

POSTAL BALLOT NOTICE

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (the Rules) including any statutory modification or re-enactment thereof for the time being in force, Secretarial Standard 2 ("SS2") on General Meetings, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered with the Stock Exchanges and any other laws and regulations applicable from time to time, the Company is seeking consent/approval of the Members of the Company, to pass the proposed resolution as set out herein below, by means of postal Ballot, which includes E-Voting (Voting by electronic means).

In terms of regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as aforesaid, the Company is also providing the facility of e-voting to its shareholders. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating the e-voting. Members, who have registered their e-mail ids for receipt of documents in electronic mode with the Company/Depository Participants, are being sent the notice of Postal ballot by e-mail. Members who have received the Postal ballot notice by e-mail and who wish to vote through postal ballot can also vote through physical postal ballot forms which have been sent to their registered addresses as available with the Company/Depository.

Members are requested to carefully read the instructions printed on the Postal Ballot Form, record their assent (FOR) or dissent (AGAINST) therein by filling necessary details and affixing your signature at the designated place in the form and return the form duly completed, in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours i.e. 5.00 p.m. on 2nd June, 2016.

The Board of Directors of the Company has appointed M/s Ashish Saxena & Company, Practising Company Secretaries (Membership No.-6560) as a scrutinizer (the "Scrutinizer") for conducting the Postal Ballot in fair and transparent manner.

The scrutinizer, after completion of the scrutiny, will submit his report to the Chairman / Managing Director of the Company by 4th June, 2016. The Result of the Postal Ballot and E-voting will be declared by the Chairman or Managing Director of the Company on 4th June, 2016 at the Registered Office of the Company. The results will also be posted on the website of the Company on 4th June, 2016. The results shall also be intimated to the Stock Exchange where the shares of the company are listed and also to the general public through press release in newspapers.

The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form, for your consideration. The Notice along with the Explanatory Statement and the Postal Ballot form is also available on the website of the company [www.facorgroup.in/investor relations/2016/Notice_Postal Ballot](http://www.facorgroup.in/investor%20relations/2016/Notice_Postal%20Ballot). Further, in terms of The Companies (Management and Administration) Rules, 2014, SS 2 and under Regulation 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, an advertisement shall be published in the Newspaper specifying the relevant information.

Item no.1**Special Business:****1. SALE/TRANSFER, LEASE OR OTHERWISE DISPOSE OF ITS UNDERTAKING/PROPERTY/ASSETS IN ITS SUBSIDIARY VIZ., FACOR POWER LIMITED****To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 180(1)(a) and 188(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Rules made there under and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board for selling entire or part of its investments in equity shares of Rs.10/- each held in Facor Power Limited (subsidiary of the Company), to M/s Yieldpower FPL Holding LLC, USA or any other entity, in single or multiple tranches and upon such terms and conditions, which the Board may, in its absolute discretion deem fit and appropriate in the best interest of the Company.

RESOLVED FURTHER THAT all agreements, documents, deeds, papers etc. signed and executed for the purpose of this transaction, under the authority of the Board of Directors of the Company and all acts, deeds and things done in this regard, be and are hereby ratified, approved and confirmed."

2. TO MAKE INVESTMENT, GIVE LOANS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**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 section 185, 186, 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time), and subject to such approvals, consents, sanctions, permissions, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to:

- a) invest a sum of upto Rs.211 crores by way of subscription, purchase or otherwise in the 0.01% Convertible Preference Shares of Rs.100/- each of Facor Power Limited, and
- b) give loan(s) of an amount not exceeding Rs.100 crores per financial year to Facor Power Limited,

in one or more tranches in addition to the investments made so far, loans given and guarantees given or securities provided and also notwithstanding that the aggregate of the loans and investments so made or guarantees so given or securities so provided exceeds the prescribed limits under section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to determine the actual sum and tranches in which the investments may be made and the loans may be given and also to determine the time and manner of making such investments and/or giving of loans and to do all such acts, deeds, matters and things as the Board, in its absolute discretion, may consider necessary, expedient or desirable, including the delegation of the above authority in accordance with the provisions of Section 179 of the Companies Act, 2013 and the rules made there under and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or to decide otherwise if so considered by the Board to be in the best interest of the Company".

RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorised to execute the documents, deeds or writings required to be made and to do all acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable, including to settle any question, difficulty or doubt that may arise in respect of such investments and/or giving loans as the case may be."

Date : 20th April, 2016
Place : Noida

Ritesh Chaudhry
Sr. General Manager & Company Secretary

NOTES:

1. The Explanatory Statement for the proposed Special Resolutions under item nos. 1 to 2 pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out the material facts are annexed herewith.
2. The notice is being sent to all the members, whose names appear in the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository (Services) India Limited on Friday, the 22nd April, 2016.
3. 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 by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited
Kindly note that the shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-voting. If members are opting for e-voting, then do not vote by Physical Ballot also and vice versa.

