 crores in the previous year registering a phenomenal growth of 44%. Profit before tax too surged to Rs.49.83 crores as compared to Rs.21.86 crores in the previous year recording a spectacular increase of 128%.

For the 5 months period from 1.4.2011 to 31.08.2011, the overall turnover of the Company marginally declined from Rs.156.08 crores in the same period last year to Rs.145.36 crores. Exports were also lower at Rs.101.86 crores as compared to Rs.130.40 crores in the previous year. The main reasons for the decline are lack of demand by the end users coupled with lower sales realisation.

Your Company is not in a position to increase its own production further due to the reason of acute shortage of Chrome Ore, the main raw material, both in terms of quantity and quality. The Company is exploring all possibilities including overseas markets to procure good grade Chrome Ore. Efforts are on to identify supply source in Turkey. Once supplies are tied up, it would like to take steps for increasing its own production further for achieving over-all improvement in the performance depending upon market scenario and the cash flow position.

Ferro Alloys is a crucial intermediates to Steel Industry hence growth of Ferro Alloys industry is primarily driven by the growth and progress of Steel Industry. Steel market including Stainless Steel (SS) has been passing through difficult times since April 2011. Nervousness is visible in the sector and production has been lower across the world compared to Q1 CY 2011. There is overcapacity of Stainless steel as demand for stainless steel is around 5-6 Million tons against the production capacity of 8-9 Million tons.

Further the international prices of H C Ferro Chrome started moving downwards. The main reason for the decline is lack of demand by the end users. Further China still holds about 3.50 million tons of Chrome ore stock. There are fears of oversupply in the market as bearish market sentiment sees a slow reduction in the high stockpiles.

However the government has indicated its commitment for achieving a sustained GDP growth of 8% to 9% which would call for sustained double digit growth in steel consumption. Hence the long term outlook for the industry continues to remain positive as

India progresses to achieve stronger economic position in the world scenario. One of the crucial beneficiaries of this includes the ferro alloy industry.

Further the stainless steel industry is expected to continue witnessing good growth going ahead which will largely be driven by demand emanating from China and India. Apart from being the largest consumers, these countries are also emerging as the largest stainless steel producers. Stainless steel demand in India is likely to be very high going ahead given rising per capita income. With steel production set to grow in coming years, domestic consumption of ferro alloys is also expected to increase. India has the potential to become a major player in the global ferro alloy industry in the coming years. The industry will play a significant role in exports, considering the low profile on exports by China. China will be importing more bulk ferro alloys, particularly ferro chrome, which will give India an advantage, due to closer proximity, as compared to other major ferro alloy producing countries like South Africa, Zimbabwe and so on.

Ferro alloy production cost is principally constituted of ore, reductants and power accounting in the aggregate for about 90% of the cost. As such, integrated producers with captive mines and power generation facility are well placed and insulated against volatile market trends. Indian ferro alloy industry has very few integrated players and most of the producers depend on public sector mining companies for their requirement of ore and on local power utilities for their energy requirement.

Further as mentioned above electrical energy is one of the major inputs in production of ferro alloys and high power tariff is a threat for the industry. Over and above the high power tariff, the frequent power cuts in Andhra Pradesh are also affecting the industry performance. Apart from electrical energy, the industry faces challenges of acquiring good quality raw materials like chrome ore and coke along with delay in getting rakes for transporting the material from the mines to the plants. The bigger challenge is the soaring costs, especially the cost of fuel and petroleum prices, which has a bearing on the cost of production, cost of power as well as on the logistic costs. It is hoped that the Government would recognise these challenges which hamper growth in this industry and need to be addressed urgently to enable the Ferro Alloys Producers to compete in the domestic as well as international markets.

Before I conclude I would like to thank all members on the Board for their valuable advice, guidance and support. I also take this opportunity to express my sincere gratitude for the support and cooperation received from Central and State Governments, Financial Institutions, Consortium Banks, customers, suppliers, shareholders as well as all other stake holders. I also thank all Members of staff and workers at all levels for their hard work and dedication.

**Thank you."**

The Chairman then moved the following resolution as an Ordinary Resolution :-

**ITEM NO.1**

**Approval of  
Directors'  
Report and  
Accounts**

**Ordinary  
Resolution**

"RESOLVED that the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and the Auditors thereon now submitted to this Meeting be and the same are hereby approved and adopted."

