

# **FORTIETH ANNUAL REPORT 2021-2022**



## **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.

Tel +91 40 23301200/1230,

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Web: [www.vbcfal.in](http://www.vbcfal.in)

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## FORTIETH ANNUAL GENERAL MEETING

Day : Friday  
Date : 30.09.2022  
Time : 11.30 A.M.  
Venue : Through Audio/Videos(AV) Means,

### REGISTERED OFFICE

6-2-913/914, Third Floor,  
Progressive Towers, Khairatabad,  
Hyderabad - 500 004.  
Telangana, India, Tel +91 40 23301200/1230  
Mail: vbcsilicon@gmail.com / info@vbcfal.in  
Web: www.vbcfal.in

### WORKS

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Mandal Sangareddy District,  
Telangana.  
Tel: 08455-221802/4/5/6  
Mail: vbcsilicon@gmail.com /  
info@vbcfal.in Web: www.vbcfal.in

MEETING THROUGH AUDIO/VIDEO(AV) MODE



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## BOARD OF DIRECTORS

Indoori Narsing Rao	Chairman
M Siddartha	Director
M Priyanka	Director
Hirak Kumar Basu	Independent Director
Raju P	Independent Director
M.V. Ananthakrishna	Whole-Time Director

## MANAGEMENT TEAM

VVV SN Murty	Group Company Secretary
K. Srinivas	General Manager
R. Dharmender	CFO
Sonali Solanki	Company Secretary & Compliance Officer

### AUDITORS:

M/s. PAVULURI & CO.,  
Chartered Accountants,  
Hyderabad.

### 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](mailto:info@vccilindia.com)



## NOTICE OF 40TH ANNUAL GENERAL MEETING

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the shareholders of VBC Ferro Alloys Limited will be held on Friday, 30<sup>th</sup> September 2022 at 11.30 A.M. through Video Conferencing (“VC”)/Other Audio- Visual Means (“OAVM”), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2022, 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.

### SPECIAL BUSINESS

2. 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 Section 152 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules made thereunder Mr. Mathukumilli Siddhartha (DIN: 07630456), who has been appointed as an Additional Director w.e.f. 2<sup>nd</sup> December 2021 and who ceases to hold office at the commencement of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 be and is hereby appointed as a Non- Executive Director of the Company retiring by rotation.”

“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.”

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Hirak Kurmar Basu (DIN: 09701496 ), who was appointed as an Additional Director of the Company in the Independent Category, pursuant to Section 161 of the Companies Act 2013 with effect from August 12, 2022 and who has submitted a declaration that he meets the criteria of Independence as provided under the Act and the SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company for a term of upto 5 (five) consecutive years with effect from August 12, 2022."



“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 Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")(including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Packirisamy Raju (DIN: 09701389), who was appointed as an Additional Director of the Company with effect from August 12, 2022, pursuant to Section 161 of and who has submitted a declaration that he meets the criteria of Independence as provided under the Act and the SEBI Listing Regulations, be and is hereby appointed as an Independent Director of the Company for a term of upto 5 (five) consecutive years with effect from August 12, 2022."

“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. Appointment of Ratification of remuneration of the Cost Auditors for the Financial Year ending 31st March, 2023

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 Section 148 and other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder (the "Rules") (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved by the Board of Directors of the Company, remuneration of Rs.0.35 Lakhs (plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit) to be paid to M/s. Nageswara Rao & Co, Cost Accountant (Firm Registration Number: 00332), appointed by the Board of Directors of the Company as an Cost Auditors on the recommendation of the Audit Committee to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2023, be and is hereby ratified.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 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, Ms. M. Priyanka (DIN: 09380152), Additional Director in the Board Meeting held on 2<sup>nd</sup> December 2021 pursuant to the provisions of Section 161 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 be and is hereby appointed as a Non- Executive Director of the Company retiring by rotation.”

“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.”

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

“RESOLVED THAT pursuant to the provisions of sections 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, Whole-Time Directors of the Company whose term of office will be upto 06<sup>th</sup> April 2023 be and is hereby re-appointed as Whole-Time Director of the Company for a period of 3 ( Three ) years w.e.f. 7<sup>th</sup> April, 2023 to 06<sup>th</sup> April, 2026 (both days inclusive) with such duties and powers as maybe 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: 3 (Three) 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.”

By Order of the Board  
for VBC Ferro Alloys Limited  
Sd/-  
Sonali Solanki  
Company Secretary

Place: Hyderabad  
Date: 12.08.2022

Registered Office:  
VBC FERRO ALLOYS LIMITED  
6-2-913/914, Progressive Towers  
Khairatabad, Hyderabad -500 004  
CIN: L27101TG1981PLC003223  
Email: vbcfalhyd@gmail.com  
**Website: [www.vbcfal.in](http://www.vbcfal.in)**

**NOTES:**

1. In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) has issued circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), circular no. 19/2021 dated December 08, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) and circular no. 21/2021 dated December 14, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” collectively referred to as “MCA Circulars”). In compliance with the MCA Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PURSUANT TO THE MCA CIRCULARS, PROVISION FOR APPOINTMENT OF PROXIES BY THE MEMBERS ARE NOT AVAILABLE FOR THE AGM HELD THROUGH VC. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXY FOR THIS AGM HAS NOT BEEN PROVIDED TO THE MEMBERS AND THE PROXY FORM IS NOT ANNEXED TO THIS NOTICE.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), relating to the item Special Business under Item Nos. 2,3, 4, 5, 6 and 7 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standards-2, of the persons seeking appointment/re-appointment as Directors / Independent Directors, are also annexed.
4. Members attending the AGM through VC shall only be counted for the purpose of quorum under Section 103 of the Act and the attendance of the members shall be reckoned accordingly. No separate attendance form is being enclosed with the notice.
5. The place of the AGM for the statutory purposes shall be the registered office of the Company.
6. In accordance with, the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by MCA and Circular No. SEBI/HO/ CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.vbcfal.in](http://www.vbcfal.in) The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/) i.e., [www.evotingindia.com](http://www.evotingindia.com).
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by members during the AGM.



9. The Institutional and Corporate Investors (i.e. other than individuals, HUF, NRI, etc.,) are encouraged to attend the AGM through VC by sending a scanned copy (PDF / JPG Format) of its Board / Governing body resolution / Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said resolution / authorization shall be sent to the Scrutinizer by email to [ajsharma7@rediffmail.com](mailto:ajsharma7@rediffmail.com).
10. The members present at the AGM who have not cast their votes by availing the remote e-voting facility may cast their votes during the AGM.
11. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the results of the voting forthwith.
12. The results declared along with the report of the Scrutinizer will be placed on the website of the Company, [www.vbcfal.in](http://www.vbcfal.in) after the declaration of the results by the Chairman or a person authorized by him. The results will also be immediately forwarded to the stock exchanges where the shares of the Company are listed. In addition, the results will also be displayed on the Notice Board of the Registered Office of the Company.
13. 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 September 24, 2023 to September 30, 2022 (both days inclusive) in connection with the Annual General Meeting.
14. 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 Whole-Time Director at the Registered Office of the Company to his mail ID [ananth.vbcfal@gmail.com](mailto:ananth.vbcfal@gmail.com)
15. 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.
16. 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.
17. 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.
18. 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.
19. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency with M/s. Central Depository Services (India) Limited (CDSL) Only those Members, whose names appear in Register of Members / List of beneficial owners as on Saturday, September 24, 2022 ("Cut-off Date") shall be entitled to vote (through remote e-voting and during AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a member as on the Cut-off Date should treat this Notice for information only.
20. The Board of Directors has appointed A.J. Sarma & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner





21. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within two working days from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., September, 30 2022.

22. PROCEDURE FOR REMOTE E-VOTING AND E VOTING DURING THE AGM PROCEDURE FOR REMOTE E-VOTING

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The remote e-voting period begins on 27<sup>th</sup> September, 2022 at 9:00 am and ends 29<sup>th</sup> September, 2022 at 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 24<sup>th</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



<p>Individual Shareholder holding securities in Dmat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
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Type of shareholders	Login Method
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</p>



Individual Shareholders holding securities in Dematmode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending arequest at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable forboth demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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 yourdemat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter themember id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are requiredto 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutionscontained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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 andoption NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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



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change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.
  - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - 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.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@seil.co.in](mailto:cs@seil.co.in) or [csravindra.seil@gmail.com](mailto:csravindra.seil@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to



meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

By Order of the Board  
for VBC Ferro Alloys Limited

Sd/-

Sonali Solanki  
Company Secretary

Place: Hyderabad

Date: 12.08.2022



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## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

### ITEM NO.2: APPOINTMENT OF SHRI MATHUKUMILLI SIDDHARTHA AS DIRECTOR

Siddhartha Mathukumilli holds a degree in Bachelor of Arts with a Major in International Studies-Economics with all the Rights & Privileges, from the University of California, San Diego, USA. Shri M. Siddhartha is a Director of Orissa Power Consortium Limited, Krishna Power Utilities Ltd and also Executive Director of Sideshwari Power Generation Pvt Ltd

On recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Shri Mathukumilli Siddhartha as an Additional Director and his term expires on the date of the ensuing Annual General Meeting.

In this regard, the Company has received the request in writing from a member of the company proposing Shri Mathukumilli Siddhartha's candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board of Directors considers his association with the Company as Director will benefit the Company and it is desirable to continue him as Director to avail of the services of Shri Mathukumilli Siddhartha. Accordingly, the Board of Directors recommends the resolution for the appointment of Shri M. Sri Siddhartha as Director in terms of the provisions of Section 160 of the Companies Act, 2013 and his Directorship is liable for retirement by rotation.

The Board feels that the presence of Shri Mathukumilli Siddhartha on the Board is desirable and would be beneficial to the company and hence recommend resolution No.4 for adoption.

Shri Mathukumilli Siddhartha holds 73,500 Equity shares in the Company.

The Board of Directors of your Company recommends the Ordinary Resolution set out in item 2 of the Notice for approval by the Shareholders.

Except Shri Mathukumilli Siddhartha, none of the Directors/ Key Managerial Personnel of the Company/ their respective relatives is in any way concerned or interested, financially or otherwise, in this Resolution.

### ITEM NO.3: APPOINTMENT OF SHRI HIRAK KUMAR BASU AS INDEPENDENT DIRECTOR

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors in their meeting held on August 12 2022 appointed Shri Hirak Kumar Basu (DIN: : 09701496 8) as an Additional Director in the category of Independent for first term of 5 years effective from 12<sup>th</sup> August 2022

In terms of the provisions of Section 161 of the Act, Shri Hirak Kumar Basu holds the office till the date of ensuing Annual General Meeting.



The Company has received from him all statutory disclosures/declarations including a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations. Notices under the provisions of Section 160 of the Act have been received from members signifying their intention to propose the candidature of Shri Hirak Kumar Basu as Director of the Company.

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company. In view of the above provisions, the proposal for appointment of Shri Hirak Kumar Basu as an Independent Director not liable to retire by rotation for a period of five consecutive years with effect from August 12, 2022.

Shri Hirak Kumar Basu is not related to any other Director and Key Managerial Personnel of the Company. A brief profile of the Independent Director to be appointed is given below:

#### Professional Experience

Shri Hirak Kumar Basu did his Graduation in Mechanical Engineering from The University of Calcutta – Bengal Engineering College Shibpur (currently IEST Shibpur). Over 40 years' experience in the Power Sector-Engineering Consultancy, Project Management, Construction Management and Commissioning, Residual Life Assessment, Refurbishment Modernization. Held senior positions in reputed Indian Companies like BHEL, Tata Projects, L&T, DCPL and My Home Group. Also worked as Consultant to Cyient Limited and other reputed companies. Presently a Technical Advisor at Krishna Power Utilities Limited and Group Companies.

The other disclosures as required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards-2 are provided in Annexure to this Notice. In the opinion of the Board, Shri Hirak Kumar Basu meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

The Board of Directors, therefore, recommend the resolution as set out in item No. 4 of this Notice for approval of the shareholders by way of a special resolution.

Except Shri Hirak Kumar Basu, none of the Directors/ Key Managerial Personnel of the Company/ their respective relatives is in any way concerned or interested, financially or otherwise, in this Resolution.

#### **ITEM NO:4: APPOINTMENT OF SHRI. PACKIRISAMY RAJU AS INDEPENDENT DIRECTOR**

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors in their meeting held on August 12 2022 appointed Shri. Packirisamy Raju (DIN: 09701389) as an Additional Director in the category of Independent for first term of 5 years effective from 12<sup>th</sup> August 2022

In terms of the provisions of Section 161 of the Act, Shri. Packirisamy Raju holds the office till the date of ensuing Annual General Meeting and is eligible for appointment.

The Company has received from him all statutory disclosures/declarations including a declaration to the effect that he meets the criteria of independence as provided in sub-section (6)





of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations. Notices under the provisions of Section 160 of the Act have been received from members signifying their intention to propose the candidature of Shri. Packirisamy Raju as Director of the Company.

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company. In view of the above provisions, the proposal for appointment of Shri. Packirisamy Raju as an Independent Director not liable to retire by rotation for a period of five consecutive years with effect from August 12, 2022.

Shri. Packirisamy Raju is not related to any other Director and Key Managerial Personnel of the Company. A brief profile of the Independent Director to be appointed is given below:

#### Professional Experience

Shri. Raju did B.Tech Mechanical Engineering, Diploma Electrical Engineering, BOE, AVSI having 35 years' experience in Project Execution, Commissioning, operation and maintenance thermal power project up to 100 MW capacity. He has worked in various levels in ISGEC, Bharathi cement, Ultra Tech Cement, Raj Group Kenya, Ethimalai group Sri Lanka Thiruvaran Sugars, Indian cane power ltd. NCS group. NSL group and worked in KGPUL (Nw KPUL) from Zero stage

The other disclosures as required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards-2 are provided in Annexure to this Notice. In the opinion of the Board, Shri. Packirisamy Raju meets the fit and proper criteria and has the necessary knowledge and experience for being appointed as an Independent Director.

The Board of Directors, therefore, recommend the resolution as set out in item No. 5 of this Notice for approval of the shareholders by way of a special resolution.

Except Shri. Raju P, none of the Directors/ Key Managerial Personnel of the Company/ their respective relatives is in any way concerned or interested, financially or otherwise, in this Resolution.

#### **ITEM NO.5: RATIFICATION OF APPOINTMENT OF COST AUDITORS:**

Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice. Based on the documents available and the discussions held at the meeting of the Audit Committee, it considered and recommended the appointment and remuneration of the Cost Auditor to the Board of Directors ('Board'). The Board has, on the recommendation of the Audit Committee, approved the appointment and remuneration to M/s Nageswara Rao & Co., Cost Accountants (Firm Registration No.00332) as the Cost Auditor of the Company for the FY 2022-23.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. The Board of Directors has fixed the



remuneration payable to the Cost Auditors for FY 2022-23 at Rs.0.35 lakh plus applicable taxes. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No6 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2023.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at the Notice

#### **ITEM NO.6: APPOINTMENT OF Ms. PRIYANKA M AS DIRECTOR**

Priyanka M holds a degree in Bachelor of Technology(B.Tech). She is having five years experience in Technology and other areas.

On recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Priyanka M as an Additional Director and her term expires on the date of the ensuing Annual General Meeting. The Board also appointed her as an Independent Director for a term of five years effective from 02.12.2021.

In this regard, the Company has received the request in writing from a member of the company proposing Priyanka M 's candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board of Directors considers her association with the Company as Director will benefit the Company and it is desirable to continue her as Director to avail of the services of Priyanka M. Accordingly, the Board of Directors recommends the resolution for the appointment of Priyanka M as Director in terms of the provisions of Section 160 of the Companies Act, 2013 and her Directorship is liable for retirement by rotation in order to maintain a balance between rotational and non-rotational Directors.

The Board feels that the presence of Priyanka M on the Board is desirable and would be beneficial to the company and hence recommend resolution No.4 for adoption.

Priyanka M does not hold any Equity shares in the Company.

The Board of Directors of your Company recommends the Ordinary Resolution set out in item 3 of the Notice for approval by the Shareholders.

Except Priyanka M, none of the Directors/ Key Managerial Personnel of the Company/ their respective relatives is in any way concerned or interested, financially or otherwise, in this Resolution.

#### **ITEM NO.7: RE-APPOINTMENT OF SHRI. M.V.ANANTHAKRISHNA AS WHOLE-TIME DIRECTOR:**

Board of Directors has appointed Shri. M.V. Ananthakrishna as a Whole-Time Director for a period of Five years effective from 07<sup>th</sup> April 2018 and his tenure ends on 06<sup>th</sup> April 2023. Therefore, the Board of Directors on recommendations of Nomination and Remuneration Committee proposes to reappoint him for a further period of Three years effective from 07<sup>th</sup> April 2023.

Shri. M.V. Ananthakrishna is an MBA from the University of Michigan, Ann Arbor, USA and a BE in Electronics and Communications Engineering from the College of Engineering Guindy,



University of Madras. He worked as a consultant for the Environmental Protection Agency in USA and was responsible for setting up the Design Automation Center for Texas Instruments Inc. USA in Bangalore in 1986. He is actively involved in developing Renewable Energy Projects using biomass gasification technology from USA. He is a member of the Rotary Club of Madras, Executive Committees of Andhra Chamber of Commerce. He is a certified Management Consultant (CMC), Fellow of Institute of Consultants of India(FIMC). CMC & FIMC are international credentials of a professional management consultant, awarded in accordance with global standards of the International Council of Management Consulting Institutes (ICMCI). He was the Immediate Past President of the Institute of Management Consultants, Chennai Chapter. He is a Director of M.K. Raju Consultants Private Limited (MKRC) which has completed over 100 CHP studies and implemented 121MW of CHP Projects with an annual savings of Rs 125 Crores. MKRC has carried out over 500 Energy Studies with an annual savings of Rs.250 Crores.