Further, the instructions for e-voting are as under:

- (i) the voting period begins on 4th May, 2016 at 9 a.m. and ends on 2nd June, 2016 at 5 p.m. During this period, shareholders of the Company holding shares either in the physical form or dematerialised form, as on the cut-off date (record date) of 22nd April, 2016 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on earlier voting of any company, then your existing password is to be used.
- (vii) If you are 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) 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 sequence number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable of 0's before the number after the first two characters of the name in CAPITAL letters. 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 sequence number 1, then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio no. in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN NO. 160406001** for **FERRO ALLOYS CORPORATON 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 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.

(xviii) Note for Non-individual Shareholders and Custodians

- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xviii) 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 under help section or write an email to helpdesk.evoting@cdslindia.com
 - (c) The e-voting period commences on 4th May, 2016 (9:00 am) and ends on 2nd June, 2016 (5:00 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 22nd April, 2016 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 22nd April, 2016.
 - (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 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 / Managing Director of the Company.
 - (g) The Results of e-voting and postal ballot form shall be aggregated and declared by the Chairman / Managing Director of the Company or by any other person duly authorized in this regard. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.facorgroup.in and on the website of CDSL within two (2) days of passing of the resolutions and communicated to the BSE Limited.
4. 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 2nd June, 2016.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item no.1

Your Company presently holds 19,80,58,530 shares in Facor Power Limited, the subsidiary of the Company representing 86.09% of its issued and paid up equity share capital. Further, your company presently off-takes 30 MW of power from Facor Power Limited.

In view of provisions of Rule 3 of the Electricity Rules, 2005 (as amended), your company needs to scale down its equity shareholding in Facor Power Limited so as to make it in line with the power off-take requirement. Accordingly, subject to the approval of shareholders of the Company, it proposes to divest entire or part of its equity shareholding in Facor Power Limited in favour of the strategic investor (as mentioned in the resolution to this item of agenda which has approached the Company and signed affirmative agreements to acquire equity shareholding of Facor Power Limited) or to any other investor.

Pursuant to regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no Company can sell its shareholding in a material subsidiary which would reduce its shareholding to less than 50% without passing a special resolution. Further, shareholders' approval by way of Special resolution is also required under the aforesaid Regulation 24 as well as under section 180(1)(a) of the Companies Act, 2013 in the event of sale or disposal of assets amounting to more than 20% of the value of material subsidiary or undertaking of the Company. Since Facor Power Limited is a 'material subsidiary' and 'undertaking' of the Company, hence approval of shareholders by way of special resolution is required for the proposed transaction.

Facor Power Limited is a Related Party within the meaning of section 2(76) of the Companies Act, 2013. In connection with the sale of sale, the Company has, subject to the approval of the shareholders of the Company, entered into a Share Purchase Agreement, Share Subscription Agreement, Shareholders Agreement alongwith other parties, which includes Facor Power Limited as well as one of the parties to the agreement. The transaction, therefore, requires the approval of the members under section 188 of the Companies Act, 2013 and the rules made there under as well.

The particulars of the transaction pursuant to para 3 of the Explanation to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 are, as under:

(a)	Name of Related Party	Facor Power Limited
(b)	Name of Directors and KMP who is related, if any	Mr. Ramkisan Durgaprasad Saraf, Mr. Manojkumar Umashankar Saraf, Mr. Vineetkumar Vithaldas Saraf, Mr. Rohitkumar Narayandasji Saraf, Mr. Ashishkumar Ramkisan Saraf
(c)	Nature of Relationship	1. Mr. Ramkisan Durgaprasad Saraf is Father of Mr. Ashishkumar Ramkisan Saraf, Director in FPL 2. Mr. Manojkumar Umashankar Saraf is brother of Mr. Yogeshkumar Umashankar Saraf, Director in FPL 3. Mr. Vineetkumar Vithaldas Saraf, Director in FPL 4. Mr. Rohitkumar Narayandasji Saraf, son of Mr. Narayandas Durgaprasad Saraf, Director in FPL 5. Mr. Ashishkumar Ramkisan Saraf, Director in FPL 6. Mr. Anand Sadashiv Kapre, Director in FPL 7. Mr. O.P. Banka, CFO in FPL
(d)	Nature, material Terms, monetary value and particulars of the contract or arrangement	The arrangement pertains to the intended sale of equity shares held by Ferro Alloys Corporation Limited in Facor Power Limited (FPL) as mentioned in item no.1 of the notice and the Share Purchase Agreement and Shareholders' Agreement executed for the purpose subject to the approval of the shareholders of the Company.
(e)	Any other information relevant or important	None

The Audit Committee, in its meeting held on 12th February, 2016 has approved the stake sale to the strategic investor and recommended the same to the Board. The Board, in its meeting held on 12th February, 2016 has approved the proposal of stake sale to the said strategic investor subject to the approval of the shareholders of the Company.

The Board recommends the resolution at item no.1 of the accompanying notice as Special resolution. Your approval is sought for the same.