**Shri O.P. Banka** seconded the motion.

Chairman also informed the shareholders that the Audit Committee had reviewed the statement of accounts. Since the

Chairman of the Audit Committee Shri K. Jayabharath Reddy was present at the meeting, in case members required any clarification on matters relating to Audit, he would try to provide the same as far as possible.

Since no queries or comments were made and no clarifications were sought by members on the matters relating to Audit, the Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.2**

Confirmation of  
Payment of Dividend

Proposed by : Shri Chakradhara Rao Balijapalli

Seconded by : Shri Gurugubelli Chakradhar

Ordinary Resolution

"RESOLVED THAT the dividend of Re.0.20 per equity share recommended on 195547355 Equity Shares of Re.1/- each for the financial year 2010-11 be and is hereby confirmed."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.3**

Re-appointment  
of Director

Proposed by : Shri Lakkaraju N. Murthy

Seconded by : Shri Gurugubelli Chakradhar

Ordinary Resolution

"RESOLVED that Shri M.D. Saraf be and he is re-elected and re-appointed a Director of the Company."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.4**

Re-appointment  
of Director

Proposed by : Shri K.V.S.S.N. Murthy

Seconded by : Shri Chakradhara Rao Balijapalli

Ordinary  
Resolution

"RESOLVED that Shri Yogesh Saraf be and he is re-elected and re-appointed a Director of the Company."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.5**

Re-appointment  
of Director

Proposed by : Shri O.P. Banka

Seconded by : Shri Lakkaraju N. Murthy

Ordinary  
Resolution

"RESOLVED that Shri P.V.R.K.Prasad be and he is re-elected and re-appointed a Director of the Company."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.6**

Re-appointment  
of Auditor.

Proposed by : Shri K.V.S.S.N. Murthy

Seconded by : Shri Gurugubelli Chakradhar

Ordinary  
Resolution

"RESOLVED THAT pursuant to provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Salve And Company, Chartered Accountants, the retiring Auditors of the Company, be and they are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions as the Board of Directors may fix in that behalf in consultation with the said Auditors."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.7**

Revision in the remuneration of Whole-time Director

Special Resolution

Proposed by : Shri Lakkaraju N. Murthy  
Seconded by : Shri Chakradhara Rao Baliyapalli

"RESOLVED THAT in partial modification of the resolution approved by members earlier at the Annual General Meeting held on 15th September 2008, pursuant to sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof as amended upto date and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to the consent of the members of the Company and such other approvals, if any, as may be necessary, the consent of members of the company be and is hereby accorded to the revision in the remuneration of the Director (Technical) Shri C.N.Harman with effect from 01st October, 2010 for the remaining period of his office as set out in the draft Supplemental Agreement prepared in that behalf and submitted to this meeting and initialled by the Secretary for the purpose of identification and which draft Supplemental Agreement, the broad details of which are given in the Explanatory Statement in respect of this item of the Notice is hereby specifically approved with the authority to the Board of Directors to alter and vary the terms & conditions of the said revision and / or Supplemental Agreement including authority from time to time, to determine the amount of salary as also the type and amount of perquisites and other benefits payable to Shri C.N. Harman, Director (Technical) in such manner as may be agreed to between the Board of Directors and Shri C.N.Harman in the best interest of the Company, within the limitations in that behalf as contained in the Schedule XIII to the Act or any amendments thereof or otherwise as may be permissible at law and that the draft Supplemental Agreement, when finalized, be executed by the Company by affixing its Common Seal thereon in accordance with the relevant provisions contained in the Articles of Association of the Company."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.8**

Increase in donation ceiling

Ordinary Resolution

Proposed by : Shri C.N. Harman  
Seconded by : Shri Gurugubelli Chakradhar

"RESOLVED THAT in partial modification of the Ordinary Resolution No.10 passed by the members of the Company at the 2nd Annual General Meeting held on 19th September, 2005 and pursuant to Section 293(1)(e) of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, consent of the Company be and is hereby accorded to the Board of Directors of the Company contributing from time to time by way of donations or otherwise to national, benevolent, charitable, public or general or other funds/ institutions, not directly relating to the business of the Company or welfare of its employees, notwithstanding that the moneys to be contributed together with the moneys already contributed by the Company during any financial year will or may in the aggregate exceed a sum of Rs.50000/- (Rupees fifty thousand) or 5% of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the said Act, during the three financial years immediately preceding the financial year in which such contributions are made, whichever is greater, provided that the aggregate amounts contributed in excess of the aforesaid limits shall not exceed Rs.100 Lacs in any financial year."