Keeping in view his experience and expertise, it is proposed to re-appoint him for a further period of 3 years with effect from 6th April 2023.

The Nomination and Remuneration Committee of the Board of Directors of the Company recommended the proposed re-appointment of Shri M.V. Ananthkrishna with a remuneration set out in the proposed resolution.

The Board considered his association with the Company would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri. M.V. Ananthkrishna. Accordingly, the Board recommends the resolution for appointment of Shri. M. V. Ananthkrishna as Whole-Time Director pursuant to provisions of the Companies Act, 2013.

As on date, Shri. M.V. Ananthkrishna is not holding any equity shares in the Company. The Board of Directors of your Company recommends the Ordinary Resolution set out at the item 7 of the Notice for approval by the Shareholders.

Except Shri. M.V. Ananthkrishna, none of the Directors/ Key Managerial Personnel of the Company /their respective relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

Information in accordance with Schedule V of Companies Act, 2013

#### I. GENERAL INFORMATION

- 1 Nature of Industry: Manufacture of Ferro Alloys
- 2 Date or expected date of re-commencement of commercial production: December 2021
- 3 In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- 4 Financial performance based on given indications

Particulars	2021-22 (Rs. in lakhs )	2020-21 (Rs. in lakhs )	2019-20 (Rs. in lakhs )
Turnover	9246.86	176.41	4245.95
Net profit/ (Loss) after Tax	19.02	(4560.64)	(2242.05)



- 5 Foreign investments or collaborations, if any: Not Applicable

## II. INFORMATION ABOUT THE APPOINTEE:

- 1 Background Details: Sri. M.V. Ananthkrishna is an MBA from the University of Michigan, AnnArbor, USA and a BE in Electronics and Communications Engineering from the College of Engineering Guindy, University of Madras. He worked as a consultant for the Environmental Protection Agency in USA and was responsible for setting up the Design Automation Centre for Texas Instruments Inc. USA in Bangalore in 1986. He is actively involved in developing Renewable Energy Projects using biomass gasification technology from USA. He is a member of the Rotary Club of Madras, Executive Committees of Andhra Chamber of Commerce. He is a certified Management Consultant (CMC), Fellow of Institute of Consultants of India (FIMC). CMC & FIMC are international credentials of a professional management consultant, awarded in accordance with global standards of the International Council of Management Consulting Institutes (ICMCI). He was the Immediate Past President of the Institute of Management Consultants, Chennai Chapter. He is a Director of M. K.Raju Consultants Private Limited (MKRC) which has completed over 100 CHP studies and implemented 121MW of CHP Projects with an annual savings of Rs 125 Crores. MKRC has carried out over 500 Energy Studies with an annual savings of Rs.250 Crores.
- 2 Past Remuneration: Same as Proposed
- 3 Recognition or awards: CMC (Certified Management Consultant) & FIMC (Fellow of Institute of Management Consultants of India) are international credentials of a professional management consultant, awarded in accordance with global standards of the International Council of Management Consulting Institutes (ICMCI).
- 4 Job Profile and his suitability: Has over 35 years of experience in General Management, Turnaround Strategy, Corporate Strategy, Cost Improvement, Energy Conservation & Onsite Power Generation/Co-generation Feasibility Studies
- 5 Remuneration proposed:  
As set out in the resolution for the item No.5 the remuneration to Sri. M V Ananthkrishna, Whole Time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.
- 6 Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):  
Taking into consideration of the size of the Company, the profile of Sri. M V Ananthkrishna and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
- 7 Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:  
Besides the remuneration proposed, he is holding Nil Equity Shares of the Company.

**Additional information as required under SS -2 notified under Section 118 (10) of the Companies Act, 2013**



<b>Name of the Director</b>	M Siddartha	Priyanka M	Hirak Kumar Basu	Packirisamy Raju
Category	Non-Executive Non-Independent Director	Non-Executive Non-Independent Director	Non-Executive Independent Director	Non-Executive Independent Director
DIN	7630456	9380152	09701496	09701389
Date of Birth	06.03.1994	13.07.1995	23.10.1959	22-05-1965
Age	28 Years	27 Years	63 Years	57 Years
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	02-12-2021	02-12-2021	12-08-2022	12-08-2022
Qualification	BA	B.Tech(MBA)	B.E.	B.Tech
Occupation	Business	Professional	Professional	Professional
Nature of expertise in specific functional areas	Having more than 8 years of Experience in Ferro Alloys & Finance Industries	Having more than 5 years of Experience in Finance and other fields	Over 40 years' experience in Power and other industries from Manger to General Manager in BHEL, Tata Projects and Myhome Group etc	Over 35 Years' experience in Power, Sugar and other Industries from Manager to General Manager in India and Abroad.
Terms and conditions	Appointment is subject to retires by rotation and being eligible, offers himself for re-appointment	Appointment is subject to retires by rotation and being eligible, offers himself for re-appointment	Appointment as a Non executive Independent Director of the company subject to approval of members	Appointment as a Non executive Independent Director of the company subject to approval of members
Remuneration sought to be paid	Except sitting fee no remuneration will be paid	Except sitting fee no remuneration will be paid	Except sitting fee no remuneration will be paid	Except sitting fee no remuneration will be paid
Remuneration last drawn by such person	Except sitting fee no remuneration will be paid	Except sitting fee no remuneration was paid	Except sitting fee no remuneration was paid	Except sitting fee no remuneration was paid
Relationship with Directors	None	None	None	None
Directorships In other companies as on	1. Orissa Power Consortium Litd 2. Sideshwari Power Generation Pvt Ltd 3. Krishna Power Utilities Ltd 4. Amaravathi Alloys Private Limited	-	-	



Chairman/Member of the committee of the Board of Directors	Chairman-Stakeholders Relationship Committee	1.Chairman-Audit Committee 2. Chairman-Nomination & Remuneration Committee up to 12.08.2022	1.Chairman- Audit Committee 2. Chairman-Nomination & Remuneration Committee effective from 12.08.2022	Member Stakeholders Relationship Committee effective from 12.08.2022
Shareholding including shareholding as a beneficial owner	73500	-	-	
Number of Meetings of the Board attended during the year	2	2	NA	NA
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	1	1	1	1
Names of listed entities from which the person has resigned in the past three years	1	0	0	0
In case of Independent Director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	NA	Yes	Yes



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 40<sup>th</sup> Director's Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2022.

### FINANCIAL RESULTS:

(Rs. Lakhs)

PARTICULARS	Current Year 2021-22	Previous Year 2020-21
Gross Revenue from operations	9246.87	176.42
Profit/(Loss) Before Interest, Depreciation & Tax (PBIDT)	677.18	(3844.49)
Finance Charges	11.67	54.82
Profit/(Loss) before Depreciation and Tax(PBDT)	665.51	(3899.31)
Depreciation	642.97	661.33
Profit/(Loss) Before Tax(PBT)	22.54	(4560.64)
Provision for Tax	3.52	-
Profit/(Loss) After Tax (PAT)	19.02	(4560.64)
Profit/(Loss) brought forward from previous year	(19291.83)	(18009.79)
Adjustment in Depreciation	607.62	3278.60
Profit/(Loss) carried to Balance Sheet	(18665.19)	(19291.83)

### Industry Overview:

The vibrant steel policy announced by Government of India in which the need for growth of the domestic steel industry to strengthen the Make-in-India concept was recognized. The domestic steel production is now improving and consequently the demand for Ferro Alloy Products has improved.

It is expected that at the current rate of GDP growth, the steel demand will grow threefold in next 10 years to reach a demand of 230 Million MT by 2030-31. It is anticipated that a crude steel capacity of 300 Million MT will be required by 2030-31, based on the demand projections as mentioned above. The expected demand for Ferro Alloys is 4 Million Tons per annum in 2030-31 based on the demand for steel.

### Performance of your Company:

During the financial year under review, the total revenue for the Company was Rs.9712.35 Lakhs against Rs. 2175.63 Lakhs in the previous year. The Company earned a net Profit of Rs. 22.54 Lakhs compared to a net loss of Rs. 4560.64 Lakhs incurred in the previous year.

### Prospects:

The medium to long-term economic outlook in India continues to look promising and starting recovery from the COVID 19 pandemic impact, it is important to note that the Government's initiative to continue to liberalize the economy and focus on social sector spending in building both hard and soft infrastructure. Steel is the most crucial ingredient in industrial development,



infrastructure and construction industry and is, therefore, of strategic importance for national transformation. The progress in domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make-in India'. This present's good potential growth of Ferro Alloys industry in the Country as it solely depends on steel industry hence Ferro Alloy Industry can run its industry profitably subject to other market driven factors.

#### EARNINGS PER SHARE (EPS):

The Basic EPS of our Company stood at ₹ 0.14 at standalone level for the year ended 31 March 2022.

#### Outlook of your Company:

Your Company resumed its manufacturing operations from third quarter of the year under review to favorable market and other conditions. However, keeping in view of the increasing trend in metal prices and encouragement given by the Government of India for increasing domestic steel consumption, we hope that your company will perform better than previous years.

#### Projects under Implementation- Thermal Power Plant -120 MW (2x60MW):

You are aware that your Company is setting up 120MW (2x60MW) Coal Based Captive Power Plant at Bodepalli (Village & Gram Panchayat), Sirpur Kagaznagar Mandal, Asifabad, Komaram Bhim District, Telangana State. The construction period of Thermal Power Plant is about 36-48 months. Keeping in view of long gestation period for our own power plant, your Directors have given their commitment to invest in existing Captive Power Plants to get early captive power supply.

#### Dividend & Reserves:

As the Company earned a meager Profit during the year under review, the Directors could not recommend dividend for the Financial Year 2021-22, also due to inadequate profits and no amount has been transferred to Reserves.

#### Share Capital:

The Paid-up Share Capital as on 31<sup>st</sup> March, 2022 was Rs.16.39 Cr. During the year under review, the Company did not issue any Shares.

#### Liquidity:

The Company continues to be debt-free and maintains sufficient cash reserves to meet its operations and strategic objectives. As at 31 March 2022, Your Company had liquid assets of ₹ 201.64 Lakhs as at 31<sup>st</sup> March 2022 as against ₹ 22.48 Lkhs at the previous year. These funds have kept in current Accounts with Scheduled Banks.

#### Declaration by Independent Director(s):

All Independent Directors of the Company have given declarations as required under the provisions of Section 149(7) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that they meet the eligibility criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board all, our Independent Directors possess requisite qualifications experience expertise and hold high standards of integrity for the purpose of Rule 8(5) (iii) of the Companies (Accounts) Rules 2014.





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**Separate Meeting of Independent Directors**

During the year under review, the Independent Directors held their separate meeting on February 14<sup>th</sup>, 2022 inter alia, to discuss:

- Review the performance of the Non-Independent Directors.
- Review the performance of the committees and Board as a whole.
- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Deposits:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal and interest was outstanding as on 31<sup>st</sup> March, 2022.

**Details of Subsidiary/Joint Ventures/Associate Companies:**

Information pursuant to sub-section (3) of section 129 of the Act, i.e., the statement containing the salient features of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is not applicable during the year, as there are no Subsidiary/Joint Venture Companies.

However, your Company has promoted the following two power companies by way of Equity Investments:

**Investment in KGPL 445 MW Gas Based Power Plant:**

Konaseema Gas Power Limited (KGPL) (Associate Company), in which your Company has invested in equity, could not operate its plant during the financial year under review as there is no domestic natural gas supply. KGPL suspended its manufacturing operations due to non-availability of Gas (i.e., raw material) and as a result, the KGPL could not service its debts to the Financial Institutions/Banks. IDBI Bank, one of the Term Loan Lenders of KGPL, filed a petition U/s 7 of the Insolvency and Bankruptcy Code (IBC), 2016 against KGPL before Hon'ble National Company Law Tribunal (NCLT), Hyderabad. Hon'ble NCLT admitted said petition and appointed Interim Resolution Professional to initiate Corporate Insolvency Resolution Process (CIRP) against KGPL vide its Order dated 18.12.2018. However, the Hon'ble NCLT passed orders for liquidation of the Company due to the non-approval of the Resolution Plan by Committee of Creditors. The Liquidation of KGPL is under process.

**Investment in OPCL 20 MW Dam Based Hydel Power Plant:**

20 MW Dam Based Hydro Electric Power Project by Orissa Power Consortium Limited (OPCL), in which your Company has invested in equity has generated 98.66 MU million units during the financial year 2021- 22. OPCL established 3.42 MWp Solar Power Project and achieved COD on 31.10.2016 and generated 4.10 MU during the financial year under review. Your Company is holding Equity Share Capital of about 9.88 % in OPCL.

**Presentation of Financial Statements:**

The Financial Statements for the year ended 31<sup>st</sup> March, 2022 are prepared in due compliance of the Indian Accounting Standards.

**Covid-19:**

The FY 2022 being the second year of the COVID-19 pandemic, the Company has considered internal and external sources of information up to date of approval of these financial statements in evaluating possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade and investments. The Company is confident about the recoverability of these assets.

**Auditors:**

In terms of the provisions of the Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 7<sup>th</sup> May 2018 deletes provision of annual ratification of the appointment of auditor. Now during a single term of 5 years, there shall be no requirement for ratification of the appointment of auditor. A company sending notices for Annual General Meeting on or after 7<sup>th</sup> May 2018 is not required to include ratification of the auditor as its agenda item.

The Auditors, M/s Pavuluri & Associates, Chartered Accountants were appointed as Statutory Auditors to hold office till the conclusion of AGM to be held in the year 2026, since there is no requirement of annual ratification of appointment of Statutory Auditors, the Board has not recommended for ratification of Statutory Auditors in the Notice of 40<sup>th</sup> AGM.

**Auditors' Report:**

The following is the reply of the Board on the qualifications made by the Auditors in their Report:

No	Audit Qualification	Reply given by the Board
No	Audit Qualification	Reply given by the Board
a	Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs53,44,77,378/-, pending disposal of company's petition before TSERC as stated in Note No. 2.34 to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.	Company approached Telangana State Electricity Regulatory Commission (TSERC) with a request to waive the demand as the said amounts relating to deemed energy charges. As the TSSPDCL imposed said deemed energy charges even period relating to power cuts/ power holidays/non supply of power due to acute power shortage in the erstwhile undivided state of Andhra Pradesh. Therefore, the company is confident to get a favourable decision from TSERC/ TSSPDCL and hence, the Board is not providing any liability. We take into consideration of Rs.53,44,77,378 for Adjusted Figures (audited figures after adjusting for qualifications)
b	As stated in Note No. 2.04c the company has not measured its Investments in Equity Instruments designed to be measured at Fair Value through Other Comprehensive Income at fair values as required by Indian Accounting Standard "Financial Instruments" (Ind AS 109) which is not in compliance with the provisions of section 133 of the Companies Act, 2013.	We approached by the investment companies and they informed that due to COVID-19 and consequential lockdown and absence of public transport system etc., the qualified staff is not available for the finalization of matters related matters. Therefore, we could not comply the said requirement. As per the Board's view all the investments are considered as good. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications).



c	As stated in Note No. 2.42 that balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation.	Company send the balance confirmation letter to the respective parties as per the standard audit practice. But Company is yet to receive the response from them. As per the Board's view all the balances are correct as per our books of accounts. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications)
d	Provision towards present liability in respect of future payments of gratuity and leave encashment has not been made using Projected Unit Credit method as required by Ind AS 19 "Employee Benefits", which is non compliance with the provisions of section 133 of the Companies Act, 2013.	An amount of Rs.70,781/-has been quantified for the said liability. Accordingly .we have taken consideration of the said amount in adjusted figures (audited figures after adjusting for qualifications)
e	As stated in Note No. 2.41 the company has not conducted the impairment test of its cash generating assets despite of the indication of asset remaining idle as required by Ind AS 36 "Impairment of Assets", which is noncompliance with the provisions of section 133 of the Companies Act, 2013.	Non availability of technical staff due to COVID-19, we could not conduct impairment status of assets. However, the Board is confident to get benefits from all the assets in future, therefore no provision has been made for impairment. As per the Board's view all the balances are correct as per our books of accounts. Therefore we have not taken any impact on for Adjusted Figures (audited figures after adjusting for qualifications)

#### Cost Audit Report:

The requirement of appointment of cost auditor depends up on the turnover of the previous financial year and consequently the Company is not requested to appoint Cost Auditors for the Financial Year 2021-22. However, the Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Nageswara Rao & Co as the Cost Auditors of the Company for the financial year ending March 31, 2023.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of Rs. 0.35 lakh plus applicable taxes payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, a resolution to this effect forms part of the Notice convening the AGM.

#### Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed M. Nagakishore, Practicing Company Secretary to conduct the Secretarial Audit and give a Secretarial Audit Report for the Financial Year 2021-22 to be annexed to the Report of Board of Directors.

The Board has gone through the report of the secretarial auditor and decided to address all the issues in an appropriate manner and while specifically authorizing the Whole-Time Director to take all such steps as may be required in this regard in order to ensure proper compliance of all the applicable/provisional laws.