Mr. Ramkisan Durgaprasad Saraf is Father of Mr. Ashishkumar Ramkisan Saraf, Director in FPL, Mr. Manojkumar Umashankar Saraf is brother of Mr. Yogeshkumar Umashankar Saraf, Director in FPL, Mr. Vineetkumar Vithaldas Saraf, Director in FPL, Mr. Anand Sadashiv Kapre, Director in FPL, Mr. Rohitkumar Narayandasji Saraf, son of Mr. Narayandas Durgaprasad Saraf, Director in FPL and Mr. Ashishkumar Ramkisan Saraf, Director in FPL, and may thus, alongwith their relatives, be deemed to be interested in the resolution. Further, Mr. O.P. Banka is holding the position of Key Managerial Personnel in both of the Companies and may also be deemed to be interested in the resolution. Other than the aforesaid persons, none of the Directors, Key Managerial Personnel are in any way concerned or interested, financially or otherwise in this resolution.

Item no.2

Members are informed that upon realization of sale proceeds on disinvestment of equity shares of Facor Power Limited as referred to in item no.1 herebefore, the Company proposes to re-invest the amount realized on sale of equity shares, in the Convertible Preference Shares of Facor Power Limited besides extending loan(s) as well to Facor Power Limited.

In view of the transaction attracting the provisions of section 185, Section 186 and Section 188 of the Companies Act, 2013 and the rules made there under, approval of the members is sought in respect of resolution proposed in item no.1 of the accompanying notice of postal ballot.

Facor Power Limited is a Related Party within the meaning of section 2(76) of the Companies Act, 2013. In connection with investment in the convertible preference shares, the Company has, subject to approval of the shareholders of the Company, entered into a Share Subscription Agreement and Shareholders Agreement which includes Facor Power Limited as well as one of the parties to the agreement. The transaction, therefore, requires the approval of the members under section 188 of the Companies Act, 2013 and the rules made there under as well.

The particulars of the transaction pursuant to para 3 of the Explanation to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 are, as under:

(a)	Name of Related Party	Facor Power Limited
(b)	Name of Directors and KMP who is related, if any	Mr. Ramkisan Durgaprasad Saraf, Mr. Manojkumar Umashankar Saraf, Mr. Vineetkumar Vithaldas Saraf, Mr. Rohitkumar Narayandasji Saraf, Mr. Ashishkumar Ramkisan Saraf
(c)	Nature of Relationship	1. Mr. Ramkisan Durgaprasad Saraf is Father of Mr. Ashishkumar Ramkisan Saraf, Director in FPL 2. Mr. Manojkumar Umashankar Saraf is brother of Mr. Yogeshkumar Umashankar Saraf, Director in FPL 3. Mr. Vineetkumar Vithaldas Saraf, Director in FPL 4. Mr. Rohitkumar Narayandasji Saraf, son of Mr. Narayandas Durgaprasad Saraf, Director in FPL 5. Mr. Ashishkumar Ramkisan Saraf, Director in FPL 6. Mr. Anand Sadashiv Kapre, Director in FPL 7. Mr. O.P. Banka, CFO in FPL
(d)	Nature, material Terms, monetary value and particulars of the contract or arrangement	The arrangement pertains to the intended sale of equity shares held by Ferro Alloys Corporation Limited in Facor Power Limited (FPL) as mentioned in item no.1 of the notice and the Share Purchase Agreement and Shareholders' Agreement executed for the purpose subject to the approval of the shareholders of the Company.
(e)	Any other information relevant or important	None

The Audit Committee, in its meeting held on 12th February, 2016 has approved the investment in the Convertible Preference Shares and giving loans of an amount not exceeding Rs.100 crores per financial year and recommended the same to the Board. The Board, in its meeting held on 12th February, 2016 has approved the proposal of investment and giving loans to Facor Power Limited subject to the approval of the shareholders of the Company.

The Board recommends the resolution at item no.2 of the accompanying notice as Special resolution. Your approval is sought for the same.

Mr. Ramkisan Durgaprasad Saraf is Father of Mr. Ashishkumar Ramkisan Saraf, Director in FPL, Mr. Manojkumar Umashankar Saraf is brother of Mr. Yogeshkumar Umashankar Saraf, Director in FPL, Mr. Vineetkumar Vithaldas Saraf, Director in FPL, Mr. Anand Sadashiv Kapre, Director in FPL, Mr. Rohitkumar Narayandasji Saraf, son of Mr. Narayandas Durgaprasad Saraf, Director in FPL and Mr. Ashishkumar Ramkisan Saraf, Director in FPL, and may thus, alongwith their relatives, be deemed to be interested in the resolution. Further, Mr. O.P. Banka is holding the position of Key Managerial Personnel in both of the Companies and may also be deemed to be interested in the resolution. Other than the aforesaid persons, none of the Directors, Key Managerial Personnel are in any way concerned or interested, financially or otherwise in this resolution.

By Order of the Board
For Ferro Alloys Corporation Limited

Date : 20th April, 2016
Place : Noida

Ritesh Chaudhry
Sr. General Manager & Company Secretary