**ITEM NO.9**

Alteration in  
Articles of  
Association

Special  
Resolution

The Chairman put the motion to vote and the same was carried unanimously.

Proposed by : Shri O.P. Banka  
Seconded by : Shri Chakradhara Rao Balijapalli

"RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the manner following :

In Article 105 for the words 'nor more than 12 (twelve)' the words 'nor more than 15 (fifteen)' shall be substituted."

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.10**

Increase in  
No. of directors

Ordinary  
Resolution

Proposed by : Shri S.S. Sharma  
Seconded by : Shri Chakradhara Rao Balijapalli

"RESOVLED THAT pursuant to the provisions of Section 258 & 259 and all other applicable provisions if any of the Companies Act, 1956 and subject to the consent of the members of the Company and such other approvals, if any, as may be necessary, the number of the existing directors of the Company for the time being in office be increased from twelve to fifteen".

The Chairman put the motion to vote and the same was carried unanimously.

**ITEM NO.11**

Appointment  
of directors

Ordinary  
Resolution

Proposed by : Shri K.V.S.S.N. Murthy  
Seconded by : Shri Lakkaraju N. Murthy

"RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956 including Section 257, Mr. K.L. Mehrotra be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

The Chairman put the motion to vote and the same was carried unanimously.

There being no other item on the agenda, the Chairman declared the meeting as concluded and thanked all for the cooperation extended in the smooth conduct of the meeting.

Shri O.P. Banka proposed a vote of thanks to the Chairman, Directors and Members.

Company Secretary invited the members for tea/refreshments.

  
- CHAIRMAN



**ANNEXURE - I****Statement showing itemwise full details about votings in the Annual General Meeting of the company**

Item no.	Particulars	No. of Votes cast in favour	No. of Votes cast against	Remarks
1	Ordinary Resolution for approval of Directors' Report and Accounts	2,47,45,431	Nil	Resolution was carried unanimously
2	Ordinary Resolution for confirmation of payment of dividend	2,47,45,431	Nil	Resolution was carried unanimously
3	Ordinary Resolution for Re-appointment of Directors	2,47,45,431	Nil	Resolution was carried unanimously
4	Ordinary Resolution for Re-appointment of Directors	2,47,45,431	Nil	Resolution was carried unanimously
5	Ordinary Resolution for Re-appointment of Directors	2,47,45,431	Nil	Resolution was carried unanimously
6	Ordinary Resolution for Re-appointment of Auditors	2,47,45,431	Nil	Resolution was carried unanimously
7	Special Resolution for Revision in the remuneration of Whole-time Director	2,47,45,431	Nil	Resolution was carried unanimously
8	Ordinary Resolution for increase in donation ceiling	2,47,45,431	Nil	Resolution was carried unanimously
9	Special Resolution for Alteration in Articles of Association	2,47,45,431	Nil	Resolution was carried unanimously
10	Ordinary Resolution for increase in no. of Directors	2,47,45,431	Nil	Resolution was carried unanimously
11	Ordinary Resolution for Appointment of Directors	2,47,45,431	Nil	Resolution was carried unanimously

**CHAIRMAN**

## NOTICE

**Notice** is hereby given that the **NINTH ANNUAL GENERAL MEETING** of the Members of the Company will be held at the **Registered Office** of the Company at **“Administrative Building, Shreeramnagar-535101, Garividi, Distt. Vizianagaram, Andhra Pradesh”** on **TUESDAY, the 18<sup>th</sup> September, 2012 at 3.00 p.m.** to transact, with or without modifications as may be permissible, the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Statement of Profit & 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. K Jayabharath Reddy who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. A S Kapre who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Arye Berest who retires from office by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Salve & Company, Chartered Accountants, the retiring Auditors of the Company, be and they are hereby re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax as applicable and reimbursement of expenses incurred by them incidental to their functions as the Board of Directors may fix in that behalf in consultation with the said Auditors.”

### As Special Business :

6. To appoint Mr. Vibhu Bakhru who was appointed as an Additional Director by the Board of Directors of the Company under Article 107 of the Articles of Association of the Company and who holds office under the said Article and Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 alongwith a deposit of Rs 500/- from a member signifying his intention to propose Mr. Vibhu Bakhru as a candidate for the office of Director, as a Director of the Company and in that behalf to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

“RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 1956 including Section 257, Mr. Vibhu Bakhru be and is hereby elected and appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED that in partial modification of the Ordinary Resolution No. 17 passed by the members of the Company at the 1<sup>st</sup> Annual General Meeting held on 27<sup>th</sup> October, 2004 and pursuant to Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 approval be and is hereby accorded to the Board of Directors borrowing moneys for and on behalf of the Company, from time to time, as they may consider fit, in any manner and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits, or otherwise, from any Bank or Banks or any Financial Institutions, or other person or persons and whether the same be unsecured or secured, and, if secured, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, over all or any of the Company’s assets, effects and properties, including uncalled capital, stock in trade (including raw materials, stores, spare parts and components in stock or in transit) notwithstanding that the moneys so borrowed, together with the moneys, if any, already borrowed, by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate Rupees Six Hundred Crores”.