#### Internal Audit & Controls:

The Company appointed M/s K.S.Rao & Co., Chartered Accountants, Hyderabad, as its Internal Auditors. Their scope of work includes review of Records, Ledgers, voucher checking and the



internal controls applied and practiced by the Company to ensure the Assets are safeguarded and payments are made only for the benefits received and also review of operational expenditure, effectiveness of internal control procedures and systems, and assessing the internal control strengths in all areas.

The internal control procedures and systems are adequate commensurate with the nature and size of the operations of the Company. Internal Auditors findings are discussed, and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**Corporate Social Responsibility Policy:**

Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable under review and hence the Company has not adopted any Corporate Social Responsibility Policy.

**Cash Flow Statement:**

A Cash Flow Statement for the year 2021-22 is annexed to the Statement of Accounts.

**Particulars of Loans, Guarantees or Investments under Section 186:**

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

**Annual Return**

As required by Section 92(3) of the Act read with Section 134(3)(a) of the Act the Annual Return in Form MGT-7 is placed at the company website [www.vbcfal.in](http://www.vbcfal.in).

**Particulars of Contracts or Arrangements with Related Parties:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI Listing Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company.

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of individual transactions with related parties are placed before the audit committee for the review from time to time.

Your Company has formulated a policy on related party transactions which has been placed on the website of the company i.e. [www.vbcfal.in](http://www.vbcfal.in). There are no related party transactions except mentioned in the Financial Statements.

Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the notes to the financial statements. Accordingly, the details of Related Party Transactions are annexed in Form AOC-2 is not applicable.

**Risk Management Policy**

The Company has an adequate risk management policy in place. The risk management process is reliable and broad based, ensuring that the Company is well guarded against foreseeable risks and aptly prepared for future contingencies. Risk management encompasses risk identification, evaluation, reporting and resolution to ensure the smooth functioning of operations and business sustainability. Risk Management has become an integral part of business decision making.

**Board of Directors and Key Managerial Personnel:**

- a) Resignation of Directors: Shri K.V. Anjaneyulu and Smt Rekha Desraj resigned effective from 23.12.2021 and Shri Vijay Govind Gejji resigned effective from 30.03.2022.
- b) Appointment/Change in designation of Directors:
  - (i) On the recommendations of the Nomination and Remuneration Committee, Board initially appointed Ms. Priyanka M, as Additional Director in Independent Category effective from 02.12.2021. Board recommend to the Shareholders to appoint her as a Non-Independent Non-Executive Director.
  - (ii) Board recommended to Shareholders to appoint Shri Siddartha Mathukumilli, who is appointed on the recommendations of the Nomination and Remuneration Committee as Additional Director on 03.12.2021, as Non-Independent Non-Executive Director.
  - (iii) Board recommended to Shareholders to appoint Shri Hirak Kumar Basu and Shri Raju P, who are appointed on the recommendations of the Nomination and Remuneration Committee on 12.08.2022, as Additional Director(s) in the category of Independent Non-Executive Director

The Board believes that Ms. Priyanka M, Shri M. Siddartha, Shri Hirak Kumar Basu and Shri Raju P have appropriate skills, professional expertise, experience, knowledge, and experience. Therefore, their services will be beneficial to the Company and recommended to the Shareholder for their appointment. The resolutions seeking the approval of the members for the above said appointments have been incorporated in the Notice of the AGM.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment have annexed to the explanatory statement to the Notice of Annual General Meeting.

**Number of Meetings of Board:**

During the year, Seven meetings of the Board of Directors were held, the details of which forms part of thereport on Corporate Governance.

**Annual Evaluation of the Board, Committees and Individual Directors:**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI ListingRegulations. The performance of the Board was evaluated by the board after seeking inputs from all the Directors based on the criteria such as the Board composition and structure, effectiveness of the board processes, information and functioning etc. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

**Policy on Directors Appointment and Remuneration Policy:**

The Board, on recommendation of Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Policy is alsoavailable on the website of the Company i.e., [www.vbcfal.in](http://www.vbcfal.in)

**Maintenance of Cost Records**

The Company has properly maintained cost records and accounts during the financial year ended 31.03.2022.



### Particulars of Employees:

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (i) the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;

Our Non-executive Directors draw remuneration only by way of sitting fee. The details of the same are provided in the Corporate Governance Report which forms Annexure to this report. Hence, the ratio of remuneration of each Non-executive Director to the median remuneration could not be given.

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Person	% increase in remuneration in the financial year
MSP Rama Rao	Nil
M.V. Ananthakrishna	Nil
R. Dharmender	Nil
Sonali Solanki	Nil

- (iii) the percentage increase in the median remuneration of employees in the financial year: Nil
- (iv) the number of permanent employees on the rolls of company: 20.
- (v) the explanation on the relationship between average increase in remuneration and company performance;  
There is no increase of the salary of the employees during the year under review.
- (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;  
The Remuneration to Key Managerial Personnel is below the norms being practiced in Comparable Industries for such experienced persons.
- (vii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: There is no increase of salaries to the employees.
- (viii) the key parameters for any variable component of remuneration availed by the Directors: There is no variable component of remuneration availed by Directors
- (ix) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable as Company paid only sitting fees to Non-executive Directors.
- (x) Affirmation that the remuneration is as per the remuneration policy of the company. The Company affirms remuneration is as per the remuneration policy of the Company. None of the employees are drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014..



### Details in respect of Frauds Reported by Auditors u/s 143(12):

There have been no frauds reported by the auditors u/s 143(12) of the Companies Act 2013 and rules made thereunder.

### Management Discussion & Analysis

Pursuant to SEBI (LODR), Regulations, 2015, a Report on Management Discussion & Analysis is provided in this Annual Report as Annexure –III.

### Familiarization Programmes:

The Company familiarizes its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarization programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarization programme for Independent Directors is disclosed on the Company's website [www.vbcfal.in](http://www.vbcfal.in)

### DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Audit Committee consists of the following members as of date:

Ms. Priyanka M	Chairman	Independent Non-executive Director
Shri. I Narsingh Rao	Member	Independent Non-executive Director
Shri. Vijay Govind Gejji*	Member	Non- Independent Non-executive Director

\*Shri Vijay Govind Gejji resigned effective from 30.03.2022 and reconstituted by inducting Shri Siddartha Mathukumilli.

Majority of the members of the Audit Committee are independent Directors.

### NOMINATION & REMUNERATION COMMITTEE

#### Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To consider the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

#### Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

### Composition of the Committee as on 31<sup>st</sup> March, 2022:

Ms. Priyanka M	Chairman	Independent Non-executive Director
Shri. I Narsingh Rao	Member	Independent Non-executive Director
Shri. M. Siddartha	Member	Non_-Independent Non-executive Director



## Policy for Selection of Directors and Determining Directors' Independence

### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

### 2. Terms and References:

“**Director**” means a Director appointed to the Board of a Company.

“Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

“Independent Director” means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

### 3. Policy:

#### Qualifications and criteria

The Nomination and Remuneration (NR) Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board member, the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the Companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.





The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### **Criteria of independence**

The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the companies Act, 2013.

### **Other Directorships/ Committee Memberships**

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall consider the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committees across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees

#### **1. Scope:**

This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

#### **2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

"Director" means a Director appointed to the Board of the company. "key managerial personnel" means

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013



“Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act,2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

### 3. Policy:

Remuneration to Executive Director and Key Managerial Personnel

The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limits approved by the shareholders.

The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retrial benefits
- (v) Annual performance Bonus

The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

#### Remuneration to Non – Executive Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non–Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

Non–Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.

#### Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## VI. Stakeholders Relationship committee

### A.) Composition:

The Details of composition of the Committee are given below:

Name of the Director	Designation	Category
Shri M Siddartha	Chairman	Non-Independent Non-Executive Director
Shri I. Narsingh Rao	Member	Independent Non-Executive Director
Shri M.V. Ananthakrishna	Member	Whole-Time Director

### B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares,



Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.

- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

The Company has designated an exclusive e-mail ID called [vbcfalhyd@gmail.com](mailto:vbcfalhyd@gmail.com) for complaints/grievances.

## VII. Risk Management Committee

### A.) Composition:

The Details of composition of the Committee are given below:

Name of the Director	Designation	Category
Shri M Siddartha	Chairman	Non-Independent Non-Executive Director
Smt. Priyanka M	Member	Independent Non-Executive Director
Shri. M.V. Ananthakrishna	Member	Whole-Time Director

### B) Risk Management Policy:

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

### Unpaid / Unclaimed Dividend:

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor Education and Protection Fund established by the Central Government. The company is taking necessary steps to transfer unclaimed dividend to Investor Education and Protection Fund (IEPF).

### Vigil Policy

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Company empowered the victimized Employees or Director to approach directly the Chairman of the Audit Committee for a solution to the issue so that the victimized Employee/Director is rescued. The said policy is available on the website of the Company [www.vbcfal.in](http://www.vbcfal.in).

### Details of Adequacy of Internal Financial Controls:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.



The Board has appointed M/s K.S.Rao & Co, Chartered Accountant, Hyderabad as Internal Auditors for the year 2021-22. Deviations are reviewed periodically and due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

### **Corporate Governance and Shareholders Information:**

A separate section on Corporate Governance for fiscal 2022 forms part of this Annual Report as Annexure-IV. Pursuant to Reg. 27 of SEBI (LODR), Regulations, 2015 Report on Corporate Governance together with the Certificate issued by Practicing Company Secretary regarding compliance of the conditions of Corporate Governance forms part of this Report.

### **Secretarial Standards**

The Company is in compliance with the applicable secretarial standards.

### **Material Changes and Commitments:**

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report which affecting Financial position of the Company as on 31.03.2022.

### **Material Orders, if any, Passed by the Regulators, Courts Etc.:**

There are no orders passed by Regulators/Courts/Tribunals which have impact on the going concern status and Company's operations in future.

### **Prevention of Sexual Harassment of Women at Workplace:**

In order to prevent sexual harassment of women at workplace as per provisions of the SexualHarassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year under review, the company has not received any complaints.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The details of conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

a) Conservation of Energy

The information in accordance with the provision of Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 2014, regarding conservation of Energy a separate Annexure has been provided in this annual report.

b) Technology Absorption

No expenditure is incurred by the Company attributable to Technology absorption during the year under review.

(c) Foreign exchange earnings and outgo.

During the year, there are no foreign exchange inflows/earnings or outflows/investments.

(d) Expenditure on Research and Development

No expenditure is incurred by the Company attributable to Expenditure on Research and Development during the year under review.

### **Human Resources:**

The company has maintained cordial relations with the employees Your Directors and Management express their appreciation for the commitment and devotion shown by the employees.

**Directors' Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, the best of their knowledge and ability confirm that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2022 and of the profit and loss of the company for the year ended on that date;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Acknowledgements**

Your Directors thank the Government of India and Government of Telangana for their support. They also place on record their appreciation for the help and encouragement received from Bank of India, and other Financial Institutions.

Your Directors sincerely thank Customers, Vendors and Members for their sustained support and co-operation.

For and on behalf of the Board

Sd/-

I. Narshingh Rao

Chairman

Place: Hyderabad

Date: 12-08-2022



## ANNEXURE TO DIRECTORS' REPORT ANNEXURE

FORM - A  
(See Rule 2)

## Form of Disclosure of Particulars with respect to Conservation of Energy

**A. CONSERVATION OF ENERGY:**

Ferro Alloy Industry is highly power intensive and energy charges constitute a major element in the cost of production. Company, therefore, gives importance to energy conservation measures.

POWER AND FUEL CONSUMPTION	Current Year 2021-22	Previous Year 2020-21
<b>1 Electricity</b>		
a Purchase Units (KWH)	60043800	NIL
Total Amount (Rs. in lacs)	3311.96	NIL
Rate / Unit (in Rs.)	5.52	NIL
b Own Generation	NIL	NIL
i) Through diesel generator:	NIL	NIL
Units (KWH)	NIL	NIL
Units per ltrs. of Diesel Oil	NIL	NIL
Cost / Unit (Rs.) (Fuel + Oil)	NIL	NIL
ii) Through steam Turbine / Generation: Units	NIL	NIL
Units per ltrs. of fuel oil / gas	NIL	NIL
Cost / Unit	NIL	NIL
<b>2 Coal (specify quality &amp; where used) Quantity (Tones)</b>	NIL	NIL
Total Cost Average Rate	NIL	NIL
<b>3 Furnace Oil Quantity (K.ltrs.) Total Amount Average Rate</b>	NIL	NIL
<b>4 Other internal generation</b>	NIL	NIL
<b>CONSUMPTION PER UNIT OF PRODUCTION</b>	NIL	NIL
Electricity KWH/MT - Ferro Silicon	9441	NIL
- Silico Manganese	NIL	NIL
Furnace Oil	NIL	NIL
Coal (specify quality)	NIL	NIL
Others (specify)	NIL	NIL

**B. TECHNICAL ABSORPTION:**

## 1 RESEARCH AND DEVELOPMENT (R&amp;D)

- a Specify areas in which R&D is carried out by the Company NIL  
Company has successfully substituted coal as reductant in place of charcoal and coke
- b Benefits derived as a result of the above R&D  
Replacement of imported coke with local reductants and reduction in cost of the same.
- c Future plan of action  
Production of low aluminium grade Ferro Silicon for high grade Steels and low phosphorus silico manganese Improvements in preparation of raw material facilities.



d	Expenditure on R&D		
	i) Capital	NIL	NIL
	ii) Recurring	NIL	NIL
	Total	NIL	NIL
	iii) Total R&D Expenditure as a percentage of Total Turnover		

## 2 TECHNOLOGY ABSORPTION ADOPTATION & INNOVATION:

- a Efforts, in brief, made towards technology absorption, adaptation and innovation Successfully used coal in place of coke for manufacture of Manganese Alloys Benefits derived as a result of the above efforts, e.g., product
- b improvement, cost reduction, product development, import substitution, etc.  
In case of imported technology (imported during the last 5
- c years reckoned from the beginning of the financial year), following information may be furnished: Reduction in cost of reductants
- |      |   |     |     |
|------|---|-----|-----|
| i)   | Technology Imported   | NIL | NIL |
| ii)  | Year of Import  | NIL | NIL |
| iii) | Has technology been fully absorbed  | NIL | NIL |
| iv)  | If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action |     |     |
- d Foreign Exchange Earnings & Outgo Not Applicable
- |     |  |     |     |
|-----|--|-----|-----|
| i)  | Foreign Exchange Earnings at FOB Value | -   | -   |
| ii) | Foreign Exchange Outgo –               |     |     |
|     | A] CIF Value of Imports:               |     |     |
|     | Raw Materials, Components and Spares   | NIL | NIL |
|     | Capital Goods                          | NIL | NIL |
|     | B] Others                              | NIL | NIL |

for and on behalf of the Board

Sd/-

I Narshingh Rao  
Chairman

Place: Hyderabad  
Date : 12.08.2022

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies(Appointment and Remuneration Personnel) Rules, 2014]*

To  
The Members,  
**VBC FERRO ALLOYS LIMITED**  
Progressive Towers, 3rd Floor,  
6-2-913/914, Khairatabad,  
Hyderabad-500004, Telangana.

Corporate Identity Number: L27101TG1981PLC003223  
Authorised Capital : Rs.20.00 Crores  
Paid up capital : Rs.16,39,49,875/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. VBC Ferro Alloys Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. VBC Ferro Alloys Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. VBC Ferro Alloys Limited ("the Company") a **listed Public Company** for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable to the company as provided by the management as mentioned below:
- Employees State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
  - Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
  - Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
  - Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
  - Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
  - Factories Act, 1948 and the rules made thereunder;
  - A.P. Shops and Establishment Act, 1988;
  - Water (Prevention and Control of Pollution) Act, 1974
  - Air (Prevention and Control of Pollution) Act, 1981
  - Environment Protection Act, 1986
  - Public Liability Insurance Act, 1991
  - Indian Boilers Act, 1923
  - Explosives Act, 1884

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the company with Stock Exchange(s), if any / SEBI (LODR) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- 1. The Company is due and payable in respect of Income Tax, Central Sales Tax, Professional Tax, ESI and Property Tax which are arrears as at 31<sup>st</sup> March, 2022.**
- 2. The Company is defaulted in filing of various forms with Ministry of Corporate Affairs.**



3.

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Regulation 7(3) of the SEBI (LODR), 2015.	The Company has not filed a compliance certificate required to submitted under regulation 7(3).	Till date, Company has not filed and confirmed that they will file at the earliest.
2.	Regulation 29(2) & (3) of the SEBI (LODR), 2015.	Delay in furnishing prior intimation about the meeting of the board of directors for the Board Meeting held in the month of November 2021	Total fine payable by the Company is Rs.10,000/-plus GST.

4. Other laws:

*Management has submitted representation about the Compliances of various labour laws, however the required documents were not produced for audit purpose relating to Boilers Act, 1923; Air (Prevention & Control of Pollution) Act, 1981; Water (Prevention & Control of Pollution) Act, 1974; Water (Prevention and Control of Pollution) Cess Act, 1977; Andhra Pradesh Factories and Establishments (National, Festival and other Holidays) Act, 1974; The Public Liability Insurance Act, 1991; Equal Remuneration Act, 1976; Environment Protection Act, 1986; Minimum Wages Act,1948;Payment of Wages Act,1936;Payment of Bonus Act,1965; The Employees' Provident Fund & Misc Provisions Act 1952 and EFP Scheme 1952; The Payment of Gratuity Act, 1972 and The A.P. Payment of Gratuity Rules 1972; Andhra Pradesh Contracts Labor (regulations and abolition ) Act rules 1971; Apprentice Act 1961; Andhra Pradesh Labor welfare Fund Act, 1987; Maternity Benefits Act, 1961; Employees Compensation Act, 1923; Industrial Disputes Act, 1947; The Factories Act, 1948; A.P Shops and Establishment Act, 1988 and also for other industry specific acts as applicable to the company .*

*Hence I am unable to comment on the Compliance of the above said Acts.*

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has not entered into / carried out any activity that has major bearing on the company's affairs.

