

THIRTY SIXTH ANNUAL REPORT 2017-2018



VBC FERRO ALLOYS LIMITED

(AN ISO 9001 - 2008 COMPANY)

CIN No : L27101TG1981PLC003223

6-2-913/914, Third Floor, Progressive Towers, Khairatabad,

Hyderabad - 500 004, Telangana, INDIA.

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CONTENTS

Notice	2-18
Directors' Report	19-48
Management Discussion & Analysis	49-50
Corporate Governance.....	51-61
Independent Auditors' Report.....	62-68
Significant Accounting Policies.....	69-78
Balance Sheet.....	79
Statement of Profit & Loss.....	80
Cash Flow Statement.....	81-82
Notes.....	83-110
Consolidated Independent Auditor's Report.....	111-125
Consolidated Financial Statements.....	126-154

THIRTY SIXTH ANNUAL GENERAL MEETING

Day : Tuesday
Date : 03.07.2018
Time : 11.00 A.M.
Venue : Surana Udyog Auditorium, FTAPCCI,
11-6-841 Red Hills, HYDERABAD - 500 004.

REGISTERED OFFICE

6-2-913/914, Third Floor, Progressive
Towers, Khairatabad, Hyderabad - 500 004.
Telangana, India, Tel +91 40 23301200/1230
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GIFTS WILL NOT BE DISTRIBUTED AT THE AGM



BOARD OF DIRECTORS

Sri V.S. RAO	Chairman
Sri R. K. R. GONELA	Director
Sri M.S. LAKSHMAN RAO	Director
Smt DESHRAJU REKHA	Director
Sri M.V. ANANTHAKRISHNA	Whole-Time Director

MANAGEMENT TEAM

Sri VVSN MURTY	Group Company Secretary
Sri V RAVI	Technical Advisor
Sri B. MAHENDRA SINGH	Financial Advisor
Sri K ANJANEYA PRASAD	General Manager
Sri A V RAMANA	Assitant General Manager
Sri R. DHARMENDER	CFO

AUDITORS :**M/s. C V RAMANA RAO & CO.,**

Chartered Accountants,
Visakhapatnam

BANKERS :**BANK OF INDIA**

Nampally Station Road,
Hyderabad.

SHARE TRANSFER AGENTS**VENTURE CAPITAL & CORPORATE INVESTMENTS PVT. LIMITED**

12-10-167, Bharat Nagar, Hyderabad - 500 018.

Tel: +91 40 23818475 / 76, Fax: +91 40 23868024

e-mail : info@vccilindia.com

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.



NOTICE OF 36TH ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the shareholders of VBC Ferro Alloys Limited will be held on Tuesday, 3rd July, 2018 at 11.00 A.M. at Surana Udyog Auditorium, The Federation of Andhra Pradesh & Telangana Chambers of Commerce & Industry, situated at 11-6-841, Red Hills, Hyderabad, Telangana - 500 004, to consider the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To ratify the appointment of M/s. C.V. Ramana Rao & Co, Chartered Accountants, Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.
“RESOLVED THAT pursuant to the provisions of Section 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on 29th September, 2017 for the appointment of M/s. C.V. Ramana Rao & Co, Chartered Accountants., (Firm Registration No.002197S) as Statutory Auditors of the Company to hold office till the conclusion of the 40th AGM to be held in the year 2022 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2019.”

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 the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri R.K.R. Gonela (DIN: 00041618), who was appointed as an Additional Director in the Board Meeting held on 16.12.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from the date of his appointment i.e. 16.12.2017 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2022 or 15.12.2022, whichever is earlier”.
“RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”
4. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment



thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Deshraj Rekha (DIN: 02969023), Additional Director in the Board Meeting held on 16.12.2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years commencing from the date of her appointment i.e. 16.12.2017 up to the conclusion of Annual General Meeting (AGM) to be held in the calendar year 2022 or 15.12.2022, whichever is earlier”.

“RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such other approvals as may be necessary, Sri M.V. Ananthakrishna be and is hereby appointed as Whole-Time Director of the Company for a period of 5 (Five) years w.e.f. 7th April, 2018 to 06th April, 2023 (both days inclusive) with such duties and powers as may be delegated to him by the Board of Directors / Chairman of the Company from time to time and on the terms and conditions as to remuneration and other benefits as set out hereunder:

1. Salary: Basic: Rs.50,000/- per month (Rs. Fifty Thousand only)
2. HRA: 40% of Basic pay
3. Term: 5 (Five) Years

The total remuneration in any one financial year shall not exceed the limits prescribed from time to time under sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V (as amended from time to time) to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as may for the time being, be in force and any amendments thereto.

“RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

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

“RESOLVED THAT in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009, as may be applicable to the Preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all



or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 1,20,00,000 convertible warrants of face value of Rs. 10/- each to the promoters and the others (whose names shall be recorded by the company in the manner set out in Section 42(7) of the Companies Act, 2013 read with the respective Rules at an issue price of Rs.45/- (Rupees Forty Five only) per warrant (including Rs. 35/- (Rupees Thirty Five only as premium) which is in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations and the warrants shall be convertible into equal number of equity Shares with in a period not exceeding 18 months from the date of allotment of warrants.”