### NOTES:

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 6 & 7 of the notice set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT SHREERAMNAGAR-535101, GARIVIDI, DIST. VIZIANAGARAM (A.P.) NOT LESS THAN 48 HOURS BEFORE HOLDING THE MEETING.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 14<sup>th</sup> September, 2012 to Tuesday, the 18<sup>th</sup> September, 2012, both days inclusive.



5. Pursuant to Section 205C of the Companies Act, 1956, unclaimed dividend is to be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of transfer to unpaid dividend A/c. Shareholders who have not en-cashed/misplaced/not received the dividend warrant for the years 2008-09 (interim), 2009-10 & 2010-11 are requested to write to M/s.Link Intime India Pvt.Ltd., (Unit: Facor Alloys Ltd.) C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W) Mumbai 400 078, Maharashtra for claiming the dividend. Due dates for the transfer of the unclaimed dividend of the year 2008-09, 2009-10 & 2010-11 to the said fund is 3<sup>rd</sup> September, 2015, 24<sup>th</sup> October, 2017 & 15<sup>th</sup> October, 2018 respectively and shareholders cannot make a claim after these dates.
6. 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., Link Intime India Pvt. Limited,(Unit: Facor Alloys Ltd.) C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W) Mumbai 400 078, Maharashtra 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.
7. 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 No.2B 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 Distt. Vizianagaram, Andhra Pradesh.
8. 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.
9. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
10. As required by the Listing Agreement with the Stock Exchange, the relevant details in respect of the Directors proposed to be appointed/re-appointed are set out in the Report on Corporate Governance forming part of the Annual Report.
11. The Company's securities are admitted in the National Securities Depository Ltd. and Central Depository Services Ltd. and the ISIN No. allotted to the Company by them in respect of Equity Shares is INE 828G01013.
12. Non-resident Indian Members holding shares in physical form are requested to inform the Registrar and 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.
13. 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. up to the date of Annual General Meeting.

**Registered Office:**

Administrative Building,  
Shreeramnagar-535 101,  
Garividi, Dist. Vizianagaram,  
Andhra Pradesh

By Order of the Board,

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

Dated: 28th July, 2012

**ANNEXURE TO THE NOTICE****Explanatory Statement as required by Section 173 of the Companies Act, 1956 :****ITEM NO.6**

Mr. Vibhu Bakhru was appointed as a Director by the Board of Directors of the Company by Circular Resolution No. FAL/CR/1/2012 dated 20<sup>th</sup> March, 2012 to broad base the Board by inducting professionals and businessmen of proven records with effect from 20.03.2012. Pursuant to Section 260 of the Companies Act, 1956 read with Article 107 of Articles of Association of the Company, he holds office as a Director only until the forthcoming Annual General Meeting of the Company. A Notice has been received from a member

pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Vibhu Bakhru as a candidate for the office of Director.

Mr. Vibhu Bakhru, aged around 46 years is a Fellow Member of the Institute of Chartered Accountants of India and Bachelor of Law and is a practicing Senior Advocate by profession at New Delhi. He is having more than 2 decades rich and versatile experience in commercial legal matters with an illustrious career to his credit. His experience, advice and guidance will be of immense benefit to the Company. Accordingly, the resolution under this item of the Notice is commended for your acceptance.

Except Mr. Vibhu Bakhru, no other Director is concerned or interested in this Resolution.

**ITEM NO. 7**

Keeping in view the future requirements of funds for its business activities, Company is required to borrow funds from time to time. The shareholders' consent pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 authorising the Board of Directors to borrow moneys, not exceeding Rupees Six Hundred Crores on account of principal (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) is required. The resolution in item No.7 of this Notice is accordingly commended for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

**Registered Office:**

Administrative Building,  
Shreeramnagar-535 101,  
Garividi, Dist. Vizianagaram,  
Andhra Pradesh

Dated: 28th July, 2012

By Order of the Board,

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