Date: 12/08/2022  
Place: Hyderabad

**Sd/-**  
**NAGA KISHORE MITTAPALLI**  
**Company Secretary in Practice**  
**M.No.: F7684; CP No.: 13597**  
**ICSI UDIN: F007684D000790213**

*This report is to be read with our letter of even date which is annexed as Annexure -A and forms an integral part of this report.*

**Annexure -A**

To,  
The Members,  
VBC Ferro Alloys Limited

Corporate Identity Number (CIN): L27101TG1981PLC003223  
Authorised Capital : Rs.20.00 Crores  
Paid up capital : Rs.16,39,49,875/-

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 12/08/2022  
Place: Hyderabad

**Sd/-**  
**NAGA KISHORE MITTAPALLI**  
**Company Secretary in Practice**  
**M.No.: F7684; CP No.: 13597**



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## ANNEXURE - III

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### 1. BACKGROUND

The Management Discussion and Analysis sets out the developments in the business environment and the Company's performance since our last report. This analysis supplements the Directors' Report and the Audited Financial Statements forming part of this Annual Report.

#### 2. INDUSTRY STRUCTURE

Ferro Alloy Industry was established to cater to the needs of steel industry. Ferro alloys are used as additives and deoxidizing agents in steel manufacture. Steel producers use Ferro manganese, Silico Manganese and Ferro Silicon, while stainless steel units use Ferro chrome and charge chrome.

The Government of India had announced a vibrant steel policy recently in which the need for growth of the domestic steel industry to strengthen the Make-in-India concept was recognized. The domestic steel production is now improving and consequently the demand for Ferro Alloy Products has also improved.

#### 3. OPERATIONS, OPPORTUNITIES & THREATS OPERATIONS: This has been dealt with in the Directors' Report.

##### OPPORTUNITIES:

India's natural resources and geographical position is well poised to benefit from the growing demand for steel and steel making raw materials. However, for the Ferro alloys industry, high energy costs have hampered the growth and remedial measures expected to push the growth.

It is expected that at the current rate of GDP growth, the steel demand will grow threefold in next 15 years to reach a demand of 230 Million MT by 2030-31. It is anticipated that a crude steel capacity of 300 Million MT will be required by 2030-31, based on the demand projections as mentioned above. The demand for Ferro Alloys is 4 Million Tons in 2030-31 based on the demand for steel.

##### THREATS:

The manufacture of Ferro alloys is highly power intensive and therefore the cost of power is critical to the competitiveness of the products. On an average, 50% of the total cost per ton of Ferro alloys is accounted for by power. Repeated power tariff hikes by state run power utility company have put the Industry in a fix. Further the problems of this industry are aggravated because of the high input cost of power including FSA charges.

This is the major threat that this industry is facing and in order to be competitive on a global scale, it is necessary for an Indian Ferro alloys Industry to have captive power to tide over the situation in power starved country like India.

#### 4. SEGMENT-WISE PERFORMANCE OR PRODUCT-WISE PERFORMANCE

The Company has only one business segment i.e., Ferro Alloys.

#### 5. OUTLOOK

Long term outlook of your company will be encouraging because of the following reasons:

The Company is in the process of setting up Captive Power Plant of 120 MW (2x60MW) capacity at Bodepalli Village, Sirpur Kaghaznagar Mandal, Adilabad District in the State of Telangana State through VBC Power Company Limited, a Special Purpose Vehicle (SPV) Company. However, due to delay in implementation of this project, Board is exploring the possibilities to invest in existing Captive Power



Plants to get early captive power supply. The Company is also exploring possible alternative to source captive power from other captive power generation units also

## 6. RISKS & CONCERNS

- a. In a time frame for setting up of captive power plant and coming into production will depend upon the financial closure of the project and approval of hive off scheme.
- b. Government regulations, like reduction in import duties, anti dumping duty and increase in power tariffs by SPDC of Telangana Limited and shortage of power, may also affect the profitability of the Company, since 40% or more production costs account for power.
- c.

## 7. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has sound internal control system, which ensures that all the assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly.

The internal control system is supplemented by an extensive programme of internal audits and reviews by the Management. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Further, all internal control functions and its entire gamut of activities are covered by independent audit, conducted by separate internal auditors, whose findings are reviewed regularly by the Audit Committee and Management of the Company.

## 8. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This has been dealt with in the Directors' Report

## 9. HUMAN RESOURCE DEVELOPMENT

Human capital is one of the key elements of your Company. The Company's human resource policies are aimed at motivating its employees to deliver high quality performance and reward talent with adequate compensation and accelerated career growth opportunities.

Your Company believes that an on-going learning process is vital for growth in the fast changing business environment and for this purpose, your Company has been conducting various training and development workshops for improving the knowledge levels of the employees at all levels.

## 10. INDUSTRIAL RELATIONS

This has been dealt with in the Directors' Report.

### Cautionary Statement:

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates, etc., may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc., whether expressed or implied. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, Government Regulations and taxation, natural calamities etc., over which the Company does not have any control.

for and on behalf of the Board

Sd/-

I. Narsing Rao  
Chairman

Place: Hyderabad  
Date: 12.08.2022



## ANNEXURE-IV

### REPORT ON CORPORATE GOVERNANCE

The following are the details furnished in the form as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### 1. A brief statement on the Company's philosophy on code of governance:

Corporate Governance is about directing and controlling the company with the overriding objective of optimizing return for the shareholders. A good governance process aims to achieve this by providing long-term visibility of its business, ensuring effective relationship with stakeholders, establishing systems that help the Board in understanding risk appetite and monitoring risk at every stage of corporate evolution process.

The Company believes that any meaningful policy on corporate governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks & balances which ensure that the decision making powers vested in the executive management is used with care and responsibility to meet stakeholders' aspirations and societal expectations.

#### 2. Board of Directors:

##### • Composition and Category of Directors as on 31.03.2022

Category	No. of Directors	%
Executive Directors	1	25.00
Non-Executive Promoter Directors	1	25.00
Independent Non-Executive Directors	2	50.00
Total	2	100.00

The Attendance record of the Directors at the Board Meetings held during the financial year ended on 31<sup>st</sup> March, 2022 and the last Annual General Meeting (AGM) and the details of their other Directorships and Committee Chairmanships and Memberships are given below:

Name of the Director	Category	Designation	Attendance at Last AGM (YES/ NO)	Attendance in Board Meetings		No. of Directorships and No. of Committee positions in other public companies		
				No. of Board Meetings held during his tenure	Present	Other Directorships	Committee Memberships#	Committee Chairmanships
Shri K.V. Anjaneyulu*	Non Executive Independent	Chairman	No	6	6	-	-	-
Smt. Deshraj Rekha*	Non Executive Independent	Director	Yes	6	6	-	-	-
Shri I.Narsingh Rao	Non Executive Independent	Director	No	7	7	2	1	-
Shri M Siddhartha*	Non Executive Promoter	Additional Director	NA	5	5	2	-	-
Shri Vijay Govind Gejji*	Non Executive	Director	Yes	7	7	-	-	-
Ms. Priyanka M	Non Executive Independent	Additional Director	NA	1	1			
Shri. M.V. Ananthkrishna	Executive	Whole-Time Director	Yes	7	7	-	-	-



\* Shri M Siddhartha has resigned from the Directorship effective from 13.09.2021 and again Board appointed him as Additional Director on 02.12.2021, Smt Rekah Desraj and Shri K.V. Anjaneyulu have resigned effective from 23.12.2021. Shri Vijay Govind Gejji has resigned effective from 30.03.2022.

In the above table the number of directorships do not include the company itself, alternate directorships, directorships of private limited companies/ LLP, companies incorporated under section 25 of the Companies Act, 1956 or section 8 of Companies Act, 2013 and of companies incorporated outside India. Chairmanship/ Membership of committees includes only Audit and Shareholders/ Investors Grievance Committees.

**a) Board meeting and attendance:**

Seven Board Meetings were held during the financial year 2021-22 and details of the Board Meeting are as follows:

S.L. No	1	2	3	4	5	6	7
Date of Meeting	10.05.2021	30.06.2021	14.08.2021	30-10-2021	13-11-2021	02-12-2021	14-02-2022

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**3. Formal letter of appointment to independent directors:**

The company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of independent directors are placed on the company website.

**4. Separate meeting of independent directors:**

The Independent Directors held their separate meeting on 30<sup>th</sup> October 2021 as mandated by the provisions of the Companies Act, 2013 and Listing Agreement.

**5. Familiarization program for independent directors:**

All independent attend an orientation program. The details of training and familiarization program are available on company's website (<http://www.vbcfal.in>). Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The terms and conditions of appointment is available on our website (<http://www.vbcfal.in>).

**Relationship among Directors:**

No relationship between the Directors

**d) Number of shares held by directors**

None of the Director are holding any shares/convertible instruments in the Company except Shri M Siddhartha, who is holding 73,500 Equity Share in the Company.

Name of the Director	Designation	No. of Shares held	No of Convertible instrument
Shri K.V. Anjaneyulu*	Non Executive Independent Director	-	-
Smt. Deshraj Rekha*	Non Executive Independent Director	-	-
Shri I.Narsingh Rao	Non Executive Independent Director	-	-
Shri M Siddhartha*	Non Executive Promoter Director	73,500	-
Shri Vijay Govind Gejji*	Non Executive Director	-	-
Ms. Priyanka M	Non Executive Independent Women Director	-	-
Shri. M.V. Ananthakrishna	Whole-Time Director	-	-

- Directors have resigned during the year under review.





**e) Skills / expertise / competencies of the Board of Directors**

The following is the list of core skills / expertise /competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- Financial and Management skills
- Technical / Professional skills and specialized knowledge in relation to Company's business

**CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTORS FULFIL THE CONDITIONS SPECIFIED IN THESE REGULATIONS AND ARE INDEPENDENT OF THE MANAGEMENT:**

The Board of Directors hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

**DETAILED REASON FOR RESIGNATION:**

During the year under review Shri K.V.Anjaneyulu, Smt Rekha Desraj and Shri Vijay Govind Gejji, Director have resigned due to their personal and professional obligations. Also, they confirmed that there are no material reasons for their Resignation.

**COMMITTEES OF THE BOARD:**

Currently, there are Three Board Committees – Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below

**AUDIT COMMITTEE:**

**a) Brief description of terms of reference:**

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 read with Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Regulation 18 of SEBI Listing Obligations & Disclosure Requirements) 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

**Terms of reference:**

The terms of reference of audit committee are as per the guidelines set out in the SEBI (LODR) Regulations, 2015 read with section 177 of the companies act 2013 and includes such other functions as may be assigned to it by the board from time to time.

**i. Powers of the Audit committee:**

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it consider necessary.

**ii. Role of the Audit committee:**

- a) Oversight of company financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending to the board, the appointment and re-appointment and if required, the replacement or removal of auditors and fixation of audit fee.
- c) Approval of payments to statutory auditors for any other services rendered by them.



- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matter required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub section 3 of section 134 of companies act 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of Judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings – compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions
  - Review of draft auditor's report, in particular qualifications / remarks / observations made by the auditors on the financial statements.
  - Management Discussion and analysis of financial conditions and results of operations.
  - Review of statement of significant related party transactions submitted by the management.
  - Review of management letters / Letters of internal control weakness issued by the statutory auditors.
  - Review of internal audit reports relating to internal control weaknesses.
  - Review of appointment, removal and terms of remuneration of the chief Internal auditor.
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  - Review of the financial statements of subsidiary companies.
- 
- Review and monitor the auditors independence and performance and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the company with related parties.
  - Scrutiny of inter corporate loans and investments.
  - Valuation of assets and undertakings of the company, whenever it is necessary.
  - Evaluation of internal financial controls and risk management systems.
  - To look into reasons for substantial default in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing with the management, the statement of uses / applications of funds raised through an issue (Public issue, Rights issue, Preferential issue, etc) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / Notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public issue or Rights issue and making appropriate recommendations to the board to take up steps in this matter.
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal audit systems.
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow up there on
  - Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To review the functioning of the whistle Blower mechanism.
  - Approval of appointment / re-appointment / Remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications and experience & background, etc. of the candidate.
  - Carrying out any other function as may be mentioned in the terms and reference of the audit committee. The audit committee discharges its functions and obligations on regular basis and on the occurrence of the events.


**b) Composition of Audit Committee**

- Composition of the Audit Committee as on 31<sup>st</sup> March, 2022

Ms. Priyanka M	Member	Independent Non-executive Director
Shri. I. Narsingh Rao	Member	Independent Non-executive Director
Shri Vijay Govind Gejji	Member	Non-executive Director

- Meetings and Attendance during the year 2021-22

Date of Meeting	Attendance of Members of the Committee				
	Smt. Deshrajuk Rekha	Shri. K.V. Anajaneyulu	Shri. I. Narsingh Rao	Shri Vijay Govind Gejji	Ms. Priyanka M
10.05.2021	Yes	Yes	Yes	NA	NA
30.06.2021	Yes	Yes	Yes	NA	NA
14.08.2021	Yes	Yes	Yes	NA	NA
13.11.2021	Yes	Yes	Yes	NA	NA
14.02.2022	NA	NA	Yes	Yes	YEs

Company Secretary of the Company acts as the Secretary of the Audit Committee.

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, and fixation of audit fee and also approval of payment of fees for any other services.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

In terms of Section 178 of Companies act, 2013 the Board of Directors constituted Nomination and Remuneration Committee comprising of 3 Non-Executive Independent Directors

**a) The terms of reference of the Remuneration Committee are as follows:**

- Formulation of criteria for determining Qualifications, Positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of independent directors and the board.
- Devising a policy on Board Diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal.
- To Recommend / Review remuneration of Key Managerial personnel based on their performance and defined assessment criteria.
- To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. Salary, benefits, Bonus, Stock Options, Pensions, etc.
- Recommendation of any fee / Compensation if any, to be paid to Non-Executive directors including independent directors of the board.
- Payment / revision of remuneration payable to managerial personnel
- While approving the remuneration, the committee shall take into account financial position of the company, trend in the industry, qualification, experience and past performance of the appointee.
- The committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the company and shareholders.
- Any other functions / Powers / duties as may be entrusted by the board from time to time.

The company has adopted a policy relating to the remuneration for directors, key managerial personnel and other employees of the company which is disclosed on the website of the company



## **Nomination and Remuneration Policy:**

### **1. Introduction**

VBC Ferro Alloys Limited believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, the company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The company aims to have an optimum combination of Executive, Non- Executive and Independent Directors.

The Company also recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pays reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **2. Scope:**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

### **3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a Director appointed to the Board of a Company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "Independent Director" means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.4 "Key Managerial Personnel" means
  - (i) The Chief Executive Officer or the Managing Director or the Manager;
  - (ii) The Whole-time Director;
  - (iii) The Chief Financial Officer; and
  - (iv) Such other officer as may be prescribed under the Companies Act, 2013

### **4. Selection of Directors and determining Directors independence:**

#### **4.1 Qualifications and criteria**

4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's global operations

4.1.2 In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

1. General understanding of the Company's business dynamics, global business and social perspective;
2. Educational and professional background Standing in the profession;
3. Personal and professional ethics, integrity and values;
4. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.



- 4.1.3 The proposed appointee shall also fulfill the following requirements:
- Shall possess a Director Identification Number;
  - Shall not be disqualified under the Companies Act, 2013; Shall give his written consent to act as a Director;
  - Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, The Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
  - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.
- 4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.
- 4.2 Criteria of Independence
- 4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:
- An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director -
- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
    - (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - b. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - c. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - d. who, neither himself nor any of his relatives –
    - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
      - A. A Firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      - B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
    - (iii) holds together with his relatives two per cent or more of the total voting power of the company;

Or

    - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per



cent or more of the total voting power of the company; or  
 (v) Is a material supplier, service provider or customer or a lessor or lessee of the company?

- e. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
  - f. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
  - g. Who is not less than 21 years of age.
- 4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.
- 4.3. Other directorships / committee memberships
- 4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.
- 5. Remuneration to Executive Directors, Key Managerial Personnel, Non-Executive Directors and other employees:**
- 5.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 5.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
- (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Commission (Applicable in case of Executive Directors)
  - (iv) Retrial benefits
- (v) Annual Performance Bonus
- 5.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.
- 5.2. Remuneration to Non-Executive Directors
- 5.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non- Executive Directors of the Company within the overall limits approved by the shareholders.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
- 5.3 Remuneration to other employees
- 5.3.1 Employees shall be assigned grades according to their qualifications and work experience,



competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### Composition-name of members and Chairperson

The Nomination and Remuneration Committee constitutes the following three Non-Executive & Independent Directors.