“RESOLVED FURTHER THAT the pricing of the Warrants to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the ‘Relevant Date.’ The “Relevant Date” for the purpose of pricing of convertible warrants is 01.06.2018 (03.06.2018 and 02.06.2018 being non-trading days) i.e., thirty days prior to the date on which this Annual General meeting is held in terms of Section 42 and Section 62 1(c) of the Companies Act, 2013” (AGM to be held on 03.07.2018).

“RESOLVED FURTHER THAT the resultant equity shares shall rank pari-passu with the existing equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.”

“RESOLVED FURTHER THAT the resultant equity shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment thereto from time to time.”

“RESOLVED FURTHER THAT the aforesaid warrants shall be issued in accordance with the following terms and conditions:

- A warrant by itself shall not give to a warrant holder thereof, any rights of the shareholder of the company.
- In the event, the equity shares of the company are either sub-divided or consolidated before the conversion of the warrants into equity shares of the company, then the face value, the number of equity shares to be acquired on conversion of the warrants and the warrant issue price shall automatically stand adjusted in the same proportion, as the present value of the equity shares of the company bears, to the newly sub-divided / consolidated equity shares without affecting any right or obligation of the said warrant holders: and
- In the event the company’s equity capital is affected or changed due to any other corporate actions such as a merger, demerger, consolidation of business, or other reorganization of the company, tender offer for equity shares of sale of undertaking, necessary adjustments with respect to the terms of the aforesaid warrants shall be made by the company and such other action as may be deemed necessary or appropriate by the Board shall be taken to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price, subject to necessary approvals.

“RESOLVED FURTHER THAT the Company does apply for listing of the resultant equity shares and does make an application to the Depositories for admission of the said new equity shares.”



“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of new equity shares / convertible warrants and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board
for VBC Ferro Alloys Limited

Sd/-

M.V. Ananthakrishna
Whole-Time Director

Place: Hyderabad
Date: 01.06.2018

NOTES:

1. A member entitled to attend and vote at the annual general meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. For the convenience of Members, Attendance Slip is annexed to this Notice. Members / Proxies / Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and submit the same at the venue of the Annual General Meeting.
4. Copies of Annual Report will not be distributed at the venue of the Annual General Meeting and therefore, Members are requested to bring their copies of the Annual Report, which are mailed by the Company to them at their registered addresses.
5. Pursuant to provisions of the Companies Act, 2013 and applicable provisions of the Listing Agreement, Register of Members and Share Transfer Books of the Company will be closed from 23.06.2018 to 03.07.2018 (Both days inclusive), for the purpose of Annual General Meeting.
6. Members who wish to seek any further information / clarification at the meeting, on the annual accounts of the Company are requested to send their queries at least one week in advance from the date of the Meeting to the Managing Director at the Registered Office of the Company.
7. Members are requested to quote Folio No. / DP ID and Client ID in all correspondence and intimate any change in their address to the Company's Share Transfer Agents promptly.
8. Members who have multiple folios in identical names or joint holding in the same order are requested to intimate the Company's Registrars and Share Transfer Agents about the Ledger Folios of such holdings to enable them to consolidate all such shareholdings into a single folio.
9. Members are requested to avail the facility of converting their physical shareholdings into electronic mode of holding for their own convenience coupled with increased flexibility in dealing with such shares.



10. The dividend, if remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund (IEPF). For the financial year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 the Company has transferred the unclaimed dividend to IEPF and filed necessary forms with Registrar of Companies, Telangana and A.P. Members who wish to claim dividends of past years, which remain unclaimed, are requested to correspond with Registrars & Share Transfer Agents of the Company.
11. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
12. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed by the shareholders. Shareholders are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications
13. Voting through electronic means;
 - a. 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 to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
 - b. The instructions for e-voting are as under:
The instructions for members for voting electronically are as under:- In case of members receiving e-mail:
 - (i) Log on to the e-voting website www.evotingindia.com during the voting period.
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - (vi) Now, fill up the following details in the appropriate boxes:
 - * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.
 - # Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
 - (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password



Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 30.06.2018 (9.00 a.m.) and ends on 02.07.2018 (5.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (Record Date) of 28.06.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com. The e-voting period commences on 30.06.2018 (9.00 a.m.) and ends on 02.07.2018 (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 28th June, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.



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 28th June, 2018.

Mr. A.J. Sharma, Practicing Company Secretary (Membership No. 2120) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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 favor or against, if any, forthwith to the Chairman of the Company.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vbcfal.in and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Shareholders with physical shares please update your PAN and Bank details by filling the updation form and submit the same along with original cancelled cheque leaf and self attested copy of the first page of Bank Passbook. The updation form is available for download in our website www.vbcfal.in.

By Order of the Board
for VBC Ferro Alloys Limited

Place: Hyderabad
Date: 01.06.2018

Sd/-
M.V. Ananthakrishna
Whole-Time Director