- Composition, name of members, Chairman and Secretary as on 31<sup>st</sup> March, 2022

Name of the Member	Member	Category
Ms. Priyanka M	Chairman	Independent non-executive Director
Shri I. Narsingh Rao	Member	Independent Non-executive Director
Shri M. Siddehartha	Member	Non-executive Director

Company Secretary of the Company acts as the Secretary of the Committee

- Nomination and Remuneration Committee met on 02.12.2021. All the members of the said committee as of date were attended.

#### STAKEHOLDER RELATIONSHIP COMMITTEE:

The terms of reference of the Investor Grievance & Share Transfer Committee are as follows:

##### To supervise and ensure:

Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.

\*The Constitution of the Committee as on 31.03.2022 and attendance of each Member is as given below:

(vii) Name of the Director	Designation	Category	No. of Meetings Attended
Shri M Siddatha	Chairman	Non- Executive Director	1
Shri. I. Narsingh Rao	Member	Independent Non- Executive Director	4
Shri. M.V. Ananthkrishna	Member	Whole-Time Director	4

\*The Committee has reconstituted due to the Resignation of Smt Rekha Desraj

Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee.

Name and Designation of Compliance officer: \*Mrs. Sonali Solanki, Company Secretary

- Details of Investor complaints received and redressed during the year:

Nature of Complaints	Year 2021- 22		
	Received	Resolved	Pending
Total Complaints	0	0	0

#### MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 14th February 2022, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.



All the Independent Directors were present at the Meeting.

## **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## **VIGIL MECHANISM POLICY**

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies as may be prescribed to establish a vigil mechanism, called Whistle Blower Policy (as per Regulation 22 of SEBI (LODR) 2015) for the Directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, or howsoever insignificant perceived as such would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Under these circumstances, VBC Ferro Alloys Limited, being a Listed Company has established a Vigil Mechanism and formulated a Policy for the same, pursuant to the review and recommendation by the Audit Committee.

## **REMUNERATION OF DIRECTORS**

### **(a) All pecuniary relationship or transactions of the non-executive directors**

Non-Executive Directors including Independent Directors are entitled to sitting fee for the Board and Committee meetings attended by them. However, Company did not paid any sitting fees during the year under review.

### **(b) Disclosures with respect to remuneration (in addition to disclosures required under the Companies Act, 2013):**

- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary and benefits, for the FY 2021-22:

(in Rupees)





Name	Designation	Sitting fee	Remuneration	Benefits	Total
Smt. Rekha Deshraj*	Independent Director	-	-	-	-
Shri. K.V. Anjaneyulu*	Independent Director	-	-	-	-
Shri I Narsingh Rao	Independent Director	-	-	-	-
Shri M. Siddehartha	Director	-	-	-	-
Shri. Vijay Govind Gejji*	Director	-	-	-	-
Ms. Priyanka M	Independent Director				
Shri. M.V. Ananthkrishna	Whole-Time Director	-	6,00,000	-	6,00,000

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria: No Director is paid any fixed component nor performance linked incentives.
- (iii) Service contracts, notice period, severance fees: A separate contract of employment was entered with each of the Executive Directors with terms and conditions of appointment as per the HR Policy of the Company and approved by the Board.
- (iv) Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options.

## 6. General Body Meetings:

### a) Details of the Last 3 AGMs

- One Annual General Meeting (AGMs) were held at the Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry, situated at 11-6-841, Red Hills, Hyderabad- 500 004 and for the financial year 2019-20 and 2020-21 conducted through Audio-Video (AV) Mode.

### • Date, Time and Special Resolutions passed:

S.No.	Financial Year	Date	Time	Special Resolutions
37 <sup>th</sup> AGM	2018-19	30.09.2019	11.00AM	-NIL-
38 <sup>th</sup> AGM	2019-20	27.12.2020	11.30 AM	-NIL-
39 <sup>th</sup> AGM	2020-21	30.11.2021	11.30 AM	-NIL-

No Special Resolution was passed through postal ballot during 2021-22.

### POSTAL BALLOT :

During the financial year under review the Company had not conducted any postal Ballot and there is no proposed Special Resolution to be conducted through Postal Ballot

### DISCLOSURES:

Disclosures on Materially Significant Related Party Transactions:

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

### Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any, Securities Stock Exchanges and Securities Exchange Board of India or any Statutory Authority relating to the capital markets.

The company has belatedly complied some of the provision of Clauses of listing Agreement.

### MEANS OF COMMUNICATION:

The quarterly financial results are generally published in Financial Express and Andhra Prabha/ Prajasakthi Newspapers. Copies of the Results published are forwarded to Stock Exchange and are displayed on the Company's website i.e., [www.vbcfal.in](http://www.vbcfal.in) The Company's website [www.vbcfal.in](http://www.vbcfal.in) contains separate section "Investor information" where shareholders information is made available. The Annual Report of the Company is also available on the website in a downloadable form.



## GENERAL SHAREHOLDER INFORMATION:

Date time and Venue	30th September 2022 at 11.30 a.m. through Video Conference and other Audio Visual (AV) means
Financial year	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
Book Closure	September 24, 2022 to September 30, 2022 (Both days inclusive).
Dividend Payment Date	Not Applicable
Listing on Stock Exchanges	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400001
<b>Stock Code:</b> BSE Limited,	<b>Code/Symbol</b> <b>VBCFERROQ/513005</b>
Web Site	<a href="http://www.vbcfal.in">www.vbcfal.in</a>
Performance in comparison to broad-based indices such as BSE sensex, CRISIL index etc	NA
Commodity Price Risk and Commodity Hedging Risk	NA
List of Credit Rating obtained during the year for all debt instrument	NA

**SHARE TRANSFER SYSTEM:**

The Managing Director and the Company Secretary have been individually authorized to attend to share transfers and issue of duplicate share certificates once a fortnight.

The Stakeholders Relationship Committee shall approve the share transfers affected by the above under the delegated authority once in a quarter.

The average time taken for processing of share transfers including dispatch of share certificates was approximately 15 days, if the documents are clear in all respects. As the Company's shares are currently traded in dematerialized form the transfers are processed and approved in the electronic form by NSDL/CDSL through their depository participants.

There are no pending share transfer requests as on 31<sup>st</sup> March 2022.

**Registrar and Transfer Agents: Both Physical & Demat**

M/s. Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad – 500018

**v) Monthly High and Low Quotation of Shares traded on the Bombay Stock Exchange Limited, Mumbai ( There is no trading of shares on Calcutta Stock Exchange):**

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
Apr-21	15.75	10.63	14.97	16,277
May-21	29.95	15.01	28.42	1,05,490
Jun-21	27.90	21.5	21.50	18,122
Jul-21	25.55	20.05	23.10	51,648
Aug-21	27.20	18.00	19.70	43,082



Sep-21	22.50	17.60	18.90	24,731
Oct-21	22.05	18.50	19.05	51,826
Nov-21	21.35	16.45	17.30	85,108
Dec-21	19.80	14.80	17.75	1,29,538
Jan-22	27.65	16.90	26.10	1,70,792
Feb-22	30.15	22.60	30.15	1,51,404
Mar-22	55.55	31.60	45.95	2,17,236

) Distribution of Shareholding according to categories of shareholders as on 31<sup>st</sup> March 2022.

Categories	No. of Shares	% to Total
Promoters, Directors / Relatives and associated Persons	66,16,142	40.36
Financial Institutions & Banks/Mutual Funds/Central & State Governments	7370	0.04
Foreign Institutional Investors	---	---
Non-resident Indians	88,023	0.53
Private Corporate Bodies	73,43,556	44.79
Indian Public	2339259	14.28
TOTAL	1,63,94,350	100

#### DISTRIBUTION OF SHAREHOLDING: 31<sup>st</sup> March, 2022

Nominal Value	Holder s		Amou nt	
	Number	% To Total	in Rupees	% of Total Capital
Upto - 500	6145	90.77	583576	3.56
501 - 1000	295	4.36	222831	1.36
1001 - 2000	141	2.08	199442	1.22
2001 - 3000	50	0.74	126444	0.77
3001 - 4000	25	0.37	86171	0.53
4001 - 5000	17	0.25	77756	0.47
5001 - 10000	30	0.44	215414	1.31
10001 and above	67	0.99	14882716	90.78
Total	6770	100	16394350	100

#### xi) Dematerialisation of Shares and Liquidity

Trading of securities of your Company has been made compulsorily in dematerialized form under rolling settlement with effect from 2<sup>nd</sup> January 2002 and available for trading under both the Depository Systems in India - NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE114E01013.

As at 31<sup>st</sup> March 2022, 23.01% of the Equity Share Capital, representing 37,73,434 shares were held in demat mode. Investors who wish to exercise the option of dematerialisation of their shares are required to submit Dematerializations Request Form (DRF) duly filled in along with the original share certificate to the Depository Participant (DP).

For guidance on Depository services, shareholders may write to the Company or to the Registrars and Share Transfer Agents.

- **Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : NIL**



## CEO & CFO CERTIFICATIONS

The CEO & CFO of the Company gave annual certificates on financial reporting and internal controls to the Board in terms of **Part B Schedule II of SEBI (Listing Obligations & Disclosure Requirements) 2015**

<b>xiii) Plant Location:</b> Rudraram Village, Patancheru Mandal, Sanga Reddy District, Telengana. www.vbcfal.in	<b>Contact Numbers:</b> 08455-221802, 221806 Mail: vbcsilicon@gmail.com / info@vbcfal.in Web:
<b>xiv) Address for Correspondence</b> Company Secretary VBC Ferro Alloys Limited, 6-2-913/914, 3 <sup>rd</sup> Floor, Progressive Towers, Khairatabad, Hyderabad 500 004, Telengana, India Web: www.vbcfal.in	Contact Numbers 040-23301200, 1230: Mail: vbcsilicon@gmail.com / info@vbcfal.in

## OTHER DISCLOSURES

- The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However these transactions are not likely to have any conflict with the Company's interest. The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company.
- There are no non-compliances in the last three years by the Company on any matter related to Capital Market and there were no penalties imposed nor strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority during the year.
- The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.
- The Whistle Blower Policy of the Company is also posted on the website of the Company
- The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance with the discretionary requirements under Regulation 27(1) of SEBI Listing Regulations.
- The Board has constituted Internal Complaints Committee in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). This Committee was constituted to specifically provide a safe, secure and enabling environment, free from sexual harassment to every woman.
- In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.
- Disclosure with respect to demat suspense account/ unclaimed suspense account: N.A
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – The Company has not raised any funds during the year under review.
- Policy on dealing with Related Party Transactions and Policy for determining material subsidiaries may be accessed on our website.
- A certificate from a company secretary in practice that none of the directors on the board of the



company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.

- ♦ Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.
- ♦ Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part Rs. 1,50,000/-
- ♦ Disclosure by listed entity about 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name in the notes to the accounts.  
Save and except the aforesaid, neither the Company nor any of its subsidiaries has given any loan / advance in the nature of loans to firms/companies in which directors are interested.
- ♦ Disclosure with respect to demat suspense account/ unclaimed suspense account: N.A
- ♦ The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ♦ Non-compliance of any requirement of corporate governance report, with reasons thereof: All the corporate governance requirements are complied with.

**The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

**Discretionary Requirements:**

The Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

**i. The Board:**

Maintenance of Office to the Non-Executive Chairperson at the Company's expense: Company is not providing such facility to the Chairman

**ii. Shareholders' rights:**

All the quarterly financial results are placed on the Company's website, apart from disseminating them in BSE and publishing in Newspaper.

**iii. Modified opinion(s) in audit report:**

There are no modified opinions in the Audit Reports.

**iv. Reporting of Internal Auditor:**

The Internal Auditor reports to the Chairman of the Audit Committee directly.

- ♦ **Compliance Certificate:** Certificate from M. Naga Kishore, Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 40<sup>th</sup> Annual Report.

**Secretarial Audit:**

- a. M M. Naga Kishore, Company Secretary has conducted a Secretarial Audit of the Company for the year 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- b. Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on yearly basis, by M. Naga Kishore, Company Secretary, certifying due compliance of share transfer formalities by the Company.
- c. M/s D. Hanumantha Raju & Co., Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- d. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details follow:



Regulation	Particulars of regulations	Compliance Status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA
25	Obligations with respect to independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

**DECLARATION OF THE MANAGING DIRECTOR / CEO ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS:**

VBC Ferro Alloys Limited has adopted a Code of Business Conduct and Ethics ("the Code") which applied to all employees and Director of the Company. Under code, it is responsibility of all employees and Directors to familiarize themselves with the Code and Comply with its standards.

I hereby certify that the Board Members and Senior Management Personnel of VBC Ferro Alloys Limited have affirmed compliance with the Code for the Financial Year 2021-22.

Sd/-  
**I, Narsingh Rao**  
 Chairman  
 DIN No. 01852112

**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER(CEO & CFO) CERTIFICATE:**

We, Sri M.V. Ananthakrihna , Whole-time Director and Sri R. Dharmender, Chief Financial officer of VBC Ferro Alloys Limited to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements including cash flow statement for the financial year ended March31, 2022 and to the best of our knowledge and belief:
  - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
  - b) The financial statements and other financial information included in this report present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
  - a) There has not been any significant change in internal control over financial reporting during the year under reference;
  - b) There has not been any significant changes in accounting policies during the year under reference; and
  - c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd.-

M.V. ANANTHAKRIHNA  
WHOLE-TIME DIRECTOR  
DIN No. 00897536

Sd/-

R.DHARMENDER  
Chief Financial Officer

Place: Hyderabad  
Date : 12.08.2022



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
M/s.VBC Ferro Alloys Limited  
Progressive Towers, 3<sup>rd</sup>Floor,  
6-2-913/914, Khairtabad,  
Hyderabad-500004, Telangana.

have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. **VBC FERRO ALLOYS LIMITED** having CIN: L27101TG1981PLC003223 and having registered office at Progressive Towers, 3<sup>rd</sup> Floor, 6-2-913/914, Khairtabad, Hyderabad-500004, Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been ~~debarred~~ or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except Ms.RekhaDeshraju(DIN: 02969023) who has been ~~debarred~~/ disqualified by Ministry of Corporate Affairs for a period of 01/11/2018 to 31/10/2023 for non-filing of financial statements or annual returns for a continues period of three financial years of DeearFosil Fuel Private Limited and UrjaGyan Foundation. However, She resigned from the Board w.e.f., 23<sup>rd</sup> December, 2022.

S. No.	Name of the Director	DIN	Date of Appointment in Company
1.	Mocherla Venkata Ananthakrishna	00897536	14/05/2010
2.	Indoori Narsing Rao	01852112	12/03/2019
3.	Mathukumilli Siddartha	07630456	02/12/2021
4.	Priyanka Makkena	09380152	02/12/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 12/08/2022  
Place: Hyderabad

Sd/-  
**Naga Kishore Mittapalli**  
**Company Secretary in Practice**  
**M.No.: F7684; CP No.: 13597**  
**ICSI UDIN: F007684D000790611**





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### CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
VBC Ferro Alloys Limited, Hyderabad

We have examined the compliance of conditions of Corporate Governance by VBC Ferro Alloys Limited, Hyderabad, for the year ended 31<sup>st</sup> March, 2022 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the “Listing Agreement” of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Dated: 12.08.2022

Sd/-  
(M.Naga Kishore)  
Company Secretary in Practice  
M.No.: F7684  
CP No.: 13597



## INDEPENDENT AUDITOR'S REPORT

To  
THE MEMBERS OF  
VBC Ferro Alloys Limited,  
Hyderabad

Report on the Audit of the Standalone Ind AS Financial Statements

### Qualified Opinion:

We have audited the accompanying standalone Ind AS financial statements of VBC Ferro Alloys Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- a) Non-provision of shortfall of deemed energy charges for earlier years amounting to Rs 53,44,77,378/, pending disposal of company's petition before TSERC as stated in Note No. 2.34 to the standalone Ind AS financial statements has resulted in understatement of the loss for the year.
- b) As stated in Note No. 2.04c the company has not measured its Investments in Equity Instruments designed to be measured at Fair Value through Other Comprehensive Income at fair values as required by Indian Accounting Standard "Financial Instruments" (Ind AS 109) which is not in compliance with the provisions of section 133 of the Companies Act, 2013.
- c) As stated in Note No. 2.42 that balances lying in the lenders', sundry creditors, like, suppliers' service providers', employees' and customers' accounts are subject to confirmation.
- d) Provision towards present liability in respect of future payments of gratuity and leave encashment has not been made using Projected Unit Credit method as required by Ind AS 19 "Employee Benefits", which is non-compliance with the provisions of section 133 of the Companies Act, 2013.
- e) As stated in Note No. 2.41 the company has not conducted the impairment test of its cash generating assets despite of the indication of asset remaining idle as required by Ind AS 36 "Impairment of Assets", which is non compliance with the provisions of section 133 of the Companies Act, 2013.
- f) No physical verification of inventories has been carried out during the year. Accordingly, we are unable to express our opinion on the realisability of the amount at which the same are stated in the



books of account.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for Qualified opinion on the standalone Ind AS financial statements.

**Emphasis of Matter Paragraphs:**

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- a. Note No. 2.04 with marks (#) that 124.589 Lakhs of shares acquired by the company in Konaseema Gas Power Limited, the title in respect of which is not transferred in the name of the company.
- b. Note No. 2.26a that cost of materials consumed includes the loss of the raw materials due to the loss of the technical properties and usability of the materials in the production due to passage of time besides consumption.

Our opinion is not modified in respect of these matters.

**Key Audit Matters**

We have determined that there are no key audit matters to be communicated in our report.

**Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board of Directors' Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above specified reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the above specified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity



and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to



cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and, except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) As written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, have not been provided to us, we are unable to state whether any of the



directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The remuneration paid to the Directors by the company is in accordance with the provisions of section 197.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. The unpaid dividend amounting to Rs 563,316/- has not been transferred to the Investor Education and Protection Fund as required to be transferred by the Company.

iv. (a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has neither declared nor paid any dividend during the year

**For PAVULURI & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 012194S**  
**Sd/-**

**(CA V N DEEPTHI KONERU)**  
**Partner**

**Membership No.F-228424**  
**UDIN: 22228424AJPLM06642**

Place: Hyderabad  
Date: 25-05-2022



## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure A referred to in our Independent Auditor's report of even date, to the members of VBC Ferro Alloys Limited, Hyderabad, for the year ended 31 March 2022 we report that:

- i) a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets including capital work in progress could not be physically verified by the management during the year in accordance with phased programme of verification. Accordingly, we are unable to report on any material discrepancies between the fixed asset register and the assets physically available.
  - c) We could not verify the title deeds of the immovable properties as the same are not produced for our verification.
- ii) Physical verification of inventory including Capital stock of stores and spares could not be conducted during the year by the management in the entire year. As no physical verification of inventories has been carried out during the year under report, we are unable to report regarding the discrepancies between the physical stocks and the book records. During the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director(s) is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013. The investment made by the company in an earlier year does not exceed the limits prescribed under section 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have not been deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.



Sr. No.	Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates
1.	Employee state Insurance Corporation Act 1948	Employer's contribution	1,00,000	From 01.04.2012 to 31.03.2015
2.	Employee state Insurance Corporation Act 1948	Employees' contribution	26,216	From 01.07.2013 to 31.03.2015
3.	Professional Tax 1975	Employees' contribution	4,42,530	From 01.07.2012 to 31.03.2017
4.	Central Sales Tax Act	Central Sales Tax	18,65,469	For the year 2013-14
5.	Income Tax Act, 1961	Dividend Distribution Tax	21,38,620 excluding interest	For the financial year 2011-12
6.	Income Tax Act, 1961	Income tax deducted at source	1,36,53,620	From 01.04.2012 to 31.08.2021
7.	Greater Hyderabad Municipal Corporation Act	Property Tax	5,97,730	From 01.04.2012 to 31.03.2020

b) As at 31st March 2022, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Sr. No.	Name of the Statute	Nature of the Dues	Amount* (in Rs.)	Period to which the amount relates	Forum where dispute is pending
1.	Central Sales Tax Act	Non submission of 'C' and 'F' forms	18, 68,890	1996-97	Dy.Commissioner (Appeals)
2.	Central Sales Tax Act	Non submission of 'H' forms	11, 86,633	2008-09	Appellate Dy.Commissioner (CT)
3.	Employees' State Insurance Act, 1948	Non-payment of contribution	25,98,486	September 2013 onwards	High Court
4.	Income Tax Act, 1961	Demand u/s143(3)	3,22,96,420	2018-19	CIT(Appeals)
5.	Income Tax Act, 1961	Demand u/s270A	56,61,871	2018-19	CIT(Appeals)

(\*) Net of Pre deposits made





- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- ix)
- a) According to the records of the company examined by us, the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks as on at the balance sheet date.
  - b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - c) The Company has not taken any term loan during the year.
  - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under report. Accordingly, paragraph 3 (ix) of the Order is not applicable. the company has not made any preferential allotment or private placement of shares and convertible debentures (fully convertible) during the year
- xi)
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures
- xii)
- The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- xiii) According to the information and explanations to us and based on our examination of the records of the company transactions with the related parties are in compliance with section 177 and 188 of Companies Act,2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- a) xi) The Company does not have an internal audit system and is required to have an internal audit system as per section 138 of the Act.



- b) As reported under sub-clause (a) above, the company did not have an internal audit system for the period under audit.
- xiv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xv) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvi) The Company has earned operating cash profit of Rs.6,65,50,756/-during the financial year covered by our audit as against cash loss incurred of Rs.38,99,31,051/-in the immediately preceding financial year.
- xvii) There has been no resignation of the statutory auditors of the Company during the year.
- xviii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xix) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

Place: Hyderabad  
Date: 25-05-2022

**For PAVULURI & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 012194S**  
**Sd/-**  
**(CA V N DEEPTHI KONERU)**  
**Partner**  
**Membership No.F-228424**  
**UDIN: 22228424AJPLM06642**



## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of M/s VBC FERRO ALLOYS LIMITED.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

### **Opinion**

We have audited the internal financial controls over financial reporting of **M/s. VBC FERRO ALLOYS LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial



controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Hyderabad  
Date: 25-05-2022

**For PAVULURI & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 012194S**  
**Sd/-**  
**(CA V N DEEPTHI KONERU)**  
**Partner**  
**Membership No.F-228424**  
**UDIN:**  
**22228424AJPLM06642**



## 1. Significant Accounting Policies

### Company overview

VBC Ferro Alloys Limited (VBCFAL) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and has its registered office at 6-2-913/914, Third Floor, Progressive Towers, Khairatabad, Hyderabad- 500004. The securities of the company are listed in BSE Limited.

The Company is engaged in the business of manufacturing Ferro Alloys at Rudraram Village, Patancheru Mandal, Medak District, Telangana.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on 25<sup>th</sup> May, 2022.

### Basis of preparation of financial statements

#### Statement of Compliance with Ind AS

These financial statements are the standalone financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements and guidelines issued by the Securities and Exchange Board of India (SEBI).

These are the Company's first Ind AS Financial Statements and the date of transition to Ind AS, as required has been considered to be April 1, 2016.

#### Recent Accounting Pronouncements –Standards issued but not yet effective

On 28 March 2018, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) (Amendments) Rules, 2018. The key amendments to the Ind AS Rules are:

- Introduction of new revenue standard Ind AS 115 "Revenue from contracts with customers" and omitted Ind AS 11 "Construction contracts" and Ind AS 18 "Revenue".
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21 "The Effect of Changes in Foreign Exchange Rates".
- Amendment to Ind AS 40 "Investment property",
- Amendments to Ind As 12 "Income Taxes",
- Amendment to Ind As 28 "Investments in Associates and Joint ventures" and
- Amendment to Ind AS 112 "Disclosure of interests in other entities"
- Consequential amendments to other Ind AS due to notification of Ind AS 115 and other amendments referred above.

These amendment rules are effective from the reporting periods beginning on or after 1<sup>st</sup> April, 2018.

#### Amendment to Ind AS 40:

The amendment lays down the principles regarding when a company should transfer asset to, or from, investment property. As the Company does not have any investment property, this amendment does not have any impact on the financial statements of the Company.

#### Amendment to Ind AS 21:

The appendix clarifies that the date of transaction, for the purpose of determining the exchange rate to



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use on initial recognition of the asset, expense or income, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. The effect of this amendment on the financial statements of the Company will be evaluated.

**Amendment to Ind AS 12:**

The amendment clarifies the requirements for recognising deferred tax asset on unrealised losses. The effect of this amendment on the financial statements of the Company will be evaluated.

**Amendment to Ind AS 28:**

The amendment provides clarification requiring to measure investments separately for each associate or joint venture. . The effect of this amendment on the financial statements of the Company will be evaluated.

**Amendment to Ind AS 112:**

The amendment clarifies that disclosure requirement for interests in other entities also apply to interests that are classified as held for sale or as discontinued operations in accordance with Ind AS 105 “Non-current Assets held for sale and Discontinued operations”. The effect of this amendment on the financial statements of the Company will be evaluated.

The Company will adopt these amendments from their applicability date.

**Basis of Preparation**

For all periods up to and including year ended 31<sup>st</sup> March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These financial statements for the year ended 31<sup>st</sup> March, 2022 are the fifth financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1<sup>st</sup> April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 5 (First-time Adoption).

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

**Use of Estimates:**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 3. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are effected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



### Current and non-current classification

All assets and liabilities in the balance sheet are presented based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

### Property, Plant and Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes all costs directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimation of dismantling and site restoration costs. Subsequent costs relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Property, Plant and Equipment are componentized and are depreciated separately over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on buildings and plant and machinery is charged under straight line method and on the remaining assets under the diminishing balance method. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipments) incurred on projects under implementation are treated as expenditure during construction pending for allocation to the assets and are shown under CWIP. CWIP is stated at the amount expended upto balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use.



An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**Investment in Associates:**

Investments in associates are carried at cost.

**Inventories:**

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value (except by-products, waste and scrap which are valued at estimated net realisable value). Cost is computed on annual weighted average basis.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments. Equity investments and bank borrowings are excluded from cash equivalents. However, bank overdrafts which are repayable on demand are included as a component of cash and cash equivalents.

**Trade receivables:**

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

**Trade payables:**

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service provider or not. Trade payables are classified as current liabilities.

**Provisions, contingent assets and contingent liabilities:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will





be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### **Revenue recognition:**

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

##### **a. Sale of products:**

Sale of products is recognized, when significant risks and rewards of ownership pass to the dealer / customer, as per terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

##### **b. Dividend income:**

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

##### **c. Unbilled income:**

Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

#### **Expenses:**

All expenses are accounted for on accrual basis.

#### **Employee Benefits include:**

##### **(i) Short term employee benefits-**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the



related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The company recognises a liability and an expense for bonus only when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of obligation can be made.

(ii) Post employment benefits-

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity: and
- (b) Defined contribution plans such as provident and pension funds.

**Defined Benefit Plans** -The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

**Defined Contribution Plans**- The Company pays provident fund contributions to publicly administered provident funds as per local regulations. It has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Income Taxes:**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Prior period items**

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

**Earnings Per Share:**

The basic earnings per share are computed by dividing the net profit/(loss) after tax for the period from continuing operations attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as per IND AS-33.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented. Dilutive potential equity shares are determined independently for each period presented.

**Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Impairment of assets:**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Non Derivative Financial Instruments:**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

***Initial Recognition-***

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/ deducted to/from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

***Subsequent measurement-***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**(i) Debt instruments at amortised cost**

A debt instrument is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation of EIR is included in finance income in the profit or loss. The impairment losses and gain/loss on de-recognition are recognised in the profit or loss.

**(ii) Debt instruments at fair value through other comprehensive income**

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments under this category are measured at fair value at each reporting date. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit & loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss** Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

All equity instruments in scope of Ind AS 109 are measured at fair value by the Company. Equity investments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrecoverable.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**(iv) Equity instruments measured at fair value through other comprehensive income**

The Company has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are



recognized in the OCI. Dividends are recognised in the Profit & Loss. There is no recycling of the amounts from OCI to Profit & Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

**Financial liabilities** are classified in two measurement categories:

- Financial liability measured at amortised cost
  - Financial liability measured at fair value through profit or loss
- (i) **Financial liabilities measured at fair value through profit or loss** include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The company has not designated any financial liability as at fair value through profit and loss.
- (ii) **Financial liability measured at amortised cost**  
All other financial liabilities are subsequently carried at amortized cost using effective interest rate (EIR) method, thereby resulting in amortisation of transaction costs and interest expenses through Profit & Loss over the life of the instrument. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### **Reclassification of financial assets-**

The company reclassifies its financial assets only when there is a change in entity's business model for managing its financial assets.

#### ***Derecognition of financial instruments-***

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de- recognition under Ind. AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

#### **Impairment of financial assets-**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- a. Trade receivables
- b. Financial assets measured at amortized cost (other than trade receivables)
- c. Financial assets measured at fair value through other comprehensive income.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted



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at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

**Offsetting of financial instruments-**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Fair Value of Financial instruments-**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022

(Amount in Rupees'000)

Particulars 1	Note No. 2	As at 31-03-2022 3	As at 31-03-2021 4
<b>ASSETS</b>			
<b>1.Non-current assets</b>			
a)Property, plant and equipment	2.01	14,25,839.68	13,74,956.98
b)Capital work-in-progress	2.02	-	1,90,579.61
c) Right of use asset	2.03	2,077.62	3,116.43
d)Financial assets			
i)Investments	2.04	1,57,288.19	1,57,288.19
ii)Loans and advances	2.05	3,40,020.69	4,16,873.98
e)Other non-current assets	2.06	2,73,005.31	4,022.00
		<b>21,98,231.49</b>	<b>21,46,837.19</b>
<b>2.Current assets</b>			
a)Inventories	2.07	1,73,303.34	68,355.27
b)Financial assets			
i)Trade receivables	2.08	21,550.65	-
ii)Cash and cash equivalents	2.09	20,164.13	2,248.45
iii)Bank balances other than above	2.10	22,628.63	11,848.67
c)Current Tax Assets (Net)	2.11	2,162.18	2,918.39
d)Other current assets	2.12	1,64,745.00	2,07,583.54
		<b>4,04,553.93</b>	<b>2,92,954.33</b>
<b>Total Assets</b>		<b>26,02,785.42</b>	<b>24,39,791.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1.Equity</b>			
a)Equity Share capital	2.13	1,63,949.88	1,63,949.88
b)Other equity	2.14	9,92,807.47	9,90,904.98
		<b>11,56,757.34</b>	<b>11,54,854.86</b>
<b>2.LIABILITIES</b>			
<b>Non-current liabilities</b>			
a)Financial liabilities			
i)Borrowings	2.15	2,06,185.13	1,58,712.56
iii)Other financial liabilities	2.16	6,52,744.93	2,54,628.12
b) Lease liabilities	2.17	1,327.20	4,543.83
c)Deferred tax liability(Net)	2.18	32,180.46	32,180.46
<b>Current liabilities</b>			
a)Financial liabilities			
i)Borrowings	2.19	34,866.37	14,405.12
ii)Trade payables:-	2.20		
(A)Total outstanding dues of micro enterprises and small enterprises and			
(B)Total outstanding dues of creditors other than micro enterprises and small enterprises		3,14,544.94	6,40,580.72
iii)Other financial liabilities	2.21	12,464.46	12,734.37
b) Lease liabilities	2.17	1,246.85	1,539.40
c)Other current liabilities	2.22	1,87,377.98	1,62,873.98
d)Provisions	2.23	3,089.75	2,738.10
		<b>5,53,590.36</b>	<b>8,34,871.69</b>
		<b>14,46,028.08</b>	<b>12,84,936.66</b>
<b>Total Equity and Liabilities</b>		<b>26,02,785.42</b>	<b>24,39,791.51</b>
<b>For and on behalf of the Board</b>		<b>As per our report of even date annexed</b>	
<b>Sd/-</b>	<b>Sd/-</b>	<b>For PAVULURI &amp; Co.</b>	
<b>M.V.ANANTHAKRISHNA</b>	<b>M. SIDDARTHA</b>	<b>CHARTERED ACCOUNTANTS</b>	
<b>Whole Time Director</b>	<b>Director</b>	<b>Firm Registration Number: 012194S</b>	
		<b>Sd/-</b>	
		<b>CA V N DEEPTHI KONERU</b>	
		<b>Partner</b>	
		<b>Membership Number: F-228424</b>	
<b>Place : HYDERABAD</b>		<b>Place : Hyderabad</b>	
<b>Date : 25-05-2022</b>		<b>Date : 25-05-2022</b>	


**Statement of Profit and Loss for the year ended 31st March, 2022**

(Amount in Rupees'000)

Particulars	Note No.	Current Year	Previous Year
<b>I. INCOME</b>			
Revenue from operations	2.24	9,24,686.98	17,641.61
Other income	2.25	46,548.20	1,99,921.28
<b>Total Income</b>		<b>9,71,235.18</b>	<b>2,17,562.89</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	2.26	3,33,354.75	-
Change in inventories of finished goods	2.27	(56,492.05)	4,103.08
Power	2.28	4,66,146.07	4,82,443.51
Employee benefit expenses	2.29	34,317.68	16,037.01
Finance cost	2.30	1,167.05	5,481.67
Depreciation & Amortization Expense	2.31	64,296.62	66,133.36
Other expenses	2.32	1,26,190.93	99,428.67
<b>Total expenses</b>		<b>9,68,981.04</b>	<b>6,73,627.30</b>
<b>III. Profit/(Loss) before Exceptional items and tax (I-II)</b>		<b>2,254.13</b>	<b>(4,56,064.41)</b>
<b>IV. Exceptional Items :</b>			
		-	-
<b>V. Profit/(Loss) after Exceptional items and before tax</b>		<b>2,254.13</b>	<b>(4,56,064.41)</b>
<b>VI. Tax expense :</b>			
Current tax		351.65	
<b>VII. Profit/ (loss) for the year</b>		<b>1,902.49</b>	<b>(4,56,064.41)</b>
<b>VIII. Other comprehensive income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(i) Re-measurement gains/(losses) on the defined benefit plans			
(ii) Gains/(losses) on sale of Equity Instruments measured at FVTOCI			
(iii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI			
(iv) Changes in Property, Plant & equipment recognised to Revaluation Surplus			
Income tax effect on above			
<b>B Items that may be reclassified to profit or loss</b>			
Income tax relating to items that will be reclassified to profit or loss			
<b>IX. Total comprehensive income for the year</b>		<b>1,902.49</b>	<b>(4,56,064.41)</b>
<b>X. Earnings per equity share</b>	2.39		
Basic		0.12	(27.82)
Diluted		0.12	(27.82)
Significant accounting policies and other accompanying notes form an integral part of the financial statements	1		
<b>For and on behalf of the Board</b>		<b>As per our report of even date annexed</b>	
Sd/-	Sd/-	Sd.-	Sd/-
M.V.ANANTHAKRISHNA	M. SIDDARTHA	R.DHARMENDER	CA V N DEEPTHI KONERU
Whole Time Director	Director	CFO	Partner
			Membership Number: F-228424
Place : HYDERABAD		Place : Hyderabad	
Date : 25-05-2022		Date : 25-05-2022	





### Statement of Cash flows for the year ended 31st March, 2022

		(Amount in Rupees'000)	
Particulars		31-Mar-2022	31-Mar-2021
<b>A)</b>	Cash Flow from Operating Activities:		
	<b>Profit/(Loss) before tax and after exceptional items:</b>	2,254.13	(4,56,064.41)
	<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
	Depreciation of property, plant and equipment and amortisation	63,257.81	65,094.55
	Amortisation of Right of Use assets (Intangible)	1,038.81	1,038.81
	Finance costs (including fair value change in financial instruments)	39.31	4,554.31
	Loss / (Profit) on disposal of property, plant and equipment	(39,494.09)	(1,98,077.67)
	Excess provision of earlier years written back	(223.66)	(0.56)
	Debit balances written off	-	-
	Provision for Diminution of Investment	-	-
	Finance charge on leasehold land	435.86	449.27
	Operating Profit before Working Capital changes	<b>27,308.18</b>	<b>(5,83,005.69)</b>
	<b>Working capital adjustments:</b>		
	Movements in provisions, gratuity and government grants	-	27.23
	Decrease/(Increase) in trade and other receivables & Pre payments	(1,85,567.13)	(1,13,515.41)
	Decrease / (Increase) in inventories	(1,04,948.08)	5,301.63
	Increase /(Decrease) in trade and other payables	96,890.43	1,82,487.68
	Cash generated from operations	<b>(1,66,316.59)</b>	<b>(5,08,704.57)</b>
	Income Tax (paid)/refund	404.57	(310.56)
	Net Cash generated in operations	<b>(1,65,912.02)</b>	<b>(5,09,015.13)</b>
	Insurance proceeds received	-	-
	Net cash flows from operating activities	<b>(1,65,912.02)</b>	<b>(5,09,015.13)</b>
<b>B)</b>	Cash Flow from Investing Activities:		
	Purchase of property, plant and equipments	(1,74,646.43)	(658.69)
	Proceeds from sale of property, plant and equipments	1,00,000.00	5,31,000.00
	Increase/(decrease) in Capital Work in Progress	1,90,579.61	(22,563.07)
	Net cash flows used in investing activities	<b>1,15,933.19</b>	<b>5,07,778.25</b>
<b>C)</b>	Cash Flow from Financing Activities:		
	Interest paid	(39.31)	(4,554.31)
	Proceeds from borrowings	47,472.57	-
	Repayments of borrowings	20,461.25	6,728.96
	Net Cash flows/(used in) Financing Activities	<b>67,894.51</b>	<b>2,174.65</b>
	Net increase/(decrease) in Cash & Cash equivalents (A+B+C)	17,915.67	937.77
	Opening balance of Cash & Cash equivalents	2,248.45	1,310.69
	Closing balance of Cash & Cash equivalents	20,164.13	2,248.45

#### Reconciliation of cash and cash equivalents as per cash flow statement:

Cash and cash equivalent comprises of the following

Particulars	31-Mar-2022	31-Mar-2021
Cash and cash equivalents	20,164.13	2,248.45
Bank Overdrafts	-	-
<b>Balance as per statement of cash flows</b>	<b>20,164.13</b>	<b>2,248.45</b>

For and on behalf of the Board

Sd/-  
M.V.ANANTHAKRISHNA  
Whole Time Director

Sd/-  
M. SIDDARTHA  
Director

Sd/-  
R. DHARMENDER  
CFO

As per our report of even date annexed  
FOR PAVULURI & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration Number: 012194 S

Sd/-  
(CA V N Deepthi Koneru)  
Partner

Membership Number: F-228424  
Place : Hyderabad  
Date : 25-05-2022

Place : HYDERABAD  
Date :25-05-2022



## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

### A. Equity share capital

(Amount in Rs.'000)

Particulars	As at 31-03-2022	As at 31-03-2021
Balance at the beginning of the reporting period	1,63,950.00	1,63,950.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,63,950.00	1,63,950.00

### B. Other Equity

(Amount in Rs.'000)

#### (1) Current reporting period

Particulars		Balance as on 01.04.2021	Total comprehensi ve income for the year	Transfer to retained earnings *	Any other change (to be specified) #	Balance as on 31.03.2022
Reserves and surplus	Capital Reserve	1,500.00				1,500.00
	Securities Premium Reserve	5,39,179.00				5,39,179.00
	General Reserve	9,64,000.00				9,64,000.00
	Retained Earnings	(19,29,183.40)	1,902.49		60,761.88	(18,66,519.04)
Asset Revaluation Surplus		13,77,158.36	-	(60,761.88)		13,16,396.49
Equity Instruments through Other Comprehensive Income		38,251.02				38,251.02
Equity Instruments through Other Comprehensive Income			-			-
Total		<b>9,90,904.98</b>	<b>1,902.49</b>	<b>(60,761.88)</b>	<b>60,761.88</b>	<b>9,92,807.47</b>

#### \* Represents:

1. Depreciation on revaluation of property, plant & equipment amounting to Rs.60761876/-

#### # Represents:

1. Depreciation on revaluation of property, plant & equipment amounting to Rs.60761876/-



Note No 2.01:											
Property, Plant & Equipment as on 31.03.2022											
Particulars	Gross Block					Accumulated Depreciation					Net Block
	As at 1st April, 2021	Additions	Disposals	As at 31st March, 2022	Up to 1st April, 2021	Depreciatio n charge for the year	On disposals	Up to 31 <sup>st</sup> March, 2022	As at 31st March, 2022	As at 31st March, 2021	
Land	4,90,890.37	70,014.08	51,839.42	5,09,065.03	-	-	-	-	5,09,065.03	4,90,890.37	
Buildings *	2,24,163.71	-	11,892.00	2,12,271.71	61,120.44	5,994.43	3,225.51	63,889.36	1,48,382.35	1,63,043.27	
Plant & Machinery	14,48,949.70	1,04,632.35	-	15,53,582.05	7,29,540.77	56,946.13	-	7,86,486.89	7,67,095.15	7,19,408.93	
Furniture & Fixtures	4,296.16	-	-	4,296.16	3,784.38	111.24	-	3,895.62	400.54	511.78	
Office Equipment	10,386.91	-	-	10,386.91	10,037.37	55.77	-	10,093.13	293.77	349.54	
Vehicles	16,568.47	-	-	16,568.47	15,815.38	150.25	-	15,965.64	602.83	753.09	
<b>Total</b>	<b>21,95,255.32</b>	<b>1,74,646.43</b>	<b>63,731.42</b>	<b>23,06,170.32</b>	<b>8,20,298.34</b>	<b>63,257.81</b>	<b>3,225.51</b>	<b>8,80,330.64</b>	<b>14,25,839.68</b>	<b>13,74,956.98</b>	

\*The building is attached under Employees' State Insurance Act, 1948 and the company is prohibited and restrained from transferring the attached property until further



<b>Note No 2.02: Capital work in progress</b>		(Amount in Rupees'000)		
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Capital Works in Progress:				
a. Civil works under progress		0.00		70,014.08
b. Heat Exchanger & Pollution Equipment		.0		60,749.53
c. Capital Stock in Stores		0.00		1,390.52
Expenditure incidental to construction awaiting allocation (Vide Note No.2.03(a)):		0.00		58,425.49
		0.00		1,90,579.61

<b>Note No. 2.02(a): Expenditure incidental to construction awaiting allocation:</b>				
a. Balance at the beginning of the year:	0.00		58,425.49	
b. Net Expenditure incurred during the year:	0.00			
Total	0.00		58,425.49	
Less: Miscellaneous income	0.00			
		0.00		58,425.49
Total		0.00		58,425.49

<b>Note 2.03 Right-of-Use assets</b>				
Particulars	Balance as at 01-04-2021	Additions	(Amortization)	Balance as at 31-03-2022
Building - Office Accommodation	3,116.43		1,038.81	2,077.62
Total	3,116.43		1,038.81	2,077.62

**Note No 2.04: Non-current financial assets - Investments**

(Amount in Rupees'000)

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
<b>Non Trade:</b>				
<b>1) Investment in Associates measured at cost</b>				
# 140141414 Equity Shares of Rs.10/- each fully Paid up in Konaseema Gas Power Ltd.	14,30,646.21		14,30,646.21	
5596047 Equity Shares of Rs.10/- each fully paid up in IIC Hotels Private Ltd	55,960.47		55,960.47	
		<b>14,86,606.68</b>		<b>14,86,606.68</b>

<b>2) Investment in equity instruments measured at Fair Value through Other Comprehensive Income</b>				
<b>i) Unquoted</b>				
(a) 135000 Equity Shares of Rs.10/- each fully paid up in Basil Infrastructure Projects Ltd.	2,565.00		2,565.00	
(b) 100000 Equity Shares of Rs.10/- each fully paid up in Konaseema Power Corporation Ltd.	-		-	
* (c) 6172670 Equity Shares of Rs.10/- each fully paid up in Orissa Power Consortium Ltd.	98,762.72		98,762.72	
		<b>1,01,327.72</b>		<b>1,01,327.72</b>
<b>TOTAL</b>		<b>15,87,934.40</b>		<b>15,87,934.40</b>
iv) Provision for Diminution in the value Investment of Konaseema Gas Power Ltd.		<b>(14,30,646.21)</b>		<b>(14,30,646.21)</b>
<b>TOTAL</b>		<b>1,57,288.19</b>		<b>1,57,288.19</b>
# includes 124.589 Lakhs (P.Y.124.589 Lakhs) shares acquired, the title in respect of which is in the process of transfer.				
10 crore equity shares of Konaseema Gas Power Ltd have been pledged with various financial institutions as a collateral security against the term loans sanctioned to the said company.				
*6172670 Equity shares of Orissa Power Consortium Ltd have been pledged with various financial institutions as a collateral security against the term loans sanctioned to the said company.				

**Note No. 2.04a Details of Material Associates**

Name of the Associate	Proportion of Ownership interest	Method of accounting adopted	Principal Place of Business
Konaseema Gas Power Ltd	26.06%	<b>Cost</b>	Devarapalli Village, Ravulapalem Mandal, East Godavari District, Andhra Pradesh, India
IIC Hotels Private Limited	25.37%	<b>Cost</b>	6-2-913/914, 6th Floor, Progressive Towers, Khairatabad , Hyderabad 500004 Telangana



Note No. 2.04b Reasons for Investments in Equity Instruments designated to be measured at Fair Value through Other Comprehensive Income

The Company has elected an irrevocable option of classifying the non current investments under fair value through other comprehensive income as they are not held primarily for trading.

**Note No. 2.04c** Fair valuation of Equity Instruments measured at Fair Value through Other Comprehensive Income - The company is unable to determine the fair value as on 31.03.2022 of its investments in various unlisted companies due to non availability of financial statements of the said unlisted entities as at 31.03.2022.

Amount in Rupees'000)

**Note No 2.05: Loans and advances**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Long term advances		78,714.95		89,939.93
Others		2,61,305.74		3,26,934.05
Total		3,40,020.69		4,16,873.98

**Note No 2.06: Other Non Current Assets**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Advance for land		2,73,005.31		4,022.00
Total		2,73,005.31		4,022.00

**Note No 2.07: Inventories**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
(As Valued and Certified by the Management)				
Stores & spares		25,946.85		28,524.05
Raw materials		83,258.73		34,550.10
Finished goods		61,773.17		5,281.12
Material in transit		2,324.60		-
Total		1,73,303.34		68,355.27

Inventories are valued as per Significant Accounting Policies No. 1.7 of Note No. 1

**Note No .2.08: Trade receivables**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Unsecured:				
Debts, outstanding over six months				
Considered good			-	
Considered doubtful		-	-	-
Other debts considered good		21,550.65		-
Total		21,550.65		-



(Amount in Rupees'000)

<b>Note No 2.09: Cash and cash equivalents</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
a. Balances with banks		19,785.50		2,216.54
This includes:				
(Earmarked Balances towards Unpaid Dividend accounts - more than seven years)	563.32		563.32	
b. Cash on hand		378.63		31.92
<b>Total</b>		<b>20,164.13</b>		<b>2,248.45</b>
<b>Note No. 2.10: Bank balances other than above</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Margin Money Deposit with bank (Towards guarantees taken)		22,628.63		11,848.67
<b>Total</b>		<b>22,628.63</b>		<b>11,848.67</b>
<b>Note No 2.11: Current tax assets (net)</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Prepaid taxes (Income Tax Deducted at Source)		2,162.18		2,918.39
<b>Total</b>		<b>2,162.18</b>		<b>2,918.39</b>
<b>Note No 2.12: Other current assets</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
(Unsecured, considered good)				
Advances paid to Suppliers		32,574.90		44,787.81
Prepaid expenses		40.17		307.72
Deposits recoverable		81,617.87		32,117.87
Other Advances Recoverable		19,076.17		99,507.24
Income Tax Refund Receivable		-		3,513.50
GST paid-in-Advance		9,123.58		5,037.09
Power Subsidy receivable from Telangana State Govt.		22,312.31		22,312.31
Surcharge on power receivable from Telangana State Govt.		-		-
<b>Total</b>		<b>1,64,745.00</b>		<b>2,07,583.54</b>

(Amount in Rupees'000)

**Note No 2.13: Equity****a) Equity share capital**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
<b>a) Authorised :</b>				
Equity Shares of Rs.10/- each	<u>2,00,00,000</u>	<u>2,00,000.00</u>	<u>2,00,00,000</u>	<u>2,00,000.00</u>
<b>b) (i) Issued :</b>				
Equity Shares of Rs.10/- each (includes 12000000 number of issue of equity shares on conversion of warrants)	<u>1,63,96,450</u>	<u>1,63,964.50</u>	<u>1,63,96,450</u>	<u>1,63,964.50</u>
<b>b) (ii) Subscribed and Fully Paid up:</b>				
Equity Shares of Rs.10/- each fully paid up (includes 12000000 number of issue of equity shares on conversion of warrants)	1,63,94,350	<b>1,63,943.50</b>	1,63,94,350	<b>1,63,943.50</b>
Add: Amount received on 2100 forfeited shares		<b>6.38</b>		<b>6.38</b>
		<b>1,63,949.88</b>		<b>1,63,949.88</b>

**Terms/ rights attached to equity shares**

Equity shares have a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

b. Equity Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held.

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MVVS MURTHI	<b>2567769</b>	<b>15.66</b>	<b>2567769</b>	<b>15.66</b>
MSP Rama Rao	<b>1947900</b>	<b>11.88</b>	<b>1947900</b>	<b>11.88</b>
OPL Renewable energy pvt ltd	<b>900000</b>	<b>5.49</b>	<b>900000</b>	<b>5.49</b>
Frontline Minerals Private Limited	900000	<b>5.49</b>	900000	<b>5.49</b>
Maha Infrastructure India Limited	<b>850000</b>	<b>5.18</b>	<b>850000</b>	<b>5.18</b>



**Note 2.14: Other Equity**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
a) Capital Reserve		1,500.00		1,500.00
b) Securities Premium:				
Balance at the beginning of the year	5,39,179.00		5,39,179.00	
Received during of the year	-	5,39,179.00	-	5,39,179.00
c) General Reserve		9,64,000.00		9,64,000.00
d) Asset Revaluation Surplus		13,16,396.49		13,77,158.36
e) Retained Earnings		(18,66,519.04)		(19,29,183.40)
f) Other Comprehensive Income - Equity Instruments through Other Comprehensive Income		38,251.02		38,251.02
g) Money received against Share warrants				
<b>Total</b>		<b>9,92,807.47</b>		<b>9,90,904.98</b>

**Nature of reserves:**

- a) **Capital Reserve** : Capital reserve represents the subsidy received from the State Government of India.
- b) **Securities premium** : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- c) **General reserve** : The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- d) **Asset Revaluation Surplus**: Revaluation Surplus represents the upward or downward changes in the value of assets in response to major changes in its fair market value.
- e) **Retained earnings** : Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

**f) Other Comprehensive Income:**

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of:

**items that will not be reclassified to profit and loss**

- a. The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.



Amount in Rupees''000)

<b>Note No 2.15: Non current Financial liabilities- Borrowings</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
<b>Unsecured Loans :</b>				
From other body Corporates		2,03,443.27		1,45,458.27
From Others		2,741.86		13,254.28
Total		2,06,185.13		1,58,712.56
<b>Note No 2.16: Non current Financial liabilities - others</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Deposits refundable		400.00		400.00
FSA & Development Charges Payable to TSSPDCL		5,60,493.36		1,62,376.55
Liabilities Payable		91,851.57		91,851.57
Total		6,52,744.93		2,54,628.12
<b>Note No 2.17: Leases</b>				
<b>Change in Accounting Policy</b>				
The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for accounting lease contract as detailed below.				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Amount in Rupees		Amount in Rupees	
Lease commitments as at 1 April 2020		4,543.83		4,543.83
Add/(less): contracts reassessed as lease contracts		1,246.85		1,539.40
<b>Lease liabilities as on 1 April 2021</b>		<b>5,790.69</b>		<b>6,083.23</b>
Current lease liability		1,246.85		1,539.40
Non current lease liabilities		1,327.20		4,543.83
Right of use assets of Rs.5194052 and lease liabilities of Rs.5194052 have been recognised as on 1st April 2019 in respect of leased office accommodation				
<b>As Lessee</b>				
<b>Movement in lease liabilities</b>				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Lease Liabilities		Lease Liabilities	
<b>Balance at beginning of the year</b>		<b>6,083.23</b>		<b>5,633.96</b>
<i>Charged/ (credited) to profit/loss account</i>				
Additional liability recognised				
Unused amounts reversed				
Interest expense on lease liabilities		435.86		449.27
Amounts used during the year		3,945.04		
<b>Balance at the end of the year</b>		<b>2,574.05</b>		<b>6,083.23</b>



Maturity analysis of lease liabilities	Amount in Rupees'000			
	Particulars	Office accommodation		Office accommodation
Less than 1 year				
1 to 5 years				
More than 5 years				
Total undiscounted lease liabilities at 31 March 2020				
Lease liabilities included in the statement of financial position at 31 March 2020				
Current		1,246.85		1,539.40
Non Current		1,327.20		4,543.83
Total		2,574.05		6,083.23

Amounts recognised in profit or loss	Amount in Rupees		Amount in Rupees	
Particulars	Amount in Rupees		Amount in Rupees	
Interest on lease liabilities		435.86		449.27
Variable lease payments not included in the measurement of lease liabilities				
Income from sub-leasing right-of-use assets				
Expenses relating to short-term leases				
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets				

Note No 2.18: Deferred tax liability				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Deferred tax liability:				
Timing difference between book and tax depreciation	1,492.93		1,492.93	
Items of contingent liability in nature claimed as expenditure for tax purpose	43,088.28	44,581.21	43,088.28	44,581.21
Deferred tax asset:				
Items covered under section 43B of the Income Tax Act	8,090.85		8,090.85	
Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes	-		-	
Provision for doubtful debts	2,579.13		2,579.13	
Unabsorbed depreciation under Income Tax Act	1,730.77	12,400.75	1,730.77	12,400.75
Total		32,180.46		32,180.46

Note No 2.19: Current financial Liabilities- Borrowings				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Unsecured Loans :				
From Body Corporates	29,930.04		12,151.08	
From Others	4,936.32	34,866.37	2,254.04	14,405.12
Total		34,866.37		14,405.12

**Note No 2.20: Current Financial liabilities - Trade payables**

Amount in Rupees'000

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,19,793.49		59,795.15
Power Bills payable to TSSPDCL		1,94,751.45		5,80,785.57
Total		3,14,544.94		6,40,580.72

**Dues to Small and Medium Enterprises:**

(a) Principal amount and interest due thereon remaining unpaid	NIL	NIL
(b) Interest paid in terms of Section 16 of MSMED Act, 2006		
(c) Interest due and payable for the period of delay excluding interest specified under MSMED Act, 2006		
(d) Interest accrued and remaining unpaid at the end of the year		
(e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		

**Note No 2.21: Current Financial Liabilities - Others**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Advances from customers refundable				
Un-Paid Dividends		563.32		563.32
Other current liabilities		11,901.15		12,171.06
Total		12,464.46		12,734.37

**Note No 2.22: Other Current Liabilities**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Liability towards statutory dues		53,012.54		38,445.76
Tax on Equity dividend		2,138.62		2,138.62
Other Liabilities		1,15,364.44		1,11,982.17
Advance received from customers		16,862.39		10,307.43
Total		1,87,377.98		1,62,873.98

**Note No 2.23: Short term provisions**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Details	Rupees	Details	Rupees
Provision for Gratuity		1,222.06		1,222.06
Provision for leave encashment		1,516.04		1,516.04
Provision for IT		351.65		-
Total		3,089.75		2,738.10

**Note No 2.24: Revenue From Operations**

Amount in Rupees'000

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Revenue from sale of Ferro Silicon		4,05,005.33		17,641.61
Revenue from sale of Ferro Silicon -Deemed Export		5,19,681.65		0
Total		<b>9,24,686.98</b>		<b>17,641.61</b>

**Note No 2.25: Other income**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Interest received from Banks		284.40		137.15
Interest received from Others		87.86		1,705.90
Profit on Sale of Property		39,494.09		1,98,077.67
Hire charges received		1,870.97		-
Other receipts		208.26		-
Sale of charcoal fines		4,378.97		-
Sale of Micro Silica/Silica Flume		43.66		-
Sundry Credit balances written back		180.00		0.56
Total		<b>46,548.20</b>		<b>1,99,921.28</b>

**Note No 2.26: Cost of materials consumed**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Opening Stock		34,550.10		34,550.10
Add: Purchases ( Net)		3,82,063.38		-
		<b>4,16,613.48</b>		<b>34,550.10</b>
Less: Closing stock		83,258.73		34,550.10
Debit to profit & loss account		<b>3,33,354.75</b>		-

**Note No 2.26a:** The debit includes storages, loss of the raw materials due to the loss of the technical properties and usability of the materials in the production due to passage of time, besides consumption.

**Note No 2.27: Change in inventories of finished goods**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Opening stock		5,281.12		9,384.20
Less: Closing stock		61,773.17		5,281.12
Increase / (Decrease) in Finished Goods		<b>56,492.05</b>		<b>(4,103.08)</b>

**Note No 2.28: Power**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Power		<b>4,66,146.07</b>		<b>4,82,443.51</b>
Total		<b>4,66,146.07</b>		<b>4,82,443.51</b>

**Note No 2.29: Employee benefit expenses**

Amount in Rupees'000

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Salaries, Wages & Bonus		31,072.71		13,004.72
Contribution to Gratuity fund		27.23		27.23
Staff Welfare Expenses		217.73		5.06
Managerial remuneration		3,000.00		3,000.00
Total		34,317.68		16,037.01

**Note No 2.29 (a):** The company has not provided both Employer' and Employees' contribution to Provident fund during the year based on Order no. TS/PTC/ENF/17192/4741 dated 08.05.2015 issued by Regional PF Commissioner-II & Authority under section 7A of EPF & MP Act, treating the establishment as permanently closed after making the assessment up to August 2013.

Note No 2.29 (b): Employee benefit plans:

As per IND AS 19 "Employees Benefits" the disclosure of Employee Benefits as defined in the Accounting Standard are given hereunder:

**Defined Contributions Plans:**

Contributions to Defined Contribution plans, recognized as expense for the year, are as under:

	2021-22	2020-21
Employer's Contributions to Provident and Pension Funds	0	0
Employer's Contributions to Employees State Insurance	0	0

**Defined Benefit Plans:**

In view of retrenchment of all work men as memorandum of settlement entered into by the company with the workers' union and termination of services of most of the employees of the company, the liability towards the gratuity of the Skeleton staff on rolls as at the balance sheet date has been computed at the present value, instead of actuarial valuation using the Projected Unit Credit Method. Accordingly the various disclosures required under the Accounting standard could not be made.

**Note No 2.30: Finance cost**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Interest - Others		39.31		4,554.31
Interest paid on statutory dues		-		336.05
Interest on Trade deposit		-		60.00
Bank charges		691.88		82.03
Interest expense on lease liabilities		435.86		449.27
Total		1,167.05		5,481.67

**Note 2.31: Depreciation and Amortisation expenses**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Depreciation on plant, property and equipment		63,257.81		65,094.55
Amortisation on right-of-use assets		1,038.81		1,038.81
Total		64,296.62		66,133.36



Amount in Rupees'000

**Note No .2.32: Other expenses**

Particulars	For the year end 31-03-2022		For the year end 31-03-2021	
	Details	Rupees	Details	Rupees
Consumption of Stores and Spares		26,244.65		6,872.61
Consumption of Packing Material		4,963.68		-
Repairs and Maintenance		10,973.06		1,451.92
Factory Expenses & Licence fee		12,034.10		340.79
Rates & Taxes		5,902.59		542.16
Directors' sitting Fees				-
Payment to Auditor's:				
As Auditor's	150.00		100.00	
corporate Law services	25.00	175.00	72.00	172.00
Computer Maintenance Charges		608.14		147.92
Listing and filing fees		359.01		577.37
Printing & stationery		146.41		64.46
Transportation Charges		190.25		120.09
Communication expenses		709.94		143.91
Travelling & conveyance		179.48		242.00
Legal & professional charges		1,751.00		549.70
Advertisement Expenses		277.68		18.65
Insurance on Vehicles & others		33.84		-
Late Fee & Fines		489.68		16.00
Rent & Maintenance		168.75		30.00
Office maintenance		706.02		1,739.58
Selling expenses		761.60		-
Prior Period Expenses		-		3,459.38
Claims paid		-		74,246.19
Bad debts written off		-		7,927.44
Registrar Expenses		241.78		-
Electricity charges		378.24		-
Royalty & Cess		197.01		-
Project Expenses		58,425.49		-
Miscellaneous expenses		273.53		766.49
<b>Total</b>		<b>1,26,190.93</b>		<b>99,428.67</b>

Expenditure in foreign currency during the financial year  
on account of travelling.

0

0

**Note No .2.33: Additional Regulatory Information**

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

**Ratios**

Si. No	Particulars	Year ended	
		31.03.2022 (Audited)	31.03.2021 (Audited)
1	Debt Equity Ratio (Total Borrowings/ Total Equity)	0.18	0.14
2	Debt Service Coverage Ratio (Profit before tax, Exceptional items, Depreciation, Finance charges / (Finance Chares + Long Term Borrowings scheduled principal repayments (excluding prepayments/ refinancing) during the period)	0	0
3	Interest Service Coverage Ratio (Profit before tax, Exceptional items, Depreciation, Finance charges)/Finance Charges	0	0
4	Current Ratio (Current Assets/ Current Liabilities)	0.73	0.35
5	Long Term debt to working capital (Non-current borrowings + Current maturities of long term borrowings/Current Assets - (Current Liabilities -Current maturities of long term borrowings)	0	0
6	Bad debts to Accounts receivable (Bad debts/Trade Receivables)	0	0
7	Current Liability Ratio (Current Liabilities /Total Liabilities)	0.38	0.65
8	Total debts to Total Assets (Total borrowings / Total Assets)	0.08	0.17
9	Debtors Turnover (no. of days) (Gross Sales / Average Trade Receivables * No. of days)	43	34
10	Turnover ( no. of days) (Average inventory / (cost of materials consumed + Purchase of stock-in-trade+ Changes in inventories + Stores and Spares &Consumables consumed + Repairs &Maintenance + Labour charges) * No.of days)	0.26	17
11	Operating EBIDTA Margin (%) (Profit before depreciation, Interest, Tax and exceptional items / Revenue from operations)	7%	**
12	Net Profit Margin (%) ((Net Profit for the period/year) /Revenue from Operations))	0.21%	**
13	Paid Up Equity Share Capital (face value of Rs.10 per share)	16,39,49,875	16,39,49,875
14	Other Equity excluding Revaluation Reserves	**	**
15	Capital Redemption Reserve	15,00,000	15,00,000
16	Networth (As per Companies Act 2013)	115,67,57,341	115,48,54,85
17	Securities Premium	53,91,79,000	53,91,79,000

\*\* indicates negative ratios



**Note No: 2.34**

The Superintending Engineer of TSSPDCL vide his letter No.SE/OP/SAO/HT/F.SGR-129/D.No.450/18 Dated 25-09-2018, while restoring the power connection in the earlier year has imposed a condition that the company shall pay the demand totalling to Rs 53,44,77,378/- towards shortfall of deemed energy charges subject to the outcome of its petition pending before TSERC. The company has not made any provision towards the same pending the disposal of the said petition by TSERC.

**Note No: 2.35**

Amount in Rupees'000

Contingent liabilities and commitments	As at 31-03-2022	As at 31-03-2021
a) Unexpired Bank Guarantees and letters of Credit	5,24,29,000	5,24,29,000
b) Unexpired Corporate Guarantees given to Financial Institutions and strategic Investors on behalf of Body Corporates	65,00,00.00	65,00,00.00
c) Disputed Sales Tax Demands for non submission of "C" & "F" Forms	0	0
d) Demand notice for payment of contribution, interest, damages & further interest under Employees' State Insurance Act, 1948 from September 2013 onwards.	2735.29	2735.29
e) Show cause notice u/s 279(1) for default u/s 276C of Income Tax Act, 1961 for wilful attempt to evade tax payment for assessment year 2011-12	1025.45	1025.45

**Note No: 2.36**

The production activities have been closed due to un-remunerative market price and the same is continued due to Pandemic/COVID-19. However, the books of account are maintained under "going concern" concept, as the Company is planning to restart its activities in the month of October 2020 hoping for stability in market conditions and remunerative market prices due to the Central Governments initiatives to boost the steel industry with mega projects. We anticipate a recovery from the Pandemic conditions by that time.

**Note No: 2.37**

The company operates in only one business Segment of manufacture of Ferro Alloys and there are no geographical segments to be reported.

**Note No: 2.38****Related parties in terms of IND AS 24****a) Associates:**

Konaseema Gas Power Ltd

Orissa power Consortium Limited.

**b) Key Managerial Personnel:**

Sri M S P Rama Rao, Chief Executive

Sri M. V. Ananthakrishna, Whole Time Director

Sri R.Dharmender-Chief Finance Officer

d) **Others:** Enterprises in which key Managerial Personnel or their relatives have substantial interest

VBC Exports Ltd.

Techno Infratech project (India) Pvt. Ltd.

BASIL Infrastructure projects Ltd.

**B. Transactions carried with related parties:**

Nature of Transactions	Current Year	Previous Year
Transactions pertaining to Key Management		
i) Personnel:		
Chief Executive	2,400.00	2,400.00
Remuneration to M.V. Ananthakrishna, Whole Time Director	600.00	600.00
Transactions with Relatives of the Key Managerial		
ii) Personnel:		
a) Interest paid to		
b) Rent paid to:		
Smt. M. Srimani	1200.00	1200.00
b) Amounts payable to the end of the year		
M.S.P. Rama Rao	2,741.86	13,254.28
M. Srimani	4,936.32	803.02
Transactions pertaining to Companies/Firms/Other		
iii) concerns		
in which Key Managerial Personnel or his relatives		
holds		
substantial interest:		
a) Amount payable as at the end of the year		
VBC Exports Ltd	3,820.99	3,820.99
Techno Infratech Project (India) Pvt. Ltd.	8,937.08	8,937.08
BASIL Infrastructure Projects Ltd.,	0	0
VBC Power Company Ltd	9,857.40	9,857.40
b) Amount Invested up to the end of the year in		
BASIL Infrastructure Projects Ltd.,	1,350.00	1,350.00
Konaseema Gas Power Ltd	14,30,646.21	14,30,646.21
Orissa Power Consortium Ltd.	61,726.70	61,726.70

**Note No: 2.39: Earning Per Share (EPS)**

Particulars	Current year	Previous year
Profit attributable to equity holders:		
Continuing operations	1,902.49	(4,56,064.41)
Discontinued operation	0.00	0.00
Profit attributable to equity holders of the parent for basic earnings	1,902.49	(4,56,064.41)
Interest on convertible preference shares	0.00	0.00
Profit attributable to equity holders of the parent adjusted for the effect of dilution	1,902.49	(4,56,064.41)

Particulars	Current year	Previous year
Weighted average number of Equity shares for basic EPS*	1,63,94,350	1,63,94,350
Effect of dilution	0	0
Share options	0	0
Convertible preference shares	0	0
Weighted average number of Equity shares adjusted for the effect of dilution	1,63,94,350	1,63,94,350

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

Earnings per equity share (for continuing operations)	Current year	Previous year
c) Basic Earnings per Share of Rs. 10/-each	0.12	(27.82)
e) Diluted Earnings per share of Rs.10/-each	0.12	(27.82)

**Note No: 2.40**

In the opinion of the board of directors of the company the diminution in the value of certain investments is temporary in nature and hence no provision towards diminution in the value of investments is considered necessary.

**Note No: 2.41**

The company could not conduct the impairment test in the carrying cost of cash Generating assets of the Company in terms of Accounting for Impairment of Asset (IND AS 36) of Companies (Indian Accounting Standard) Rules, 2015 due to uncertainty of cash flows from CGA.

**Note No: 2.42**

Balances lying in the lenders', sundry creditors, like, suppliers', service providers', employees' and customers' accounts are subject to confirmation.

**Note No: 2.43**

In accordance with IND AS - 12: "Income Taxes" issued by Ministry of Corporate Affairs and mandated under Sec 133 of Companies Act, 2013, the Company has not recognised (Deferred Tax Asset) in the books of account as there is no virtual certainty of realisation of the same in future years.

**Note No: 2.44**

Previous year figure were regrouped wherever necessary to make them comparable with current year figures.

<b>For and on behalf of the Board</b>		<b>As per our report of even date annexed</b>	
		<b>For PAVULURI &amp; Co.</b>	
		<b>CHARTERED ACCOUNTANTS</b>	
		<b>Firm Registration Number: 012194S</b>	
Sd/-	Sd/-	Sd/-	Sd/-
<b>M.V.ANANTHAKRISHNA</b>	<b>M. SIDDARTHA</b>	<b>R.DHARMENDER</b>	<b>(CA V N Deepthi Koneru)</b>
<b>Whole Time Director</b>	<b>Director</b>	<b>CFO</b>	<b>Partner</b>
<b>Place : HYDERABAD</b>			<b>Place : Hyderabad</b>
<b>Date : 25.05.2022</b>			<b>Date : 25.05.2022</b>